

NOTICES OF PROPOSED RULEMAKING

Unless exempted by A.R.S. § 41-1005, each agency shall begin the rulemaking process by first submitting to the Secretary of State's Office a Notice of Rulemaking Docket Opening followed by a Notice of Proposed Rulemaking that contains the preamble and the full text of the rules. The Secretary of State's Office publishes each Notice in the next available issue of the *Register* according to the schedule of deadlines for *Register* publication. Under the Administrative Procedure Act (A.R.S. § 41-1001 et seq.), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule. (A.R.S. §§ 41-1013 and 41-1022)

NOTICE OF PROPOSED RULEMAKING

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 1. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

Editor's Note: The following two Notices of Proposed Rulemaking were reviewed per Executive Order 2012-03 as issued by Governor Brewer. (See the text of the executive order on page 3016.) The Governor's Office authorized the notices to proceed through the rulemaking process on September 25, 2012.

[R12-216]

PREAMBLE

<u>1. Articles, Parts, and Sections Affected (if applicable)</u>	<u>Rulemaking Action</u>
Article 1	Repeal
R19-1-101	Repeal
R19-1-102	Repeal
R19-1-103	Repeal
R19-1-105	Repeal
R19-1-106	Repeal
R19-1-107	Repeal
R19-1-109	Repeal
R19-1-111	Repeal
Article 2	Repeal
R19-1-201	Repeal
R19-1-202	Repeal
R19-1-203	Repeal
R19-1-204	Repeal
R19-1-206	Repeal
R19-1-207	Repeal
R19-1-208	Repeal
R19-1-209	Repeal
R19-1-210	Repeal
R19-1-211	Repeal
R19-1-212	Repeal
R19-1-214	Repeal
R19-1-215	Repeal
R19-1-216	Repeal
R19-1-217	Repeal
R19-1-218	Repeal
R19-1-219	Repeal
R19-1-220	Repeal
R19-1-221	Repeal
R19-1-222	Repeal
R19-1-223	Repeal
R19-1-224	Repeal
R19-1-225	Repeal
R19-1-226	Repeal
R19-1-227	Repeal
R19-1-228	Repeal
R19-1-229	Repeal

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R19-1-251	Repeal
Article 3	Repeal
R19-1-302	Repeal
R19-1-303	Repeal
R19-1-304	Repeal
R19-1-305	Repeal
R19-1-306	Repeal
R19-1-307	Repeal
R19-1-308	Repeal
R19-1-309	Repeal
R19-1-310	Repeal
R19-1-311	Repeal
R19-1-312	Repeal
R19-1-313	Repeal
R19-1-315	Repeal
R19-1-316	Repeal
R19-1-317	Repeal
Table A	Repeal

2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):

Authorizing statute: A.R.S. § 4-112(A)(2) and (B)(1)

Implementing statute: A.R.S. §§ 4-101 through 4-312

3. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the proposed rule:

Notice of Rulemaking Docket Opening: 18 A.A.R. 3011, November 16, 2012 (*in this issue*)

4. The agency's contact person who can answer questions about the rulemaking:

Name: Pearlette Ramos
Address: Department of Liquor Licenses and Control
800 West Washington, 5th floor
Phoenix, AZ 85007
Telephone: (602) 542-9021
Fax: (602) 542-5707
E-mail: Pearlette.ramos@azliquor.gov
Web site: www.azliquor.gov

5. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:

In this rule package, the Department is repealing its rules. In a separate rule package, the Department is making new rules that are consistent with statute, agency and industry practice, and are clear, concise, and understandable.

An exemption from the rulemaking moratorium contained in Executive Order 2012-03 was granted in an e-mail from Steven Killian, policy advisor to Governor Brewer, dated September 25, 2012.

6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

The Department did not review or rely on a study in its evaluation or justification for this rulemaking. This rulemaking does not rely on scientific principles or methods.

7. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

This rulemaking repeals all existing rules. When the rulemaking is complete, there will be no regulation in rule.

9. The agency's contact person who can answer questions about the economic, small business, and consumer impact statement:

Name: Pearlette Ramos
Address: Department of Liquor Licenses and Control

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Phoenix, AZ 85007

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10. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

An oral proceeding regarding the proposed rules will be held as follows:

Date: Tuesday, December 18, 2012
Time: 10:00 a.m.
Location: Industrial Commission Auditorium
800 West Washington St.
Phoenix, AZ 85007

The rulemaking record will close at 5:00 p.m. on December 21, 2012.

11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

None

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

The Department is repealing the rules in this Chapter. As a result, no permit is required.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

The Department is repealing the rules in this Chapter. As a result, federal law is not applicable.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No analysis was submitted.

12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

None

13. The full text of the rules follows:

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 1. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

ARTICLE 1. STATE LIQUOR BOARD REPEALED

Section

R19-1-101. ~~Definitions~~ Repealed
R19-1-102. ~~Granting a License for a Certain Location~~ Repealed
R19-1-103. ~~Change in Proprietary Interest~~ Repealed
R19-1-105. ~~Knowledge of Law and Regulations~~ Repealed
R19-1-106. ~~Service of Complaints for Judicial Review~~ Repealed
R19-1-107. ~~Rehearing or Review of Decision~~ Repealed
R19-1-109. ~~Quota license selection process~~ Repealed
R19-1-111. ~~Election of Officers~~ Repealed

ARTICLE 2. DIRECTOR REPEALED

Section

R19-1-201. ~~Definitions~~ Repealed
R19-1-202. ~~Intrastate shipping requirements~~ Repealed

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- R19-1-203. Intrastate shipping requirements Repealed
- R19-1-204. Interstate Shipping, Importation, Labeling, Solicitation, Advertising Repealed
- R19-1-206. Inducements, Prohibited Repealed
- R19-1-207. Bottles, Reuse or Refilling Prohibited Repealed
- R19-1-208. Hotel/Motel/Restaurant Requirements Repealed
- R19-1-209. Tax requirements Repealed
- R19-1-210. Sign Limitations Repealed
- R19-1-211. Draught beer signs Repealed
- R19-1-212. Advertising, Misleading Repealed
- R19-1-214. Prohibited Acts Repealed
- R19-1-215. Obscene Films, Pictures Prohibited Repealed
- R19-1-216. Age Restrictions Repealed
- R19-1-217. Display of License Repealed
- R19-1-218. Records, Keeping of Repealed
- R19-1-219. Storage on Unlicensed Premises Repealed
- R19-1-220. Liquors other than authorized by license Repealed
- R19-1-221. Retail Delivery of Spirituous Liquor Repealed
- R19-1-222. Suspension, Adherence to Rules of Repealed
- R19-1-223. Closure Due to Violence Repealed
- R19-1-224. Seizure, Liquors Repealed
- R19-1-225. Credit Law Exception Repealed
- R19-1-226. Commercial Coercion and Bribery Repealed
- R19-1-227. Microbrewery/Retail Repealed
- R19-1-228. Exceptions to General Rule Repealed
- R19-1-229. Non-alcoholic Malt Beverages, Wines, and Cocktail Mixers Repealed
- R19-1-230. Tapping Equipment, Furnishing, Selling, and Servicing Repealed
- R19-1-231. Foodstuffs Repealed
- R19-1-232. Broken Package Prohibited Offsale Premises Repealed
- R19-1-233. Underage Persons on Licensed Premises Repealed
- R19-1-234. Violence, Report of Repealed
- R19-1-235. Fetal Alcohol Sign Display Repealed

ARTICLE 3. UNLICENSED PREMISES DEFINITIONS AND LICENSING TIME FRAMES REPEALED

Section

- R19-1-302. Filing of Legal or Equitable Interest Repealed
- R19-1-303. Retail Agents Repealed
- R19-1-304. Standards for Alcohol Training Programs Repealed
- R19-1-305. Change of Address Repealed
- R19-1-306. Name Change Requirements Repealed
- R19-1-307. Closing, Notice of Repealed
- R19-1-308. Surrender of Licenses/Interim Retail Permits Repealed
- R19-1-309. Special Event License Repealed
- R19-1-310. Criteria for Issuing Restaurant License Repealed
- R19-1-311. Patio Outdoor Use Permission Repealed
- R19-1-312. Conveyance License, Application Posting Repealed
- R19-1-313. Interim Permit/Tax Violations Repealed
- R19-1-315. Exemptions to A.R.S. § 4-244.05 Repealed
- R19-1-316. Public Facilities Exemption Repealed
- R19-1-317. Licensing Time frames Repealed
- Table A. Licensing Time frames Repealed

ARTICLE 1. STATE LIQUOR BOARD REPEALED

R19-1-101. Definitions Repealed

In this Article, unless the context otherwise requires:

“Bona fide transaction” means any transaction between a licensee and a person that results in the change of ownership of the license.

“Business establishment or business premises” means the real property and improvements licensed under A.R.S. Title

4.

“Change in Ownership” means any change in the financial setup of a business establishment which in any way results in a person directly or indirectly becoming a controlling person.

“Judicial Review” is an appeal to superior court of a final agency decision.

“Licensed” means having a license or interim permit issued pursuant to this Title, including a license or interim permit on nonuse status.

“Nonuse” means when the Licensee has ceased engaging in the business activity covered by the licensee.

R19-1-102. Granting a License for a Certain Location Repealed

Local governing authorities and the Department may consider the following criteria in determining whether public convenience requires and that the best interest of the community will be substantially served by the issuance or transfer of a liquor license at a particular unlicensed location:

1. Petitions and testimony from persons in favor of or opposed to the issuance of a license who reside in, own or lease property in close proximity.
2. The number and series of licenses in close proximity.
3. Evidence that all necessary licenses and permits have been obtained from the state and all other governing bodies.
4. The residential and commercial population of the community and its likelihood of increasing, decreasing or remaining static.
5. Residential and commercial population density in close proximity.
6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers.
7. Effect on vehicular traffic in close proximity.
8. The compatibility of the proposed business with other activity in close proximity.
9. The effect or impact of the proposed premises on businesses or the residential neighborhood whose activities might be affected by granting the license.
10. The history for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant has received a detailed report(s) of such activity at least 20 days before the hearing by the Board.
11. Comparison of the hours of operation of the proposed premises to the existing businesses in close proximity.
12. Proximity to licensed childcare facilities as defined by A.R.S. § 36-881.

R19-1-103. Change in Proprietary Interest Repealed

No licensee shall transfer, assign or make any change in ownership in such business, directly or indirectly, nor shall a partner purchase or otherwise acquire the interest held by any other controlling person or partner in the business, without notifying the Director within 30 days and filing such application, questionnaire or other documentation required by this Title.

R19-1-105. Knowledge of Law and Regulations Repealed

All licensees and their employees whose duties require or permit the handling of spirituous liquors shall be familiar with the liquor laws and the rules and regulations of the Director and of the State Liquor Board. It is the responsibility of the licensee to ensure that all employees acquire the aforementioned knowledge.

R19-1-106. Service of Complaints for Judicial Review Repealed

Complaints for judicial review of a Director’s or Board decision shall be served on the Director at the Department’s office in Phoenix, Arizona.

R19-1-107. Rehearing or Review of Decision Repealed

- A.** A decision of the Director made pursuant to A.R.S. § 4210 is an initial agency decision. If that decision is appealed to the Board, the determination by the Board, or by a panel established pursuant to A.R.S. § 4111(D), shall be the final review of the agency decision and subsections (B) through (H) shall not apply.
- B.** If the Board makes the initial agency decision, except as provided in subsection (H), any party in a contested case before the Board who is aggrieved by that decision may file with the Board, not later than 15 days after service of the decision, a written motion for rehearing or review of the decision specifying the particular grounds therefor. For purposes of this subsection, a decision shall be deemed to have been served when personally delivered or mailed by certified mail to the party at his last known residence or place of business.
- C.** A motion for rehearing under this rule may be amended at any time before it is ruled upon by the Board. A response may be filed within 10 days after service of such a motion or amended motion by any other party. The Board may require the filing of written briefs upon the issues raised in the motion and may provide for oral argument.
- D.** A rehearing review of the decision may be granted for any of the following causes materially affecting the moving party’s rights:
 1. Irregularity in the administrative proceedings of the agency or its hearing officer or the prevailing party, or any order or abuse of discretion, whereby the moving party was deprived of a fair hearing;

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2. Misconduct of the Board or its hearing officer or the prevailing party;
 3. Accident or surprise which could not have been prevented by ordinary prudence;
 4. Newly discovered material evidence which could not with reasonable diligence have been discovered and produced at the original hearing;
 5. Excessive or insufficient penalties;
 6. Error in the admission or rejection of evidence or other errors of law occurring at the administrative hearing; or
 7. That the decision is not justified by the evidence or is contrary to law.
- E.** The Board may affirm or modify the decision or grant a rehearing to all or any of the parties and on all or part of the issues for any of the reasons set forth in subsection (D). An order granting a rehearing shall specify with particularity the ground or grounds on which the rehearing is granted, and the rehearing shall cover only those matters so specified.
- F.** Not later than 15 days after a decision is rendered, the Board may on its own initiative order a rehearing or review of its decision for any reason for which it might have granted a rehearing on motion of a party. After giving the parties or their counsel notice and an opportunity to be heard on the matter, the Board may grant a motion for rehearing for a reason not stated in the motion. In either case the order granting such a rehearing shall specify the grounds therefor.
- G.** When a motion for rehearing is based upon affidavits, they shall be served with the motion. An opposing party may within ten days after such service serve opposing affidavits, which period may be extended for an additional period not exceeding 20 days by the Board for good cause shown or by written stipulation of the parties. Reply affidavits may be permitted.
- H.** If in a particular decision the Board makes specific findings that the immediate effectiveness of such decision is necessary for the immediate preservation of the public peace, health and safety and that a rehearing or review of the decision is impracticable, unnecessary or contrary to the public interest, the decision may be issued as a final decision without an opportunity for a rehearing or review. If a decision is issued as a final decision without an opportunity for rehearing, any application for judicial review of the decision shall be made within the time limits permitted for application for judicial review of the Board's final decision.
- I.** For purposes of this Section the terms "contested case" and "party" shall have the meaning defined in A.R.S. § 41-1001.

R19-1-109. Quota license selection process Repealed

- A.** For the purpose of randomly selecting applicants to be considered for the issuance of Series 06, Series 07 and Series 09 liquor licenses, a random selection method using a mechanical device shall be employed.
- B.** The random selection method shall consist of a drawing to be conducted in the following manner:
1. The name of each applicant shall be placed on forms of equal size and color provided by the Department.
 2. The forms then shall be deposited in a transparent container (from which the drawing shall take place).
 3. Sequentially numbered balls shall be deposited in a second transparent container. The number of plastic balls shall be equal to the number of licenses available plus an equal number of runners up.
 4. Names shall be randomly drawn from the transparent container. As each name is drawn, a number will be matched with the name of the applicant drawn.
 5. The drawing and matching of an applicant's name to a number will determine the order in which an applicant will be considered for a license. Runners up shall be eligible for consideration as licensees in the event that a successful applicant chooses not to be considered or is disqualified. Such consideration shall be in numerical order.
 6. Applicants whose names are not drawn and matched with a number shall be deemed unsuccessful applicants.

R19-1-111. Election of Officers Repealed

The Board shall elect a chairman and vice chairman annually in February of each year. In the event of a vacancy in either office, an election for that office shall be held at the next regularly scheduled Board meeting.

ARTICLE 2. DIRECTOR REPEALED

R19-1-201. Definitions Repealed

In this Article, unless the context otherwise requires:

1. "Business establishment or premises" means the real property and improvements from which an enterprise or organized undertaking is conducted regularly for profit.
2. "Entertainment", for purposes of A.R.S. § 4-244.05 only, means any form of amusement including, but not limited to, a performance of theater, dance or opera, musical concerts, motion pictures, videotapes, audiotapes, radio, television, carnivals, games of chance or skill, shows, lectures, or sports events.
3. "Food" means any edible substance for the nourishment of the body and consists of hot fare commonly ordered at lunch or dinner prepared at the premises.
4. "Membership fee" or "cover charge" means any consideration, direct or indirect, paid to the business establishment by patrons to gain entry.
5. "Minimum purchase" or "rental requirement" means an amount of money or other consideration required to be paid by patrons of the business establishment as a condition to enter or remain on the premises.
6. "Goods or services" includes all types of commodities, stock, or wares, and any method of providing the use of some-

- thing needed or desired.
7. ~~“Incidental convenience” means the goodwill the business receives from permitting patrons to possess and consume a minimal amount of spirituous liquor while they are present to obtain the goods or services regularly offered to all patrons.~~
 8. ~~“Small restaurant” means a public eating place which has facilities for keeping, preparing, and cooking foods for lunch or dinner and accommodations to provide food service for up to 40 persons.~~
 9. ~~“Catering establishment” means any premises available for hire for a particular function, occasion, or event and which furnishes food and service for up to 300 persons.~~
 10. ~~“Association” means an organization of persons having common interests and purposes, established as a nonprofit corporation or fraternal and/or benevolent society, which owns, leases or occupies a premises used exclusively for the organization’s purposes, which operates for recreational, social, patriotic, political, benevolent, or athletic purposes, and which has accommodations for less than 300 persons.~~
 11. ~~“Private social function” means any occasional communal affair, gathering, or party occurring at a business establishment is limited to selected, invited guests.~~
 12. ~~“Front entrance” means the door commonly used by the general public as entrance to an establishment.~~

R19-1-202. ~~Intrastate shipping requirements~~ Repealed

~~No person, corporation, partnership or concern, whether or not licensed under the provision of Title 4, A.R.S., shall ship or offer for shipment or transportation to any point within this state from any other point within the state, any container, package or parcel, containing spirituous liquors unless said container, package or parcel shall in a conspicuous place show the name of the consignor or shipper and the name and address of the consignee or addressee in an equally conspicuous place showing that said container, package or parcel contains spirituous liquor. All of the aforesaid requirements shall be in the English language.~~

R19-1-203. ~~Intrastate shipping requirements~~ Repealed

~~With the exception of beer, no spirituous liquor shall be transported in wholesale from the place where sold for delivery to the purchaser unless the person in charge of the vehicle in which such spirituous liquors are to be transported shall, during the transportation, have in his possession a bona fide bill or memorandum from the seller to the purchaser showing the name and address of the seller and the purchaser and the quantity and character of the beverages sold and transported. Upon the demand of any person having the authority of a police officer, constable or sheriff, the person in charge of such transportation shall exhibit the bill or memorandum.~~

R19-1-204. ~~Interstate Shipping, Importation, Labeling, Solicitation, Advertising~~ Repealed

- ~~A. No person, corporation, partnership or concern shall ship or offer for shipment or transportation to any place within this state from any place without this state any container, package or parcel containing spirituous liquor including beer and wine, unless the same shall be consigned to a licensed Arizona spirituous liquor wholesaler.~~
- ~~B. Nothing in this rule shall be construed to interfere with through interstate shipments of spirituous liquors, including beer and wine, originating outside the state and destined to points in other states, when passing through this state in the custody and under the control of a duly authorized common carrier or transportation company.~~
- ~~C. No person shall ship or introduce into this state any spirituous liquors, including beer and wine, unless such spirituous liquors shall be, from the time they are shipped or introduced into this state until they are delivered to the consignee, in the possession of a duly authorized common carrier or transportation company, except that licensed Arizona wholesalers may transport spirituous liquors for themselves in vehicles owned, leased or rented by such wholesalers when authorized to do so by the Director.~~
- ~~D. No person, common carrier or transportation company or any other concern shall bring, ship, transport or introduce into this state in any manner whatsoever any spirituous liquors, including beer and wine, unless they are duly consigned to a bona fide Arizona spirituous liquor wholesaler having a license to sell or traffic in at wholesale the particular spirituous liquors so transported and introduced.~~
- ~~E. No person, common carrier or transportation company shall deliver any interstate shipment consisting of any parcel package or container of any description containing spirituous liquors, including beer and wine, to any premises other than those premises described and set forth in the license of a duly licensed Arizona spirituous liquor wholesaler, licensed to sell or traffic in the particular liquor so delivered.~~
- ~~F. No manufacturer, distiller, brewer, vintner or wholesaler or any officer, director, agent or employee of any such business directly or indirectly or through an affiliate shall sell, ship or deliver for sale or shipment or receive or remove from customs custody for consumption any spirituous liquors, including beer and wine, in bottles, unless such products are bottled, packaged, and labeled in conformity with the labeling regulations prescribed by the Federal Alcoholic Administration or any other regulations adopted by the Federal Alcoholic Administration or any other regulations adopted by the government of the United States, officer, bureau, or agency thereof. Any amendments or changes in the Federal Alcohol Administration Act or any other regulations adopted by the government of the United States, officer, bureau or agency thereof pertaining to labeling are hereby made a part of this rule without further adoption by the Department.~~
- ~~G. No person shall send or cause to be sent into this state any letter, postcard, circular, dodger, pamphlet or publication, the~~

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purpose of which is the solicitation of an order for any spirituous liquor from and the shipment to any consumer or retail dealer within the state of Arizona:

- ~~H.~~ No person shall issue or publish or cause to be issued or published in this state any letter, postcard, circular, pamphlet or publication containing any advertisement, the purpose or intent of which is the solicitation of an order for any spirituous liquors from any consumer or retailer, where such solicitation is contrary to the laws of this state and the rules of the Director which provide for the shipment of spirituous liquors into this state only when consigned to a duly licensed Arizona spirituous liquor wholesaler who is licensed to sell the particular liquor or liquors so advertised, and only when consigned and delivered to such spirituous liquor wholesaler at the address described and set forth in his license.
- ~~I.~~ Nothing contained in subsections (G) or (H) shall be construed to prevent newspapers or other publications having circulation in Arizona from accepting institutional advertising from any distillery, brewery, winery, rectifier, or distributor.

R19-1-206. Inducements, Prohibited Repealed

~~No on sale retail licensee shall directly or indirectly offer or furnish any gifts, prizes, coupons, premiums, rebates or assumption of any excise, transaction privilege tax or similar inducements wherein the purchase or consumption of any spirituous liquors, including beer and wine, is required to become eligible to receive such gifts, prizes, coupons, premiums, rebates or assumption of any excise, transaction privilege tax or similar inducements. It is provided, however, that nothing herein contained shall prohibit on-sale retail licensees from furnishing advertising novelties of nominal value or services which are customarily trade practices, so long as such furnishing is not contingent upon the purchase or consumption of spirituous liquors or any other alcoholic beverage.~~

R19-1-207. Bottles, Reuse or Refilling Prohibited Repealed

~~No liquor bottle or other container authorized by the laws of the United States or any agency thereof shall be reused for the packaging of distilled spirits, nor shall the original contents, or any portion of such original contents, remaining in a liquor bottle or other such authorized container, be increased by the addition of any substance.~~

R19-1-208. Hotel/Motel/Restaurant Requirements Repealed

~~A Hotel/Motel licensee and a Restaurant licensee must maintain complete restaurant services as defined under A.R.S. §§ 4-205.01, and 4-205.02, continually during the hours of selling and serving spirituous liquors. Restaurant services, as defined under these statutes, is compulsory to 10 p.m. daily if any spirituous liquors are to be sold and served to the legal hours. A requested meal which is refused during these hours will constitute sufficient evidence that the licensed business has ceased to operate as a bona fide restaurant.~~

R19-1-209. Tax requirements Repealed

~~No licensed wholesaler or retailer shall have in his possession or sell any spirituous liquors on which the state luxury taxes have not been accounted for as provided by law and upon which all federal taxes imposed by law have not been paid.~~

R19-1-210. Sign Limitations Repealed

- ~~A.~~ A person, firm, or corporation engaged in business as a manufacturer, distiller, brewer, vintner, or wholesaler or any officer, director, agent, or employee of such person may lend, to the retailer any sign for interior or exterior use provided:
 - ~~1.~~ The sign must bear conspicuous and substantial advertising matter about a product of the manufacturer, distiller, brewer, vintner, or wholesaler.
 - ~~2.~~ The cost of the sign may not exceed \$400.
 - ~~3.~~ A sign may not be utilitarian except as to its advertising or information content.
 - ~~4.~~ No such signs shall be offered or furnished by any manufacturer, distiller, brewer, vintner or wholesaler or by any officer, director, agent, or employee thereof, or by any other person as an inducement to the retailer to purchase or use the products of such manufacturer, distiller, brewer, vintner or wholesaler to the exclusion in whole or in part of the product of any competitor.
- ~~B.~~ No signs or other advertising matter used in connection with the licensed premises of any retailer of alcoholic beverages shall be obscene as determined by applying contemporary state standards.
- ~~C.~~ Licensed special events are not subject to the limitations of subsections (A)(1) through (3).

R19-1-211. Draught beer signs Repealed

~~Every licensee who shall dispense any draught beer shall, upon the faucet, spigot or outlet from which said beer is drawn, attach and keep posted a clear and legible notice, placard or marker which shall in the English language indicate and declare the name or brand adopted by the manufacturer of such draught beer so dispensed by such licensee, and such notice, placard, or marker shall be so situated as to be clearly legible for a distance of at least ten feet from such spigot, faucet or outlet to a person with normal vision, and such notice, sign, or placard shall at all times be so situated as to be clearly legible from the place where such licensee serves any customer or consumer of such beer, and provided further that if such faucet, spigot, or other drawing device is in a location not within the room of the place of service and consumption of such beer, then and in that event there shall also be kept posted a similar notice, placard or marker in the place of service and consumption of such beer which shall truthfully state and indicate only the kinds and brands of draught beer actually on sale in the premises of said licensee.~~

R19-1-212. Advertising, Misleading Repealed

No licensee shall label for sale any spirituous liquor which is dispensed through equipment that would directly or indirectly lead the public to believe they are purchasing a brand, grade, or class of spirituous liquor, including beer and wine, which is actually not being sold or used.

R19-1-214. Prohibited Acts Repealed

- A.** A licensee shall not permit, on the licensed premises, an employee or other person to:
1. Expose any portion of his or her anus, vulva, or genitals;
 2. Grope, caress or fondle, or cause to be groped, caressed, or fondled the breasts, anus, vulva, or genitals of any other person with any part of the body; or
 3. Perform acts of sexual intercourse, masturbation, sodomy, bestiality, or oral copulation.
- B.** The provisions of this Section are severable. If any provision of the Section or the application of the Section to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Section that can be given effect without the invalid provision or application.

R19-1-215. Obscene Films, Pictures Prohibited Repealed

No licensee shall permit, on the licensed premises, the showing of film, slide pictures, or any other electronic reproduction depicting:

1. Acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation, or any sexual acts which are prohibited by law;
2. Any person, being touched, caressed, or fondled on the breast, buttocks, anus, or genitals;
3. Scenes wherein a person displays any portion of the areola of the female breast or any portion of his or her pubic hair, anus, vulva, or genitals; or
4. Scenes wherein artificial devices or inanimate objects are employed to depict any of the prohibited activities described above.

R19-1-216. Age Restrictions Repealed

No licensee, or employee thereof, shall employ a person under the age of 19 as an exotic entertainer. This rule shall be effective January 1, 1991.

R19-1-217. Display of License Repealed

All licensees shall display their liquor license in a conspicuous place readily available for inspection by any peace officer, distributor, or wholesaler.

R19-1-218. Records, Keeping of Repealed

All licensees shall keep for a period of not less than 2 years all invoices, records, bills and other papers and documents relating to the purchase, sale and delivery of alcoholic beverages. Such records and papers shall be kept in such conditions of storage as to be easily accessible to the Director or any peace officer designated by the Director for examination or audit.

R19-1-219. Storage on Unlicensed Premises Repealed

No licensee shall have consigned to him, receive or accept the delivery of or keep in storage any spirituous liquors upon any premises other than those described in his license without first having obtained written authorization from the Director.

R19-1-220. Liquors other than authorized by license Repealed

No licensee, either through himself or through an agent, shall sell, solicit, or receive an order, keep or expose for sale, deliver for value, peddle, keep with intent to sell or traffic in or have for any purposes upon his licensed premises any spirituous liquors other than those set forth in his license.

R19-1-221. Retail Delivery of Spirituous Liquor Repealed

A. Definitions:

1. "Delivery" means the delivery of spirituous liquor pursuant to A.R.S. § 4-203(M) and this rule.
2. "Identification" means an unexpired driver's license issued by any state, an identification license issued pursuant to A.R.S. § 28-421.01, an armed services identification card or a valid unexpired passport showing a date of birth, with a photograph of the person named, on the identification.
3. "Licensee" means a retail licensee permitted to deliver spirituous liquor pursuant to A.R.S. § 4-203(M) or an employee of such licensee.
4. "Time of delivery" means when the person to whom delivery is made obtains physical possession of the spirituous liquor.
5. "Title 4" means Title 4 of the Arizona Revised Statutes and all rules under said Title.

B. A licensee shall make a record of delivery at the time of delivery on a form approved by the Department. The record of delivery shall be retained by the licensee for at least two years.

C. The form shall include:

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1. The licensee's business name, address and liquor license number;
 2. The date and time of delivery;
 3. The address where delivered;
 4. The type and brand of spirituous liquor delivered.
 5. The printed name and signature of the person making delivery;
 6. The printed name and signature of the person accepting delivery.
 7. The type and serial number of the identification, and date of birth, for the person accepting delivery.
- ~~D.~~ A licensee making delivery shall be liable for any violation of Title 4 in connection with such delivery with special emphasis on the following:
1. Delivery shall only be made by a person at least 21 years old.
 2. Delivery shall only be made during the hours of lawful service of spirituous liquor.
 3. Delivery shall not be made to an intoxicated or disorderly person.
 4. Delivery shall only be made after identification has been shown by the person accepting delivery, the identification shows the person is of legal drinking age, and the information required to be recorded by this rule has been recorded.
 5. Delivery shall not be made to the licensed premises of a retailer.
- ~~E.~~ A licensee making delivery shall refuse to complete a delivery at any time prior to the time of delivery, if the licensee believes such delivery would constitute a violation of Title 4.

R19-1-222. Suspension, Adherence to Rules of Repealed

During the suspension of a license, the licensee shall not allow, permit, or suffer the sale, service, delivery, or consumption of any spirituous liquor on or about the licensed premises, nor order or receive delivery of any spirituous liquor. The notice of suspension shall be prominently displayed on the premises at all times during the period of suspension.

R19-1-223. Closure Due to Violence Repealed

A licensed place of business may be required to close its doors and stop sales of alcoholic beverages to the public or allow any person on the premises, with the exception of the owners, employees and officers of the law, during the time that it may appear to the Director that violence might occur.

R19-1-224. Seizure, Liquors Repealed

Any spirituous liquors that shall be imported, transported, stored, sold or offered for sale, kept with the intent to sell or traffic in or be used in any manner whatsoever contrary to the law or to the rules of the Director or the board shall be subject to seizure by any peace officer.

R19-1-225. Credit Law Exception Repealed

Wholesalers, distillers, brewers, and vintners licensed by this Department making sales of spirituous liquor to other licensed wholesalers, distillers, brewers and vintners shall be exempt from the credit restriction of A.R.S. § 4242. The intention of this rule is to permit such licensees the same privileges as out of state licensees and to prevent discrimination against Arizona licensees in accordance with the established trade customs in this state.

R19-1-226. Commercial Coercion and Bribery Repealed

- ~~A.~~ It shall be unlawful for a wholesaler, distiller, vintner, brewer, or importer to induce a retailer to purchase spirituous liquor from the producer or wholesaler to the exclusion, in whole or in part, of spirituous liquor sold or offered for sale by other persons through any of the following means:
1. By furnishing, giving, renting, lending, or selling to a retail licensee, articles of primary utilitarian value including, but not limited to, the following: clocks, service lamps, ash trays, coasters, napkins, beer mats, book matches, menu cards, folders, meal checks, container mats, back bar mats, thermometers, jiggers, stirring spoons, pouring spoons, glasses, glassware, or any other item potentially useful to the retailer in the conduct of his or her business except as provided elsewhere in these rules.
 2. By furnishing financing or credit for the retail licensee to acquire or provide any part of the cost of equipment used or useful to a retail licensee through the sale of a product or otherwise.
 3. By providing any service, including the stocking and pricing of merchandise, to a retail licensee; provided, however, that the practices set forth in subsection (B) of this rule shall not be unlawful.
 4. By paying or crediting a retail licensee for any promotion, advertising, displaying, public relations, or distribution services or by participating or sharing with a retail licensee any promotion or advertising costs through any media.
 5. By directly or indirectly guaranteeing a loan or repayment of a financial obligation to a retail licensee or by providing any monetary assistance in any form as an aid to a retail licensee.
 6. By directly or indirectly entering into any form of credit transaction with a retail licensee.
 7. By directly or indirectly engaging in any practice requiring a retail licensee to take and dispose of a quota of spirituous liquors.
 8. By directly or indirectly engaging in practices promising or granting a retail licensee a bonus, premium or other compensation by a distillery, vintner, brewery, rectifier, blender, or other producer or the wholesaler.

- B.** The following practices are not unlawful inducements as defined by A.R.S. § 4243(2)(b):-
1. Stocking a limited supply of spirituous liquors in what is commonly known as “cold box”-
 2. Rotating spirituous liquors-
 3. Furnishing advertising novelties of nominal value, such as key chains, sports schedules, recreation guides, cocktail specialty books, or other items which are not directly utilized in the operation of a retail licensee’s business by the wholesaler to the retailer-
 4. Furnishing onsale retail licensees with equipment necessary to operate a draft box and servicing and repairing those items of equipment to retain the quality of the product.

R19-1-227. Microbrewery/Retail Repealed

For purposes of A.R.S. § 4-243, a microbrewery is considered an “other producer”.

R19-1-228. Exceptions to General Rule Repealed

A. The following are exceptions in which producers/wholesalers may furnish to the retailer something of value, as long as the retailer is not induced to purchase spirituous liquor from the producer/wholesaler to the exclusion, in whole or in part, of spirituous liquor sold or offered for sale by other persons:

B. Licensed special events

1. A producer/wholesaler may participate in an event at which liquor is sold by furnishing advertising, sponsorship, services, or other things of value as long as:
 - a. The event has been issued a special event license.
 - b. The special event license was issued to a civic, religious, or fraternal group, but not a political group.
 - c. If the event is being held at a location that is a licensed retail location nothing of value is left at the location or given to the retailer or retail employees at or following the event.
2. A producer/wholesaler may donate, but not sell directly to the group issued the special event license as long as it is not a political group. If the special event licensee is buying spirituous liquor at retail to resell, the wholesaler may invoice the sale through a retailer following completion of the event.
3. At a location issued a special event license spirituous liquor sales may be handled in the following ways:
 - a. In the case of an otherwise unlicensed location the nonprofit group is responsible for sales of spirituous liquor.
 - b. In case of a licensed retail location one of the following may occur:
 - i. During the special event the regular licensee ceases all sales of spirituous liquor and the nonprofit group is responsible for all sales of spirituous liquor.
 - ii. During the special event the regular licensee conducts all dispensing/serving under the regular retail license and the nonprofit group does none. The regular licensee is responsible for proper service. The liquor dispensed is that purchased by the retailer from the wholesaler.
 - iii. During the special event the regular licensee conducts all dispensing/serving under the special event license and the nonprofit group does none. The regular licensee and the special event licensee are responsible. The spirituous liquor dispensed is that purchased/donated by/to the special event licensee.
 - iv. During the special event the licensed location is split into an area in which the regular licensee exclusively dispenses and is responsible for all spirituous liquor sales and another separate area in which the nonprofit group exclusively dispenses and is responsible for all spirituous liquor sales.

C. Resets; rotations; displays

1. The producer/wholesaler may stock, reset, and rotate at the retail establishment any product that he or she sells to the retailer. Such stocking may include pricing, cleaning shelves, furnishing point of sale written advertising that includes pricing data (as long as it complies with sign limitations), rotating product, cleaning product, or otherwise preparing the product for sale at the point of sale, but may not perform these functions in warm or cold storage areas from which the consumers may not purchase product. Retailers shall not require stock reset or rotation as a condition of shelf space, cold box space, or product display space.
2. A producer/wholesaler may furnish reset services as long as a representative of each affected wholesaler is invited to attend such reset by the retailer with reasonable notice not less than 2 working days before the reset and the retailer consents to the reset. As part of the reset the producer/wholesaler may move his or her own product or that of a competitor.
3. A producer/wholesaler may set up a display of his or her product and may with the consent of the retailer move a competitor’s product and may move nonalcoholic products or items as necessary to set up the display.
4. No retail display may consist of an item of potential utilitarian value to the retailer or any person after March 1, 1987, facsimiles are acceptable.

D. Furnishing retail customers with items of value

1. A producer/wholesaler may furnish to retail customers advertising novelties which are not directly utilized in the operation of the retail business. Each novelty must be of a value less than \$5.00. In addition, a producer/wholesaler may also furnish to retail customers of any retail establishment items greater than \$5.00 in value but not to exceed a

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total of \$100.00 in value during any 6:00 a.m. to 1:00 a.m. period per establishment. The items must be given to the customer by the producer/wholesaler employee for each retail establishment and may not pass through the retailer's hands. None of the items may be given to the retailer or the retailer's employees or be left at the retail establishment.

2. Sports schedules that list events at a licensed establishment are permitted.

- ~~E.~~ Refrigerated vehicles. A producer/wholesaler may furnish a refrigerated vehicle for an event at a licensed or unlicensed location if a special event license has been obtained (excluding political events) for the event. If there is no special event license no approval is granted. The vehicle may be used for storage and dispensing, but no producer/wholesaler personnel may dispense.
- ~~F.~~ Print advertising. Furnishing advertising copy (ad slicks) of nominal value is permissible.
- ~~G.~~ Sporting events. A producer/wholesaler may provide to a licensed retailer financial or other forms of event sponsorship, including advertising, if it is in conjunction with a sporting event and no item of utilitarian value remains with the retailer or at the retail location following the conclusion of the sporting event. Signs in connection with sporting events are not subject to value limitations.
- ~~H.~~ Tradeshows and convention. A producer/wholesaler may participate by sampling, sponsorship, advertising, or otherwise in tradeshows and conventions at licensed or unlicensed establishments in which there is no special event license as long as no regular licensee benefits other than by the promotion of the event itself. Sampling limitations apply, see subsection (Q).
- ~~I.~~ Concerts. A producer/wholesaler may participate by sponsorship, advertising, or otherwise in a concert at a licensed location with the capacity in excess of 500 persons as long as the regular licensee does not benefit other than by the promotion of the event itself.
- ~~J.~~ Wine or drink menus. A producer/wholesaler may furnish to a retailer wine or drink menus if the menus have no utilitarian value beyond that of a wine or drink menu and are made available to all retail accounts utilizing such menus.
- ~~K.~~ Tapping equipment. All items authorized by R19-1-241 are permitted for all alcoholic beverages.
- ~~L.~~ Driver sales. All alcoholic beverages may be sold without prior order from the retailer to the wholesaler, commonly called "driver sales".
- ~~M.~~ Coupons and rebates. Coupons and rebates may be distributed by any method including via point of sale, except a producer/wholesaler may not list specific retailers or participate in a retailer's advertisement.
- ~~N.~~ Incentive programs between producers and wholesalers. Arizona law does not regulate incentive programs involving only producers and wholesalers.
- ~~O.~~ Participation at events without alcoholic beverages. The Department does not regulate the participation by producers/wholesalers in events at which spirituous liquor is not sold, offered or served.
- ~~P.~~ Delivery to chain stores/co-ops. Quantity purchases of volume discounted products must be entirely delivered to the approved storage facility of the chain store or retail cooperative.
- ~~Q.~~ Malt Beverage Product returns. At the wholesaler's discretion, malt beverage products of a retail establishment that will be closed for thirty days or more may be exchanged, credited, or refunded. With permission of the director, a wholesaler may exchange, credit or refund malt beverage product that the retailer is discontinuing.
- ~~R.~~ Sampling by producers/wholesalers. Approved sampling procedures are:
 - 1. Sampling operations must be conducted under the supervision of an employee of the sponsoring distiller, vintner, brewer, or wholesaler and accurate records of all sampling procedures and products must be retained.
 - 2. Sampling at on-premises events or wholesaler's premises must be limited to 12 ounces of beer or "cooler" products, 6 ounces of wine, and 2 ounces of distilled spirits per person per brand.
 - 3. Sampling at off-sale events must be limited to 72 ounces of beer, "cooler" or wine products, and 750 milliliters of distilled spirits per person per brand.
 - 4. Sampling from a package with a broken seal may be conducted on on-sale and wholesaler's premises only. No package may be broken or contents consumed on off-sale premises.
 - 5. The wholesaler's representative, when requesting a retail on-sale licensee to prepare a drink for the customer, must pay the retail on-sale licensee for the sample drink.
 - 6. When sampling is conducted on off-sale premises, sampling wares must be distributed to the customer in sealed original packages only.
 - 7. The producer/wholesaler may not buy the retail licensee, or his or her employees, a drink during their working hours or while they are engaged in waiting on or serving customers.
 - 8. The producer/wholesaler may not give a keg of beer, or any spirituous liquor, or other gifts or benefits to a retail licensee.
 - 9. All sampling procedures must conform to federal sampling laws and rules.
- ~~S.~~ Market research programs. Bona fide market research via personal or mail intercept is authorized if:
 - 1. The products being distributed are shipped through or obtained from an authorized licensed wholesaler.
 - 2. People handling the products are 19 years old or older.
 - 3. Participants are of legal drinking age.
 - 4. The total amount of product being tested does not exceed 72 ounces of beer, "cooler", or wine product or 750 millili-

ters of distilled spirits.

- ~~T.~~ Registration of salespersons or solicitors A.R.S. § 4-222, which required the registration of producer/wholesaler salespersons and solicitors has been repealed. Registration applies to agents of retail cooperatives only.
- ~~U.~~ Holiday Decorations. A distiller, vintner, brewer, importer, producer, or wholesaler may give a retailer brand-identified, holiday decorations that have no utilitarian value to the retailer other than as a decoration.

R19-1-229. ~~Non-alcoholic Malt Beverages, Wines, and Cocktail Mixers Repealed~~

Malt products, wines, and cocktail mixers, that are non-alcoholic, may only be sold to retailers under the same rules that apply to the sale of spirituous liquors. For purpose of this Section “cocktail mixers” shall mean pre-prepared liquid or solid mixtures marketed primarily for mixing with spirituous liquor to prepare a beverage.

R19-1-230. ~~Tapping Equipment, Furnishing, Selling, and Servicing Repealed~~

~~A.~~ Beer manufacturers may sell to beer wholesalers and beer wholesalers may furnish to onsale retail licensees the following items of equipment in the case of either an initial installation for a new account or a change over of equipment from one tapping system to another. Such equipment shall remain the property of the wholesaler.

1. Approved equipment systems:

<i>Peerless</i>	<i>Golden Gate</i>
a. Tap Rod	a. CO ₂ Hose
b. Valve	b. Beer Hose
c. Beer Hose	c. Couplings
d. CO ₂ Hose	d. Vent
e. Washers	e. Taps
f. Couplings	f. Valves (Golden Gate)
g. Clamps	g. Clamps
	h. Washers

<i>Jet Western</i>	<i>Hoff-Stevens</i>
a. Jet Tap Assembly	a. CO ₂ Hose
b. Draw Tube	b. Beer Hose
c. Beer Hose	c. Couplings
d. CO ₂ Hose	d. Vent
e. Tail Pieces	e. Clamps or Wire
f. Shut-off Valve	f. Washers
g. Washers	
h. Clamps	

2. Other equipment systems Manufacturers may qualify other tapping systems by submitting the trade name and collateral apparatus to the Department for approval.

~~B.~~ Beer wholesalers may sell to onsale licensees for cash only the following items of equipment at a price not less than the cost for which the wholesaler purchased the equipment:-

1. CO₂ Gas;
2. CO₂ Regulators;
3. Facets;
4. Shanks or Bent Tubes;
5. Air Distributors;
6. Blower assembly, beer switches, complete faucet standard, drip pan, P.V.C. pipe, or any item that is necessary to prepare a draught system for proper operation.

~~C.~~ A wholesaler may replace, at no charge to the retailer, bonnet washers, friction rings, valve stems, and coupling gaskets.

~~D.~~ If 1 wholesaler is splitting an account with another wholesaler, the wholesaler initiating the split will supply, if necessary, the inline regulator which will remain the wholesaler’s property and will be removed if the account is discontinued.

~~E.~~ The wholesaler may maintain periodic cleaning schedules of onsale retailers’ draught equipment and may sell to the retailer any sanitizing materials utilized in the cleaning of draught beer equipment, at not less than cost.

R19-1-231. ~~Foodstuffs Repealed~~

A producer/wholesaler may sell foodstuffs to a retailer at a price agreed upon, but not less than the cost to the producer/wholesaler.

R19-1-232. ~~Broken Package Prohibited Offsale Premises Repealed~~

No offsale retailer shall have upon his licensed premises any broken package of spirituous liquor, as defined by A.R.S. § 4-101. This rule applies to the actual container and not to the shipping case.

R19-1-233. ~~Underage Persons on Licensed Premises Repealed~~

- ~~A. In addition to the exceptions in A.R.S. § 4-244 (23) regarding underage persons on licensed premises, underage persons may be on the premises of an on-sale retail licensee pursuant to subsections (B) and (C).~~
- ~~B. Licensed premises with an occupancy of 1,000 or more persons, as determined by the fire marshal, wherein the primary purpose is not to sell spirituous liquors, that show live sporting events or live concerts where the audience is engaged in viewing such entertainment, may allow underage persons on the premises. The licensee may sell spirituous liquor to persons who are 21 years of age or older, pursuant to A.R.S. Title 4, Chapters 1, 2, and 3, and 19 A.A.C. 1. The Director may require a security plan to be approved by the Department to ensure that the underage persons do not purchase, possess or consume spirituous liquor on the premises.~~
- ~~C. Licensed premises with an occupancy of fewer than 1,000 persons, as determined by the fire marshal, wherein the primary purpose is not to sell spirituous liquors, may allow underage persons on the premises for the purpose of viewing live sporting events or live concerts if during the time that underage persons are on the premises, underage persons are separated by a physical barrier that prevents them from entering portions of the premises where spirituous liquor is sold, possessed, or served; and prevents underage persons from receiving, purchasing, possessing, and/or consuming spirituous liquor. With the exception of A.R.S. § 4-244(23)(a), spirituous liquor is prohibited in the section devoted to underage persons.~~

R19-1-234. ~~Violence, Report of Repealed~~

~~A licensee upon whose licensed premises an act of violence occurs shall make a detailed, written report of such act of violence to be hand delivered or deposited in the U.S. Mail within 7 days of the act of violence to the Department, unless the act of violence was previously reported to a law enforcement agency pursuant to A.R.S. § 4-244(37). A licensee shall also report in the same manner, acts of violence involving patrons entering or leaving the licensed premises which occur immediately adjacent to the licensed premises when the licensee knew or reasonably should have known of such acts of violence.~~

R19-1-235. ~~Fetal Alcohol Sign Display Repealed~~

- ~~A. Definitions:~~
- ~~1. "Liquor" means spirituous liquor as defined in A.R.S. § 4-101.27.~~
 - ~~2. "Room" means the licensed premises as defined in A.R.S. § 4-205.01(D).~~
 - ~~3. "Sign" means the warning sign required by A.R.S. § 4-251.~~
- ~~B. Placement of Signs:~~
- ~~1. Each on-sale retail liquor licensee shall conspicuously post a sign within 20 feet of each register where sales of liquor are made, or behind the bar.~~
 - ~~2. In addition to the requirements of R19-1-214(B)(1):~~
 - ~~a. A Hotel-Motel licensee shall post at least 1 state supplied sign on the inside of the door of each room containing a mini bar, or offering alcoholic beverages through room service, or in the alternative, at their own expense, display the required warning in a space measuring at least 1 inch by 2 inches on a room service bar menu, or mini bar cost list, placard, folder, advertisement tent, or similar item placed in each room so as to be readily observable.~~
 - ~~b. A retail licensee using a mobile service device for the sale of liquor shall display the sign on such mobile serving device.~~
 - ~~3. Each off-sale liquor licensee shall conspicuously post a sign where a customer obtains the liquor.~~

ARTICLE 3. ~~UNLICENSED PREMISES DEFINITIONS AND LICENSING TIME FRAMES REPEALED~~

R19-1-302. ~~Filing of Legal or Equitable Interest Repealed~~

- ~~A. In accordance with A.R.S. § 4112(B)(3), all persons having a legal or equitable interest in a spirituous liquor license shall file with the Director a statement of such interest on a form prescribed and furnished by the Department. Notice of termination of such interest shall be filed in writing by the interest holder upon final determination of the interest. Interest holders shall immediately file amended statements to reflect any change in the current statements presently on file.~~
- ~~B. The Director may periodically, by notice to the holders of interests filed under this rule and under A.R.S. § 4112(B)(3), require such interest holders to verify in writing to the Director that the statement presently on file is currently correct and accurate and, if not, such interest holder shall immediately file an amended statement or termination notice. If no response is received by the Director within 30 days of the mailing of such notice, the interest shall be deemed terminated.~~
- ~~C. All persons having filed statements of interest in accordance with this rule and the statute shall be given notice of all matters, actions, or both, affecting or regarding the spirituous liquor license in which they have an interest.~~
- ~~D. Notice as required in subsection (C) shall be fully effective by mailing a copy thereof by registered or certified mail in a sealed envelope with postage prepaid and addressed to such person at his address as shown by the statement on file with the Director. Service of such notice shall be complete when deposited in the U.S. Mail.~~
- ~~E. All interest holders who are entitled to receive notice as provided for in this Article shall have the right to appear and participate in person and through counsel in any hearing held before the Board or Director affecting the subject spirituous~~

liquor license as his interests may appear.

- F. The statement of legal or equitable interest shall allow the person filing said statement to participate in the proceedings and shall not in any manner bind the Director or the state Liquor Board concerning the matter under consideration.

R19-1-303. ~~Retail Agents Repealed~~

The following shall apply in all cases where 2 or more licensees pool their purchases for alcoholic beverages from a wholesaler:

1. Definition: For purposes of this rule, the term "Agent" means Registered Retail Agent as defined in A.R.S. § 4101(28).
2. For purposes of this rule, the term "cooperative purchases" shall indicate that 2 or more retailers have entered into an agreement whereby 1 of them is designated the agent for each of them for the purpose of purchasing spirituous liquors.
3. Any agreement between a retailer and agent to make "cooperative purchases" shall be in writing on a form prescribed by the Director. The Agreement must be filed with and approved by the Department. The Agreement should provide that, upon consummation of the sale by the wholesaler, title to the merchandise so purchased shall vest in each of the parties to the Agreement, in accordance with his proportionate share of the order. The Agreement shall be signed and dated by each party to the Agreement. Each party to the Agreement shall have a copy of the Agreement available for inspection by any employee of the Department or any peace officer. The agent will be provided with a Certificate of Registration which shall be displayed upon the request of any employee of the Department, any peace officer, or any spirituous liquor licensee. The agent shall file a listing of the names, business addresses and license series of those licensed retailers who have authorized the agent to purchase on their behalf.
4. All orders for "cooperative purchases" from a wholesaler shall be placed by the agent, and payment for that order shall be made by such agent. The agent shall be responsible for the fiscal operation of all "cooperative purchases". There shall be no exchanges of merchandise after delivery has been made by the wholesaler. Bona fide delivery errors are excepted if immediately recognized and documented.
5. A wholesaler shall comply with all invoice and recordkeeping procedures in accordance with R191222, prevailing federal regulations and requirements of the Department of Revenue. The wholesaler shall prepare a master invoice for the agent of each "cooperative purchase" which shall detail the individual purchases made by each member of the "cooperative purchase", a copy of which must be furnished each member. The master invoice shall dictate the specific discount for each "cooperative purchase".
6. Agents shall follow recordkeeping procedures so as to account for all orders and purchases and deliveries to retailers and describe any storage of spirituous liquors. Such records must relate directly to the orders, purchases, and deliveries made by each retailer represented by the agent. Agents shall maintain in accordance with R191222, all activity reports and invoices, and any other records requested by the Director, and shall make such available for inspection upon request.
7. Agents shall not store spirituous liquors on any premise other than a licensed retail establishment without 1st obtaining written permission from the Director. Wholesalers may deliver to an agent's licensed premises or any offpremise warehouse storage facility of the agent which has been approved by the Director. The agent may deliver the merchandise to the individual retailer.
8. The Director may cancel, after a hearing pursuant to A.R.S. § 4210, any Certificate of Registration issued to an agent for failure to comply with this rule.
9. The agent may charge members of the cooperate a fee for services rendered to retailers belonging to the cooperative association. Under no circumstances may the agent change the price quoted on the wholesaler's invoice.
10. Agent shall file with the Department a list of the names, business addresses and license series for those retailers who have authorized him to act on their behalf. Any changes in the retailers involved in this agreement must be reported to the Department within 10 days of the change.

R19-1-304. ~~Standards for Alcohol Training Programs Repealed~~

- A. The standards established by this rule shall be minimum standards with respect to the subject matter to be taught and the time allotted for teaching the subject matter.
- B. Nothing in this rule prohibits the teaching of additional subject matter or allotting additional time for the teaching of any subject matter.
- C. A proposed training program shall be submitted to the Department for initial approval. The Department may, at any time, review any approved training program to determine that the program continues to meet minimum standards.
- D. Training shall be conducted by an independent trainer except that licensees with 20 or more licenses may submit an in-house training program.
- E. Training for On-sale Retail Licenses shall consist of:
 1. The Regulation of Alcoholic Beverages (40 minutes):
 - a. Role and Function of Arizona Department of Liquor Licenses;

- b. Types of On-sale Licenses;
 - e. Potential Risks to the Business/Licensee;
 - d. Potential Risks to the Employee.
2. Laws Regarding Establishments Serving Alcoholic Beverages (20 minutes):
 - a. Licensed Premises;
 - b. Entertainment Within Licensed Premises;
 - e. Violence on Licensed Premises.
 3. Laws Regarding Age (50 minutes):
 - a. Legal Age in Arizona;
 - b. Identification of Legal Age;
 - e. Recognizing Invalid Identification;
 - d. Recording Identification;
 - e. Underage Persons in Bars and Restaurants;
 - f. Refusing an Underage Customer.
 4. Laws Regarding Intoxication (60 minutes):
 - a. Sale to Intoxicated Persons;
 - b. Service Limitations for Alcoholic Beverages;
 - e. Knowledge of Alcohol and its Effects;
 - d. Monitoring Customer Consumption and Intervention Techniques;
 - e. Refusing an Intoxicated Customer.
 5. Laws Regarding Legal Hours of Sale and Laws Regarding the Payment of Alcoholic Beverages (20 minutes).
 6. Management Requirement Policies Regarding Alcoholic Beverages (40 minutes):
 - a. Purchase and Storage Requirements;
 - b. Management Requirements;
 - e. Employee Requirements;
 - d. Records Requirements;
 - e. House Policies;
 - f. Marketing Strategies.
 7. Course Summary and Evaluation (10 minutes):
 - a. Summary Discussion;
 - b. Post Test and Review;
 - e. Trainee Certification.
- F. Training for Off-sale Retail Licenses shall consist of:**
1. The Regulation of Alcoholic Beverages (15 minutes):
 - a. Role and Function of Arizona Department of Liquor Licenses;
 - b. Potential Risks to the Business/Licensee;
 - e. Potential Risks to the Employee.
 2. The Sale to Underage Customers (20 minutes):
 - a. Legal Age in Arizona;
 - b. When to Require Identification;
 - e. Acceptable Forms of Identification;
 - d. Recognizing Invalid Identification;
 - e. Use of Registration Book;
 - f. Refusing an Underage Customer.
 3. The Sale to Intoxicated Customers (20 minutes):
 - a. Sales to Intoxicated Customers;
 - b. Recognizing an Intoxicated Customer;
 - e. Refusing an Intoxicated Customer.
 4. The Sale of Broken Packages and On-premise Consumption (10 minutes):
 - a. Off-sale Premise Restrictions;
 - b. Advising Customers of Off-sale Consumption.
 5. The Sale of Alcoholic Beverages During Restricted Hours (10 minutes):
 - a. Legal Hours of Sale in Arizona;
 - b. Refusing an After-hour Sale.
 6. Second Party Sales of Alcoholic Beverages (15 minutes):
 - a. Second-party Purchases;
 - b. Recognizing Second-party Purchasers;
 - e. Refusing Second-party Sales.
 7. Handling Special or Problem Situations (20 minutes):

- a. Recognizing Problem Situations;
- b. Employee Responsibilities in Problem Situations.
- 8. Course Summary and Evaluation (10 minutes):
 - a. Summary Discussion;
 - b. Post-Test and Review;
 - c. Trainee Certification.
- G. Persons conducting approved training programs shall, for a minimum of two years, retain records of persons who have satisfactorily completed the program. The record shall include:
 - 1. Name of the person completing the training;
 - 2. Date the training was completed;
 - 3. Type of training (on-sale, off-sale);
 - 4. If the person is employed by a licensee, the name of the licensee by whom the person is employed.
- H. Upon satisfactory completion of training, the trainer shall present a certificate of completion to the trainee. The certificate shall list the information required by subsection (G)(1)–(4) of this rule and include the name of the program and the signature of the trainer.

R19-1-305. ~~Change of Address Repealed~~

~~When a street number or other official designation of address of the licensed premises is changed, the licensee shall notify the Department on a form prescribed by the Director within 15 days of such change. The license shall be surrendered upon the issuance of a replacement license which reflects the current address of the licensed premises.~~

R19-1-306. ~~Name Change Requirements Repealed~~

~~No licensee shall change the name of his licensed business without first notifying the Department on a form prescribed by the Director. The license shall be surrendered upon the issuance of a replacement license which reflects the current name of the licensed premises.~~

R19-1-307. ~~Closing, Notice of Repealed~~

- ~~A. The licensee shall notify the Department on a form prescribed by the Director if a license is not used for a period of time over 30 consecutive days. The licensee shall notify the Department within 30 days from the date the license was last used.~~
- ~~B. The licensee shall notify the Department on a form prescribed by the Director prior to placing the license back into use.~~
- ~~C. No licensee shall leave his licensed place of business, while under normal operating conditions, in the control of another, over 30 days without first notifying the Department and complying with the required filing of a manager's agreement or letter of notification.~~

R19-1-308. ~~Surrender of Licenses/Interim Retail Permits Repealed~~

- ~~A. Surrender of retail licenses for purposes of compliance with the interim permit requirements of A.R.S. § 4203.01 shall be accomplished by any of the following:
 - 1. The license is delivered to the Department by mail or in person with a notarized signature of surrender by the license holder or holders; or
 - 2. In the event the license is lost or cannot be located, the license holder or holders indicates in a signed, notarized statement the surrender of the license; or
 - 3. The license holder or holders has abandoned the licensed premise and the license with no intention of returning as demonstrated by the following:
 - a. The premises have been vacant during normal operating hours for a period of 30 days; and
 - b. The licensee has failed to notify the Director of his or her intention to suspend the operation under the license as required by R19-1-225; and
 - c. The licensee cannot be located by the Department at his or her last known address as reflected in the Department's records; and
 - d. The person who delivered the license to the Department has submitted a notarized statement asserting that, to the best of his or her knowledge, the licensed premises have been vacant during normal operating hours for a period of 30 days and the license holder or holders has abandoned the license and licensed premises.~~
- ~~B. The Director may deny the surrender of any license, regardless of the method of surrender, if:
 - 1. The licensee is delinquent in payment of taxes to any municipality or the state or any political subdivision thereof; or
 - 2. A complaint has been filed and is pending against the licensee alleging a violation of any provision of A.R.S. Title 4, or any rule thereof; or
 - 3. The ownership of the license is contested; or
 - 4. Civil proceedings involving the liquor license are pending before any Arizona or federal court.~~

R19-1-309. ~~Special Event License Repealed~~

- ~~A. An applicant for a Special Event License shall make application on a form prescribed by the Department. The application form shall be filed with the local authority for approval or denial. Applications approved by the local authority will be~~

reviewed by the Director. If the applicable requirements of A.R.S. Title 4 are met, the Director shall issue a Special Event License. The application form may be approved and validated by the Department and a copy returned to the local governing authority and the applicant.

- ~~B. Qualifying organizations as defined in A.R.S. § 4-203.02(B) may be granted a Special Event license for no more than 10 days in a calendar year. Events shall be held on consecutive days and at the same location or additional licenses will be required. A Special Event License authorizes the sale of spirituous liquor for the period authorized on the and is automatically terminated upon closing of the last day of the event or the expiration of the license, whichever occurs 1st.~~

R19-1-310. Criteria for Issuing Restaurant License Repealed

~~The following factors are to be considered by the Department in determining when a protest will be made against a restaurant license application. Any combination of four or more factors may result in a Department protest.~~

- ~~1. The number of cooks, food preparation personnel, waiters, or waitresses do not appear to be a sufficient number to prepare and provide the proposed restaurant services.~~
- ~~2. Restaurant equipment is not of sufficient grade or appropriate to the offered menu.~~
- ~~3. The proposed menu is not of the type and price likely to achieve 40% food sales.~~
- ~~4. There is the presence of a jukebox, live entertainment, or dance floor on the premises.~~
- ~~5. There is the presence of a number of bar games and equipment, such as pool tables, dart games, big-screen televisions, or arcade-type games.~~
- ~~6. Use of a term in the establishment's business name, sign age, or promotional material which places emphasis on alcohol consumption. Terms such as bar, tavern, pub, spirits, club, lounge, cabaret, saloon, and other names which denote liquor sales will be considered as indication of non-restaurant format.~~
- ~~7. More than 60% of the public seating area consists of barstools, cocktail tables, and similar types of seating, indicating that such area is used primarily for alcohol consumption.~~
- ~~8. Dinnerware and smallware including dining utensils are not compatible with the offered menu.~~

R19-1-311. Patio Outdoor Use Permission Repealed

~~No licensee shall serve or allow to be served any spirituous liquors, including beer and wine, to patrons seated at outdoor or patio tables within the boundaries of the licensee's property without obtaining written approval on an extension of premise application from the Department. This application will apply to a temporary extension of premise as well as a permanent extension of premise.~~

R19-1-312. Conveyance License, Application Posting Repealed

~~For the purpose of processing an application filed by a conveyance applicant, the posting of the application as provided by A.R.S. § 4-201, shall be accomplished by posting a copy of the application and notice to the public in a conspicuous place at the location where the conveyance applicant conducts its principal business in the state of Arizona.~~

R19-1-313. Interim Permit/Tax Violations Repealed

~~The Director may refuse to issue an interim permit or issue a license until arrangements have been made with the taxing authority to satisfy the payment of all delinquent taxes. Any arrangements must be verified in writing from the applicable taxing authority and submitted to the Director.~~

R19-1-315. Exemptions to A.R.S. § 4-244.05 Repealed

~~Small restaurants, catering establishments, associations, and business establishments hosting private social functions are exempt from A.R.S. § 4-244.05 if the business establishment meets all of the following conditions:~~

- ~~1. The possession or consumption of spirituous liquor on the premises is limited to wine and beer and is permitted as an incidental convenience to patrons of the business establishment.~~
- ~~2. The business establishment limits possession or consumption of wine or beer on the premises to the hours between noon and 10 p.m.~~
- ~~3. The business establishment or premises allows a patron to possess no more than 24 ounces of beer per person, or 6 ounces of wine per person to be consumed on the premises.~~
- ~~4. The business establishment notifies the Department on a form prescribed by the Department that it permits patrons to consume or possess beer or wine on the premises.~~
- ~~5. The business establishment and/or its proprietor, manager, comptroller, controlling person, or employee shall comply with A.R.S. Title 4, Chapters 1, 2, and 3, and 19 A.A.C. 1.~~
- ~~6. The business establishment and/or its proprietor, manager, comptroller, controlling person, or employee shall not permit the number of patrons within the business establishment to exceed the maximum occupancy limitations. The maximum occupancy limitations are:
 - ~~a. Small restaurant: shall not exceed 40 patrons.~~
 - ~~b. Catering establishment: shall not exceed 300 patrons.~~
 - ~~c. Associations: shall not exceed 300 patrons.~~
 - ~~d. Business establishments hosting private social functions: shall not exceed 300 patrons.~~~~

7. If any clause, sentence, subsection, Section, or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, subsection, Section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

R19-1-316. Public Facilities Exemption Repealed

Publicly owned and/or facilities operated by governmental entities ("Public Facility") are exempt from A.R.S. § 4-244.05 if such facilities meet all of the following conditions:

1. The possession or consumption of spirituous liquor is permitted only within the hours of noon to 10 p.m. as permitted by Arizona law, and is limited to no more than 10 hours per day;
2. The possession or consumption of spirituous liquor is permitted only as an incidental convenience to the person attending such public facility;
3. The maximum permitted occupancy of such public facility shall be 250,000.
4. A person attending such public facility shall possess no more than 24 ounces of beer, 6 ounces of distilled spirits or 6 ounces of wine per person to be consumed on the premises.
5. The Director's agent and/or any peace officer shall be empowered to enforce A.R.S. Title 4 to visit and inspect the public facility during business hours.
6. The public facility and/or its proprietor, manager, comptroller, controlling person or employee shall comply with the provisions of A.R.S. Title 4, Chapters 1, 2, and 3, and 19 A.A.C. 1.
7. If any clause, sentence, subsection, Section, or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, subsection, Section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

R19-1-317. Licensing Time frames Repealed

The following time frames apply to licenses issued by the Department. The licensing time frames consist of an administrative completeness review time frame, a substantive review time frame, and an overall time frame as defined in A.R.S. § 41-1072.

1. Within the applicable administrative completeness review time frame set forth in subsection (5), the Department shall notify the applicant in writing when an application is incomplete. The notice shall specify what information or component is required to make an application complete.
2. An applicant with an incomplete application shall supply the missing information within 30 days from the date of the notice or within such further time as the Director may specify, unless another time is specified by statute or rule. If the applicant fails to submit the missing information or component within the specified time period, the Department may deem the application withdrawn and close the file. Closing the file under this provision does not preclude the applicant from filing a new application.
3. Within the applicable overall time frame set forth in subsection (5), unless extended by written notification pursuant to A.R.S. § 4-201.01(B), or by mutual agreement pursuant to A.R.S. § 41-1075, the Department shall notify the applicant in writing that the application is granted or denied. If the application is denied, the Department shall serve the applicant with a written order containing justification for the denial and an explanation of the applicant's right to appeal.
4. For all types of liquor licenses, except Special Event and Wine Festival Licenses, the Director may extend the overall time frame as prescribed by A.R.S. § 4-201(B).
5. The licensing time frames are set forth in Table A.

Notices of Proposed Rulemaking

Table A. Licensing Time frames Repealed

No.	License Type	Legal Authority	Administrative-Completeness-Review-Time frame	Substantive-Review-Time frame	Overall-Time frame
1	In-State Producers	A.R.S. § 4-209	75 Days	30 Days	105 Days
2	Out of State Producers	A.R.S. § 4-209	75 Days	30 Days	105 Days
3	Domestic Microbrewery	A.R.S. § 4-205.04	75 Days	30 Days	105 Days
4	Wholesalers	A.R.S. § 4-209	75 Days	30 Days	105 Days
5	Government	A.R.S. § 4-205.03	75 Days	30 Days	105 Days
6	Bar	A.R.S. § 4-209	75 Days	30 Days	105 Days
7	Beer and Wine Bar	A.R.S. § 4-209	75 Days	30 Days	105 Days
8	Conveyance	A.R.S. § 4-209	75 Days	30 Days	105 Days
9	Liquor Store	A.R.S. § 4-209	75 Days	30 Days	105 Days
10	Beer and Wine Store	A.R.S. § 4-209	75 Days	30 Days	105 Days
11	Hotel/Motel	A.R.S. § 4-205.01	75 Days	30 Days	105 Days
12	Restaurant	A.R.S. § 4-205.02	75 Days	30 Days	105 Days
13	Domestic Farm Winery	A.R.S. § 4-205.04	75 Days	30 Days	105 Days
14	Club (Private)	A.R.S. § 4-205	75 Days	30 Days	105 Days
15	Out of State Winery	A.R.S. § 4-209	75 Days	30 Days	105 Days
	Wine Festival/Wine Fair	A.R.S. § 4-203.03	10 Days	20 Days	30 Days
	Special Event	A.R.S. § 4-203.02(B)	10 Days	20 Days	30 Days

NOTICE OF PROPOSED RULEMAKING

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 1. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

[R12-217]

PREAMBLE

1. Article, Part, or Section Affected

Rulemaking Action

Article 1	New Article
R19-1-101	New Section
R19-1-102	New Section
R19-1-103	New Section
R19-1-104	New Section
R19-1-105	New Section
R19-1-106	New Section
R19-1-107	New Section
Article 2	New Article
R19-1-201	New Section
R19-1-202	New Section
R19-1-203	New Section
R19-1-204	New Section
R19-1-205	New Section
R19-1-206	New Section

R19-1-207	New Section
R19-1-208	New Section
R19-1-209	New Section
Article 3	New Article
R19-1-301	New Section
R19-1-302	New Section
R19-1-303	New Section
R19-1-304	New Section
R19-1-305	New Section
R19-1-306	New Section
R19-1-307	New Section
R19-1-308	New Section
R19-1-309	New Section
R19-1-310	New Section
R19-1-311	New Section
R19-1-312	New Section
R19-1-313	New Section
R19-1-314	New Section
R19-1-315	New Section
R19-1-316	New Section
R19-1-317	New Section
R19-1-318	New Section
R19-1-319	New Section
R19-1-320	New Section
R19-1-321	New Section
R19-1-322	New Section
R19-1-323	New Section
R19-1-324	New Section
R19-1-325	New Section
R19-1-326	New Section
R19-1-327	New Section
Article 4	New Article
R19-1-401	New Section
R19-1-402	New Section
R19-1-403	New Section
R19-1-404	New Section
R19-1-405	New Section
R19-1-406	New Section
R19-1-407	New Section
R19-1-408	New Section
Article 5	New Article
R19-1-501	New Section
R19-1-502	New Section
R19-1-503	New Section
R19-1-504	New Section
R19-1-505	New Section
Article 6	New Article
R19-1-601	New Section
R19-1-602	New Section
R19-1-603	New Section
R19-1-604	New Section
Article 7	New Article
R19-1-701	New Section
R19-1-702	New Section
R19-1-703	New Section
R19-1-704	New Section
R19-1-705	New Section

2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):

Authorizing statute: A.R.S. § 4-112(A)(2) and (B)(1)

Implementing statute: A.R.S. §§ 4-101 et seq.

3. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the proposed rule:

Notices of Proposed Rulemaking

Notice of Rulemaking Docket Opening: 18 A.A.R. 3011, November 16, 2012 (*in this issue*)

4. The agency's contact person who can answer questions about the rulemaking:

Name: Pearllette Ramos
Address: Department of Liquor Licenses and Control
800 West Washington, 5th floor
Phoenix, AZ 85007
Telephone: (602) 542-9021
Fax: (602) 542-6799
E-mail: Pearllette.ramos@azliquor.gov
Web site: www.azliquor.gov

5. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:

In response to a five-year-review report approved by the Governor's Regulatory Review Council on May 3, 2011, the Department is repealing existing rules in a related rulemaking and making new rules that are consistent with statute and agency practice. They are also making the rules clear, concise, and understandable and consistent with current rule writing standards.

An exemption from the rulemaking moratorium contained in Executive Order 2012-03 was granted in an e-mail from Steven Killian, policy advisor to Governor Brewer, dated September 25, 2012.

6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

None

7. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

These new rules are replacing existing rules, which are being repealed in a related rulemaking. The content of the new rules is substantially similar to that of the rules being repealed. Most of the economic impact from regulation of the liquor industry, including fees and surcharges, results from legislative action.

The rulemaking contains some changes that will have minimal economic impact. These include:

- Requiring an applicant to submit an application that does not contain a non-technical error;
- Requiring that individuals who take a Department-approved training course take an examination;
- Requiring that the provider of a Department-approved training course allow course participants to evaluate the course and course instructor;
- Requiring that the provider of a Department-approved training course submit updated course materials to the Department annually;
- Establishing standards for a non-contiguous area of a licensed premises;
- Establishing standards for a restaurant to maintain records in auditable form; and
- Clarifying that the standard for an unlicensed small restaurant is an occupancy limitation of 50.

9. The agency's contact person who can answer questions about the economic, small business, and consumer impact statement:

Name: Pearllette Ramos
Address: Department of Liquor Licenses and Control
800 West Washington, 5th floor
Phoenix, AZ 85007
Telephone: (602) 542-9021
Fax: (602) 542-6799
E-mail: Pearllette.ramos@azliquor.gov
Web site: www.azliquor.gov

10. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is

scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

An oral proceeding regarding the proposed rules will be held as follows:

Date: Tuesday, December 18, 2012
Time: 10:00 a.m.
Location: Industrial Commission Auditorium
800 W. Washington St.
Phoenix, AZ 85007

The rulemaking record will close at 5:00 p.m. on December 21, 2012.

11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

None

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

The rules do not require a permit. Statute requires the Department to issue licenses.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

Federal law is applicable to the subject of the rules (See 27 CFR, Chapter 1, Subchapter A). The rules are no more stringent than federal law.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No analysis was submitted.

12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

None

13. The full text of the rules follows:

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 1. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

ARTICLE 1. ~~REPEALED~~ GENERAL PROVISIONS

Section

- R19-1-101. ~~Repealed~~ Definitions
- R19-1-102. ~~Repealed~~ Fees and Surcharges; Service Charges
- R19-1-103. ~~Repealed~~ A.R.S. Title 4 Training Course: Minimum Standards
- R19-1-104. ~~Repealed~~ Shipping Container Labeling; Shipping Requirements
- R19-1-105. ~~Repealed~~ Standards for a Non-contiguous Area of a Licensed Premises
- R19-1-106. ~~Repealed~~ Severability
- R19-1-107. ~~Repealed~~ Electronic Signatures

ARTICLE 2. ~~REPEALED~~ LICENSING

Section

- R19-1-201. ~~Repealed~~ Who May Apply for a License
- R19-1-202. ~~Repealed~~ Application Required
- R19-1-203. ~~Repealed~~ Registration of a Retail Agent
- R19-1-204. ~~Repealed~~ Obtaining a Quota License
- R19-1-205. ~~Expired~~ Requirements for a Special Event License
- R19-1-206. ~~Repealed~~ Criteria for Issuing a Restaurant License
- R19-1-207. ~~Repealed~~ Extension of Premises
- R19-1-208. ~~Repealed~~ Notice of Application for a Conveyance License
- R19-1-209. ~~Repealed~~ Licensing Time-frames

ARTICLE 3. ~~REPEALED~~ LICENSEE RESPONSIBILITIES

Section	
R19-1-301.	Recodified <u>Display of License</u>
R19-1-302.	Repealed <u>Knowledge of Liquor Law; Responsibility</u>
R19-1-303.	Repealed <u>Authorized Spirituous Liquor</u>
R19-1-304.	Repealed <u>Storing Spirituous Liquor on Unlicensed Premises</u>
R19-1-305.	Repealed <u>Paying Taxes Required</u>
R19-1-306.	Repealed <u>Bottle Labeling Requirements</u>
R19-1-307.	Repealed <u>Bottle Reuse or Refilling Prohibited</u>
R19-1-308.	Repealed <u>Age Requirement for Erotic Entertainers</u>
R19-1-309.	Repealed <u>Prohibited Acts</u>
R19-1-310.	Repealed <u>Prohibited Films and Pictures</u>
R19-1-312.	Repealed <u>Accurate Labeling of Dispensing Equipment Required</u>
R19-1-313.	Repealed <u>Sign Limitations</u>
R19-1-314.	Expired <u>Prohibited Inducement to Purchase or Consume Spirituous Liquor</u>
R19-1-315.	Repealed <u>Responsibilities of a Licensee that Operates a Delivery Service</u>
R19-1-316.	Repealed <u>Responsibilities of a Liquor Store or Beer and Wine Store Licensee</u>
R19-1-317.	Repealed <u>Responsibilities of a Hotel-Motel or Restaurant Licensee</u>
R19-1-318.	<u>Responsibilities of a Special Event Licensee</u>
R19-1-319.	<u>Commercial Coercion or Bribery Prohibited</u>
R19-1-320.	<u>Practices Permitted by a Producer or Wholesaler</u>
R19-1-321.	<u>Practices Permitted by a Wholesaler</u>
R19-1-322.	<u>Responsibilities of a Registered Retail Agent</u>
R19-1-323.	<u>Underage Individuals on Licensed Premises</u>
R19-1-324.	<u>Standards for Exemption of an Unlicensed Business</u>
R19-1-325.	<u>Display of Warning Sign Regarding Consumption of Alcohol; Posting Notice Regarding Firearms</u>
R19-1-326.	<u>Tapping Equipment</u>
R19-1-327.	<u>Domestic Farm Winery Sampling</u>

ARTICLE 4. REQUIRED NOTICES TO DEPARTMENT

Section	
R19-1-401.	<u>Notice of License Surrender or Application Withdrawal</u>
R19-1-402.	<u>Registered Retail Agent: Notice of Change in Cooperative-purchase Agreement; List of Cooperative Members</u>
R19-1-403.	<u>Hotel-Motel or Restaurant Licensee: Notice of Change to Restaurant Facility</u>
R19-1-404.	<u>Notice of Sampling on a Licensed Off-sale Retail Premises</u>
R19-1-405.	<u>Notice of Change in Status: Active or Nonuse</u>
R19-1-406.	<u>Notice of Change in Manager</u>
R19-1-407.	<u>Notice of Legal or Equitable Interest</u>
R19-1-408.	<u>Notice of Change in Business Name, Address, or Telephone Number</u>

ARTICLE 5. REQUIRED RECORDS AND REPORTS

Section	
R19-1-501.	<u>General Recordkeeping</u>
R19-1-502.	<u>On-sale Retail Personnel Records</u>
R19-1-503.	<u>Records Regarding Cooperative Purchases</u>
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ARTICLE 6. VIOLATIONS; HEARINGS; DISCIPLINE

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R19-1-601.	<u>Appeals and Hearings</u>
R19-1-602.	<u>Actions During License Suspension</u>
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ARTICLE 7. STATE LIQUOR BOARD

Section	
R19-1-701.	<u>Election of Officers</u>

<u>R19-1-702.</u>	<u>Determining Whether to Grant a License for a Certain Location</u>
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<u>R19-1-705.</u>	<u>Judicial Review</u>

ARTICLE 1. ~~REPEALED~~ GENERAL PROVISIONS

R19-1-101. ~~Repealed-Definitions~~

- A.** The definitions in A.R.S. §§ 4-101, 4-205.02, 4-205.03, 4-205.06, 4-207, 4-210, 4-227, 4-243, 4-243.01, 4-244, 4-248, 4-251, and 4-311 apply to this Chapter. Additionally, in A.R.S. Title 4 and this Chapter, unless the context otherwise requires:
1. “Association” means a group of individuals who have a common interest that is organized as a non-profit corporation or fraternal or benevolent society and owns or leases a business premises for the group’s exclusive use.
 2. “Bar license” (Series 6) means authorization issued to an on-sale retailer to sell:
 - a. Spirituos liquors in individual portions for consumption on the licensed premises;
 - b. Spirituos liquors in an original, unopened, container for consumption off the licensed premises provided sales for consumption off the licensed premises, by total retail sales of spirituous liquor at the licensed premises, are no more than the percentage of the sales price of on-sale spirituous liquor established under A.R.S. § 4-206.01(F); and
 - c. Beer in a clean glass container that is sealed and labeled as described in A.R.S. § 4-244(32).
 3. “Beer and wine bar license” (Series 7) means authorization issued to an on-sale retailer to sell:
 - a. Beer and wine in individual portions for consumption on the licensed premises;
 - b. Beer and wine in an original, unopened, container for consumption off the licensed premises provided sales for consumption off the licensed premises, by total retail sales of spirituous liquor at the licensed premises, are no more than the percentage of the sales price of on-sale spirituous liquor established under A.R.S. § 4-206.01(F); and
 - c. Beer in a clean glass container that is sealed and labeled as described in A.R.S. § 4-244(32).
 4. “Beer and wine store license” (Series 10) means authorization issued to an off-sale retailer to sell:
 - a. Wine and beer in an original, unopened, container for consumption off the licensed premises; and
 - b. Beer in a clean glass container that is sealed and labeled as described in A.R.S. § 4-244(32).
 5. “Business” means an enterprise or organized undertaking conducted regularly for profit, which may be licensed or unlicensed.
 6. “Business premises” means real property and improvements from which a business operates.
 7. “Catering establishment” means a business premises that is available for hire for a particular event and at which food and service is provided for people who attend the event.
 8. “Club license” (Series 14) means authorization issued to a club to sell spirituous liquors only to members and members’ bona fide guests for consumption only on the premises of the club.
 9. “Cocktail mixer” means a non-alcoholic liquid or solid mixture used for mixing with spirituous liquor to prepare a beverage.
 10. “Conveyance license” (Series 8) means authorization issued to the owner or lessee of an airplane, train, or boat to sell spirituous liquors for consumption only on the airplane, train, or boat.
 11. “Cooler product” means an alcoholic beverage made from wine or beer and fruit juice or fruit flavoring, often in combination with a carbonated beverage and sugar but does not include a formula wine as defined at 27 CFR 24.10.
 12. “Deal” means to sell, trade, furnish, distribute, or do business in spirituous liquor.
 13. “Department” means the Director of the Department of Liquor Licenses and Control and the State Liquor Board.
 14. “Direct shipment license” (Series 17) means authorization issued to producer, exporter, importer, or rectifier to take an order for spirituous liquor and ship the order under A.R.S. § 4-203.04(A)-(I).
 15. “Domestic farm winery license” (Series 13) means authorization issued to a domestic farm winery that produces at least 200 gallons but not more than 40,000 gallons of wine annually.
 16. “Domestic microbrewery license” (Series 3) means authorization issued to a domestic microbrewery that produces at least 5,000 gallons of beer following its first year of operation and not more than 1.24 million gallons of beer annually and includes authorization to sell beer in a clean glass container that is sealed and labeled as described in A.R.S. § 4-244(32).

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17. “Entertainment,” as used in A.R.S. § 4-244.05, means any form of amusement including a theatrical, opera, dance, or musical performance, motion picture, videotape, audiotape, radio, television, carnival, game of chance or skill, exhibit, display, lecture, sporting event, or similar activity.
18. “Erotic entertainer,” as used in A.R.S. § 4-112(G), means an employee who performs in a manner or style designed to stimulate or arouse sexual thoughts or actions.
19. “Government license” (Series 5) has the meaning set forth at A.R.S. § 4-101.
20. “Hotel-motel license” (Series 11) means authorization issued to a hotel or motel that has a restaurant where food is served to sell spirituous liquors for consumption on the premises of the hotel or motel or by means of a mini-bar.
21. “Incidental convenience,” as used in A.R.S. § 4-244.05(I), means allowing a customer to possess and consume the amount of spirituous liquor stated in R19-1-324 while at a business to obtain goods or services regularly offered to all customers.
22. “In-state producer license” (Series 1) means authorization issued to an entity to produce or manufacture spirituous liquor in Arizona.
23. “Interim permit” means temporary authorization issued under A.R.S. § 4-203.01 that allows continued sale of spirituous liquor.
24. “Licensed” means a license or interim permit is issued under A.R.S. Title 4 and this Chapter, including a license or interim permit on nonuse status.
25. “Licensed retailer” means an on-sale or off-sale retailer.
26. “Limited out-of-state producer license” (Series 2L) means authorization issued to an out-of-state producer to sell no more than 50 cases of spirituous liquor through a wholesaler annually.
27. “Liquor store license” (Series 9) means authorization issued to an off-sale retailer to sell:
 - a. Spirituous liquors in an original, unopened, container for consumption off the licensed premises; and
 - b. Beer in a clean glass container that is sealed and labeled as described in A.R.S. § 4-244(32).
28. “Non-technical error” means a mistake on an application that has the potential to mislead regarding the truthfulness of information provided.
29. “Nonuse” means a license is not used to engage in business activity authorized by the license for at least 30 consecutive days.
30. “Out-of-state producer license” (Series 2) means authorization issued to an entity to produce, export, import, or rectify spirituous liquors outside of Arizona and ship the spirituous liquors to a wholesaler.
31. “Party” has the same meaning as prescribed in A.R.S. § 41-1001.
32. “Physical barrier” means a wall, fence, rope, railing, or other temporary or permanent structure erected to restrict access to a designated area of a licensed premises.
33. “Producer” means the holder of an in-state, out-of-state, or limited out-of-state producer license.
34. “Product display” means a wine rack, bin, barrel, cask, shelving, or similar item with the primary function of holding and displaying spirituous liquor or other products.
35. “Quota license” means a bar, beer and wine bar, or liquor store license.
36. “Rectify” means to color, flavor, or otherwise process spirituous liquor by distilling, blending, percolating, or other processes.
37. “Reset” means a wholesaler removes expired spirituous liquor from the premises of a licensed retailer and replaces the expired product with unexpired spirituous liquor.
38. “Restaurant continuation authorization” means authorization issued to the holder of a restaurant license to operate under the restaurant license after it is determined that food sales comprise at least 30 percent but less than 40 percent of the business's gross revenue.
39. “Restaurant license” (Series 12) means authorization issued to a restaurant, as defined in A.R.S. § 4-205.02, to sell spirituous liquors for consumption only on the restaurant premises.
40. “Second-party purchaser” means an individual who is of legal age to purchase spirituous liquor and buys spirituous liquor for an individual who may not lawfully purchase spirituous liquor in Arizona.
41. “Special event license” (Series 15) means authorization issued to a charitable, civic, fraternal, political, or religious organization to sell spirituous liquors for consumption on or off the premises where the spirituous liquor is sold only for a specified period.
42. “Technical error” means a mistake on an application that does not mislead regarding the truthfulness of the informa-

tion provided.

43. “Transfer” means to:

- a. Move a license from one location to another location within the same county; or
- b. Change ownership, directly or indirectly, in whole or in part, of a business.

44. “Wholesaler license” (Series 4) means authorization issued to a wholesaler, as prescribed at A.R.S. § 4-243.01, to warehouse and distribute spirituous liquors to a licensed retailer.

45. “Wine festival or fair license” (Series 16) means authorization issued for a specified period to a domestic farm winery to serve samples of its products and sell the products in individual portions for consumption on the premises or in original, unopened, containers for consumption off the premises.

B. This Section is authorized by A.R.S. § 4-112(B)(1)(a).

R19-1-102. ~~Repealed Fees and Surcharges: Service Charges~~

A. Most of the fees and surcharges collected by the Department are established by statute.

B. After a license other than a special event, wine festival or fair, or direct shipment license is approved but before the license is issued, the person that applied for the license shall pay the issuance fee and all applicable surcharges. If the license will be issued less than six months before it is scheduled to be renewed, the person that applied for the license shall also pay one-half of the annual renewal fee.

C. After a new bar, beer and wine bar, or liquor store license is approved but before the license is issued, the person that applied for the license shall, as required by A.R.S. § 4-206.01(A)-(E), pay the fair market value of the license.

D. After a restaurant continuation authorization is approved but before the authorization is issued, the person that applied for the authorization shall pay a one-time fee of \$30,000.

E. A licensee shall pay the renewal fee established under A.R.S. 4-209(D) annually or double the renewal fee established under A.R.S. 4-209(D) biennially, as specified by the Department. A licensee that fails to submit a renewal application by the deadline established by the Department shall pay a penalty of \$150 in addition to the renewal fee.

F. At the time of application for a license, an individual required under A.R.S. Title 4 or this Chapter to submit fingerprints for a criminal history background check, shall pay the charge established by the Department of Public Safety for processing the fingerprints. The individual may have the fingerprints taken by a law enforcement agency, other qualified entity, or the Department. If the fingerprints are taken by the Department, the individual shall pay to the Department the actual cost of this service to a maximum of \$20.

G. Until the date specified in A.R.S. § 4-205.02(G), the Director shall collect from an applicant for a restaurant license the actual amount incurred to conduct a site inspection to a maximum of \$50.

H. Until the date specified in A.R.S. § 4-207.01(B), the Director shall collect from a licensee the actual amount incurred to review and act on an application for approval to alter or change a licensed premises to a maximum of \$50.

I. Until the date specified in A.R.S. § 4-206.01(J), the Director establishes and shall collect a fee of \$100 from an applicant that applies for sampling privileges associated with a liquor or beer and wine store license and \$60 to renew the sampling privilege.

J. Until the date specified in A.R.S. § 4-244.05(J)(4), the Director shall collect from the owner of an unlicensed establishment or premises acting under A.R.S. § 4-244.05 the actual amount incurred to conduct an inspection for compliance with R19-1-324 to a maximum of \$50.

K. If a check provided to the Department by an applicant or licensee is dishonored by the bank upon presentment, the Department shall:

1. As allowed by A.R.S. § 44-6852, require the applicant or licensee to pay the actual charges assessed by the bank plus a service fee of \$25;
2. Not issue a license, permit, or other approval to the applicant or licensee until all fees, including those referenced in subsection (K)(1), are paid by money order; and
3. Require the applicant or licensee to pay all future fees to the Department by money order.

L. As allowed under A.R.S. §35-142(K), the Department may impose a convenience fee for accepting payment made by credit or debit card.

M. This Section is authorized by A.R.S. §§ 4-112(G)(10), 4-205.02, 4-206.01, 4-207.01(B), 4-209, 4-244.05, and 35-142(K).

R19-1-103. ~~Repealed A.R.S. Title 4 Training Course: Minimum Standards~~

A. As authorized by A.R.S. § 4-112(G)(2), the Department establishes the following minimum standards for an A.R.S. Title 4 training course.

1. A provider of a training course shall ensure that course content, training materials, and examination provide current reference and practical application of statute and this Chapter for:
 - a. Basic liquor law applicable to an on-sale retail licensee;
 - b. Management training applicable to an on-sale retail licensee;
 - c. Basic liquor law applicable to an off-sale retail licensee; and

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- d. Management training applicable to an off-sale retail licensee;
2. A provider of a Basic On-sale training course shall ensure that the course is a minimum of three hours, excluding sign-in and break times, and course content includes the following topics:
 - a. General law regarding spirituous liquor.
 - i. Review of requirements for licensees and employees in Title 4 and this Chapter.
 - ii. Role and function of the Arizona Department of Liquor Licenses and Control.
 - iii. Potential legal risks to an on-sale retail licensee.
 - iv. Potential legal risks to an employee of an on-sale retail licensee.
 - v. Distinction between off- and on-sale license privileges, and
 - vi. Types and privileges of on-sale retail licenses.
 - b. Law regarding a licensed premises.
 - i. The licensed premises defined;
 - ii. Entertainment within or on the licensed premises, private parties, special events, or gambling;
 - iii. Spirituous liquor brought onto or removed from the licensed premises; and
 - iv. Extending or changing the licensed premises.
 - c. Law regarding age.
 - i. Selling spirituous liquor to persons of legal age;
 - ii. When to require identification of legal age;
 - iii. Recognizing acceptable forms of identification;
 - iv. Recognizing invalid forms of identification;
 - v. Documenting identification inspection by using an ID Log;
 - vi. Underage individuals in a bar or restaurant at which spirituous liquor is served;
 - vii. The Covert Underage Buyer Program; and
 - viii. Refusing to sell spirituous liquor to an underage individual using policy, procedure, and skill assessment;
 - d. Law regarding intoxication.
 - i. The effects of spirituous liquor and recognizing signs of obvious intoxication;
 - ii. Responsibility for the safety of customers;
 - iii. Service limitations of spirituous liquor at a licensed premises, special event, or sampling event;
 - iv. Monitoring customer consumption and intervention techniques using skill assessment; and
 - v. Refusing spirituous liquor service or sale to an intoxicated individual using policy, procedure, and skill assessment;
 - e. Law regarding second-party sales of spirituous liquor.
 - i. Definition of second-party sale.
 - ii. Licensee responsibilities regarding second-party sales.
 - iii. Recognizing a second-party purchaser.
 - iv. Preventing a second-party sale, and
 - v. Refusing to sell to a second-party purchaser;
 - f. Employee consumption of spirituous liquor;
 - g. Law regarding legal hours of sale and payment for spirituous liquor at retail locations;
 - h. Disorderly conduct and acts of violence.
 - i. Defining disorderly conduct and acts of violence;
 - ii. Maintaining order on the licensed premises using policy, procedures, and skill assessment;
 - iii. Locating forms and reporting requirements for an act of violence;
 - iv. Repeated acts of violence; and
 - v. Firearms on the licensed premises;
 - i. Management of problem situations:
 - i. Kinds of problem situations that may arise,
 - ii. Recognizing a problem situation, and
 - iii. Employee responsibilities in a problem situation; and
 - j. Course review.
 - i. Summarize course content.
 - ii. Administer to all participants the examination required under subsection (A)(10).
 - iii. Have all participants to complete the Course Evaluation Form required under subsection (A)(9), and
 - iv. Issue to qualifying participants the Certificate of Completion required under subsection (A)(11).
3. A provider of a Management On-sale training course shall ensure that the course is a minimum of two hours, excluding sign-in and break times, is preceded by the Basic On-sale training course outlined in subsection (A)(2), and management content includes the following topics:
 - a. Applying for, making changes to, and deactivating a liquor license.
 - i. Liquor license application requirements and process;

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- i. The information specified under subsections (A)(2)(a)(i) and (ii);
 - ii. Potential legal risks to an off-sale retail licensee;
 - iii. Potential legal risks to an employee of an off-sale retail licensee; and
 - iv. Types and privileges of off-sale retail licenses;
 - b. Law regarding a licensed premises. The information specified under subsections (A)(2)(b)(i), (ii), and (iv);
 - c. Law regarding age. The information specified under subsections (A)(2)(c)(i) through (v) and (vii) and (viii);
 - d. Law regarding intoxication. The information specified under subsections (A)(2)(d)(i) through (iii), and (v);
 - e. Law regarding second-party sales of spirituous liquor. The information specified under subsections (A)(2)(e);
 - f. Employee consumption of spirituous liquor.
 - g. Law regarding legal hours of sale.
 - i. Legal hours of sale in Arizona, and
 - ii. Refusing an after-hour sale using skill assessment;
 - h. Law regarding sale of broken packages and on-premises consumption.
 - i. Definition of broken package and on-premises consumption,
 - ii. Advising a customer of off-sale consumption restrictions using skill assessment,
 - iii. Refusing to allow a customer to open or consume spirituous liquor on the licensed premises using skill assessment, and
 - iv. Refusing to allow a customer to consume spirituous liquor in parking area or property adjacent to licensed premises using skill assessment;
 - i. Disorderly conduct and acts of violence. The information specified under subsection (A)(2)(h);
 - j. Management of problem situations. The information specified under subsections (A)(2)(i); and
 - k. Course review. The activities specified under subsection (A)(2)(j).
- 5. A provider of a Management Off-sale training course shall ensure that the course is a minimum of two hours, excluding sign-in and break times, and is preceded by the Basic Off-sale training course outlined in subsection (A)(4), and management content includes the following topics:
 - a. Applying for, making changes to, or deactivating a liquor license. The information specified under subsection (A)(3)(a);
 - b. Law enforcement regarding spirituous liquor. The information specified under subsection (A)(3)(b);
 - c. Licensed premises. The information specified under subsection (A)(3)(c);
 - d. Liquor license. The information specified under subsection (A)(3)(d);
 - e. Management requirements. The information specified under subsection (A)(3)(e);
 - f. Spirituous liquor marketing. The information specified under subsections (A)(3)(f)(i), (iii), and (iv);
 - g. General business practices.
 - i. The information specified under subsections (A)(3)(g)(i) through (vii) and (ix) through (xii), and
 - ii. Drive-through purchase of spirituous liquor;
 - h. Disorderly conduct and acts of violence. The information specified under subsection (A)(2)(h) and management responsibilities; and
 - i. Course review. The activities specified under subsection (A)(2)(j).
- 6. A provider of a Basic Off-sale with On-sale Privileges training course shall ensure that course addresses the topics specified under subsections (A)(2) and (4).
- 7. A provider of a Management Off-sale with On-sale Privileges training course shall ensure that course addresses the topics specified under subsections (A)(3) and (5).
- 8. A provider of a management training course shall ensure that a sign-in roster is completed and provides the following information:
 - a. Name of the course provider.
 - b. Date on which the course was conducted.
 - c. Location at which the course was conducted.
 - d. Name of individual who taught the course.
 - e. Printed name and signature of each participant, and
 - f. Form of identification accepted by the provider to verify each participant's identity and number and expiration date of the identification;
- 9. The Department shall provide a training provider with a Course Evaluation Form that allows a course participant to evaluate the knowledge and competence of the course trainer and the quality of the course.
- 10. A provider of a training course shall administer an objective examination to measure each participant's completion of the course.
- 11. The Department shall provide a training provider with a Certificate of Completion to issue to each participant who attends the course in its entirety, takes the examination required under subsection (A)(10), and completes the Course Evaluation form required under subsection (A)(9). The Department shall ensure that the Certificate of Completion contains the following information:

- a. Name of the participant who completed the course;
 - b. Date on which the course was attended;
 - c. Notice that the Certification of Completion expires three years from the date of issuance;
 - d. Whether the completed course addressed on-sale or off-sale retail requirements or a combination of both;
 - e. Whether the completed course addressed basic or management information or a combination of both;
 - f. Name of individual who taught the training course; and
 - g. Name of the course provider.
12. A provider of a training course shall:
- a. Maintain for two years:
 - i. A record of all Certificates of Completion issued under subsection (A)(11).
 - ii. Course Evaluation Forms completed by participants as required under subsection (A)(9).
 - iii. Examinations taken by participants as required under subsection (A)(10), and
 - iv. Course sign-in rosters required under subsection (A)(8); and
 - b. Submit to the Department by August 1 of each year, either by mail or electronically, an updated syllabus, examination, and other course materials for each training course provided. The provider shall ensure that the updated syllabus, course materials, and examination clearly indicate:
 - i. Whether the course is on-sale, off-sale, or a combination of both;
 - ii. Whether the course is basic or basic plus management;
 - iii. The name of each trainer authorized by the provider to teach each course;
 - iv. A list of individuals who are no longer authorized by the provider to teach its courses; and
 - v. The name, daytime telephone number, and e-mail address of the person responsible for the course provider.
- B.** Before providing a training course to participants, the provider of the training course shall apply to the Department for approval of the course content.
- C.** The provider of an approved training course shall, upon request, make the following available to the Department:
1. Record of the Certificates of Completion maintained under subsection (A)(11).
 2. All current training course syllabi, course materials, examinations, and Employee Information Forms.
 3. A copy of all materials provided to course participants.
 4. A copy of all teaching aids used in the training course, and
 5. A copy of the Course Evaluations Forms completed under subsection (A)(9).
- D.** The Department may, at any time, review an approved training course to determine that the course continues to meet the minimum standards specified in this Section. A provider shall inform the Department, upon request, of the date, time, and location of all scheduled training courses and allow the Department to audit the courses for:
1. Compliance with this Section, and
 2. Quality and accuracy of the training course content.
- E.** If the Department determines that a training course fails to meet the minimum standards specified in this Section, the Department shall give notice to the course provider regarding the areas of non-compliance, the steps required to be in compliance, and the date by which compliance must be achieved.
- F.** If the Department determines that a provider who received notice under subsection (E) failed to achieve compliance by the date specified, the Department may take action to suspend or revoke approval of the training course.
- G.** This Section is authorized by A.R.S. § 4-112(G)(2).

R19-1-104. ~~Repeated Shipping Container Labeling; Shipping Requirements~~

- A.** An individual or entity, whether licensed or unlicensed under A.R.S. Title 4 and this Chapter, shall ensure that spirituous liquor shipped or offered for shipping within this state for a commercial purpose is in a container that is clearly and conspicuously labeled with or is accompanied by a shipping document containing the following information:
1. Name of the individual or entity consigning or shipping the spirituous liquor;
 2. Name and address of the individual or entity to whom the spirituous liquor will be delivered; and
 3. Identification of the spirituous liquor.
- B.** An individual who transports spirituous liquor other than beer from a wholesaler to a licensed retailer shall ensure that:
1. The individual possesses a bill or memorandum from the wholesaler to the licensed retailer showing the:
 - a. Name and address of the wholesaler,
 - b. Name and address of the licensed retailer, and
 - c. Quantity and type of the spirituous liquor sold and transported; and
 2. The bill or memorandum referenced under subsection (B)(1) is exhibited on demand by any peace officer.
- C.** An individual or entity that ships or offers for shipping spirituous liquor from a point outside Arizona to a final destination in Arizona shall ensure that:
1. With the exception of wine that is being shipped under A.R.S. § 4-203.04(J) or A.R.S. § 4-205.04(C)(7) or (9) by a domestic farm winery licensee or beer that is being shipped under A.R.S. § 4-205.08(D)(5) by a domestic microbrewery licensee, the spirituous liquor is consigned to a wholesaler authorized to sell or deal in the particular spirituous

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- liquor being shipped; and
- 2. The spirituous liquor is placed for shipping with:
 - a. A common carrier or transportation company that is in compliance with all Arizona and federal law regarding operation of an interstate transportation business; or
 - b. The wholesaler to whom the spirituous liquor is consigned
- D. A common carrier or transportation company hired to transport spirituous liquor from a point outside Arizona to a final destination in Arizona shall ensure that:
 - 1. The common carrier or transportation company maintains possession of the spirituous liquor from the time the spirituous liquor is placed for shipping until it is delivered; and
 - 2. With the exception of spirituous liquor that is being shipped under A.R.S. § 4-203.04(J) or A.R.S. § 4-205.04(C)(7) or (9) by a domestic farm winery licensee, the spirituous liquor is delivered to the licensed premises of the wholesaler to whom the spirituous liquor is consigned.
- E. An individual or entity shall not construe this Section in a manner that interferes with the interstate shipment of spirituous liquor, including beer and wine, through this state if the spirituous liquor, as it passes through this state, is under the control of a common carrier or transportation company hired to transport the spirituous liquor.
- F. This Section is authorized by A.R.S. § 4-112(B)(1)(a).

R19-1-105. ~~Repealed Standards for a Non-contiguous Area of a Licensed Premises~~

- A. When an application is made for inclusion of a non-contiguous area in a licensed premises, the Department shall approve inclusion of the non-contiguous area only if the following standards are met:
 - 1. Unless application is made by a club licensee, the public convenience requires and the best interest of the community will be substantially served by approving inclusion of the non-contiguous area in the licensed premises;
 - 2. The non-contiguous area does not violate A.R.S. § 4-207;
 - 3. The non-contiguous area will be a permanent part of the licensed premises;
 - 4. The walkway or driveway that separates the non-contiguous area from the remainder of the licensed premises is no more than 30 feet wide;
 - 5. The non-contiguous area is completely enclosed by a permanently installed fence that is at least three feet in height;
 - 6. Construction of the business premises in the non-contiguous area will comply with all applicable building and safety standards before spirituous liquor is sold or served in the non-contiguous area; and
 - 7. The licensee demonstrates control of the taking of spirituous liquor between the non-contiguous area and the remainder of the licensed premises.
- B. This Section is authorized by A.R.S. § 4-101(26).

R19-1-106. ~~Repealed Severability~~

- A. In this Chapter, the subsections of each Section are severable and each Section is severable from the Chapter. If a Section or subsection or the application of a Section or subsection to a particular individual, entity, or circumstance is held to be invalid, the invalidity does not affect the validity of other Sections or subsections and does not affect the validity of the Section or subsection to a different individual, entity, or circumstance.
- B. This Section is authorized by A.R.S. § 4-112(B)(1)(b).

R19-1-107. ~~Repealed Electronic Signatures~~

- A. An applicant, licensee, or other person that submits to the Department a form or document required under A.R.S. Title 4 or this Chapter may submit the form or document electronically.
- B. This Section is authorized by A.R.S. § 4-112(G)(11).

ARTICLE 2. ~~REPEALED LICENSING~~

R19-1-201. ~~Repealed Who May Apply for a License~~

- A. Except as provided in subsection (B), the following pre-requisites apply for a license under A.R.S. Title 4 and this Chapter.
 - 1. If an individual applies for a license, the individual shall be:
 - a. A citizen of the United States or a legal resident alien, and
 - b. A bona fide resident of Arizona;
 - 2. If a partnership applies for a license, each partner shall meet the criteria in subsection (A)(1);
 - 3. If a corporation or limited liability company applies for a license, the corporation or limited liability company shall be:
 - a. Qualified to do business in Arizona, and
 - b. Hold the license through an agent who is an individual that meets the criteria in subsection (A)(1);
 - 4. If a limited partnership applies for a license:
 - a. An individual general partner, but not a limited partner, shall meet the criteria in subsection (A)(1), and
 - b. A corporate general partner shall meet the criteria in subsection (A)(3);

5. If a club or governmental entity applies for a license, the club or governmental entity shall hold the license through an agent who is an individual that meets the criteria in subsection (A)(1);
 6. Except as provided in subsection (A)(7), if an out-of-state entity applies for a license, the out-of-state entity shall meet the criteria in subsection (A)(3); and
 7. If an out-of-state entity applies for an out-of-state producer or limited out-of-state producer license, the out-of-state entity shall hold the license through an agent who is an individual that meets the criterion in subsection (A)(1)(a) and the out-of-state entity shall meet the criterion in subsection (A)(3)(a).
- B.** A person organized outside the U.S. that applies for an out-of-state producer or limited out-of-state producer license is not required to meet the pre-requisites in subsection (A) if the person makes application through an agent who meets the criteria listed in A.R.S. § 41-1080(B).
- C.** The Department shall accept as evidence that an individual is a citizen of the United States or a legal resident alien the documents listed in A.R.S. § 41-1080(A).
- D.** The Department shall accept a driver license or voter registration card as evidence that an individual is a bona fide resident of Arizona.
- E.** The Department shall accept the following, provided by or filed with the Arizona Corporation Commission, as evidence that an entity is qualified to do business in Arizona:
1. Corporation file number, or
 2. L.L.C. file number.
- F.** This Section is authorized by A.R.S. §§ 4-202(A) and 41-1080.

R19-1-202. ~~Repealed Application Required~~

- A.** An individual or entity that wishes to obtain a license or other approval from the Department shall complete and submit to the Department an application using a form that is available from the Department at its office or online.
- B.** This Section is authorized by A.R.S. §§ 4-201, 4-202, 4-203, 4-203.01, 4-203.04, and 4-228.

R19-1-203. ~~Repealed Registration of a Retail Agent~~

- A.** Pre-requisites for registration as a retail agent. A person may act as a retail agent only if the person:
1. Holds one of the licenses listed in A.R.S. § 4-222(A);
 2. Has a written Cooperative-purchase Agreement, using a form available from the Department, with one or more licensees; and
 3. Submits the materials required under subsections (B) and (C) to the Department.
- B.** To register as a retail agent, a licensee shall submit to the Department the application form prescribed by the Department. The licensee registering shall include the licensee's notarized signature affirming that the licensee will comply with all laws and this Chapter regarding cooperative purchases and that all information provided is true, correct, and complete.
- C.** In addition to submitting the application form required under subsection (B), an applicant for registration as a retail agent shall submit:
1. A copy of every Cooperative-purchase Agreement reached with another licensee; and
 2. The fee prescribed at A.R.S. § 4-222(B).
- D.** This Section is authorized by A.R.S. §§ 4-112(B)(1)(d) and 4-222.

R19-1-204. ~~Repealed Obtaining a Quota License~~

- A.** The number of quota licenses that the Department may issue in a county is limited.
- B.** Before issuing a new quota license in a particular county, the Department shall provide notice through available media of its intent to issue a new quota license, the particular kind of quota license to be issued, and invite interested persons in the county to inform the Department of their interest in the manner prescribed by the Department.
- C.** If the number of interested persons in a particular county exceeds the number of specified quota licenses available, the Department shall use a random selection method to determine priority of individuals who have applied for a new quota license.
- D.** Before a new quota license is issued to a successful applicant, the applicant shall pay:
1. The issuance fee and applicable surcharges prescribed under A.R.S. § 4-209;
 2. One-half of the annual renewal fee if the license will be issued less than six months before it is scheduled to be renewed; and
 3. The fair market value of the quota license, as determined by the Department.
- E.** This Section is authorized by A.R.S. § 4-206.01.

R19-1-205. ~~Repealed Requirements for a Special Event License~~

- A.** To apply for a special event license, an entity authorized under A.R.S. § 4-203.02 (B) shall submit to the Department an application form, which is available from the Department.
- B.** At the same time application is made to the Department under subsection (A), the entity shall submit a copy of the application form to the board of supervisors if the special event is to be held in an unincorporated area or to the governing body

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of a city or town if the special event is to be held in a city or town. The Department shall issue a special event license subject to the approval of the board of supervisors or governing body.

- C. The Department shall issue a special event license to an entity authorized under A.R.S. § 4-203.02 (B) for no more than 10 days in each calendar year.
- D. This Section is authorized by A.R.S. § 4-203.02.

R19-1-206. ~~Repealed~~ Criteria for Issuing a Restaurant License

- A. The Department shall not issue a restaurant license to an applicant if the Department finds there is sufficient evidence that the applicant will be unable to operate as a restaurant as defined at A.R.S. § 4-205.02(G)(2).
- B. The following criteria are evidence of an ability to operate a restaurant as defined at A.R.S. § 4-205.02(G)(2). The Department shall consider these criteria when determining whether to issue a restaurant license to an applicant:
 - 1. Number of cooks, other food preparation personnel, and wait staff are sufficient to prepare and provide the proposed restaurant services;
 - 2. Restaurant equipment is of sufficient grade or appropriate for the offered menu;
 - 3. Proposed menu is of a type and price likely to achieve 40 percent food sales; and
 - 4. Dinnerware and small-ware, including dining utensils, are compatible with the offered menu.
- C. The following criteria are evidence of an inability to operate a restaurant as defined at A.R.S. § 4-205.02(G)(2). The Department shall consider these criteria when determining whether to issue a restaurant license to an applicant:
 - 1. More than 60 percent of the public seating area consists of barstools, cocktail tables, and similar seating indicating the area is used primarily for consumption of spirituous liquor;
 - 2. Name, signage, or promotional materials of the proposed business premises contain a term such as bar, tavern, pub, spirits, club, lounge, cabaret, or saloon that denotes sale of spirituous liquor;
 - 3. Proposed business premises has a jukebox, live entertainment, or dance floor; and
 - 4. Proposed business premises contain bar games and equipment.
- D. This Section is authorized by A.R.S. § 4-205.02(E).

R19-1-207. ~~Repealed~~ Extension of Premises

- A. A licensee shall ensure that no spirituous liquor is served to a customer seated outside the licensed premises, as defined at A.R.S. § 4-101(26), without first making application for an extension of premises.
- B. An application under subsection (A) is required for either a temporary or permanent extension of premises.
- C. This Section is authorized by A.R.S. §§ 4-101(26) and 4-203(B).

R19-1-208. ~~Repealed~~ Notice of Application for a Conveyance License

- A. An individual or entity qualified under R19-1-201 who submits an application under R19-1-202 for a conveyance license shall post a copy of the application and the notice required under A.R.S. § 4-201(B) conspicuously at the location from which the applicant conducts its principal business in Arizona.
- B. This Section is authorized by A.R.S. § 4-201(B).

R19-1-209. ~~Repealed~~ Licensing Time-frames

- A. For the purpose of compliance with A.R.S. § 41-1073, the Department establishes time-frames that apply to licenses issued by the Department. The licensing time-frames consist of an administrative completeness review time-frame, a substantive review time-frame, and an overall time-frame as defined in A.R.S. § 41-1072.
- B. The Department shall not forward a liquor license application for review and consideration by local governing authorities until the application is administratively complete. A liquor license application is administratively complete when:
 - 1. Every piece of information required by the form prescribed by the Department is provided;
 - 2. All required materials specified on the form prescribed by the Department are attached to the form;
 - 3. The non-refundable license application fee specified at A.R.S. § 4-209(A) is attached to the form; and
 - 4. If required, a questionnaire and complete set of fingerprints are attached to the form from:
 - a. Every individual who is a controlling person of the business to be licensed,
 - b. Every individual who has an aggregate beneficial interest of at least 10 percent in the business to be licensed,
 - c. Every individual who owns at least 10 percent of the business to be licensed,
 - d. Every individual who holds a beneficial interest of at least 10 percent of the liabilities of the business to be licensed, and
 - e. The agent and manager of the business to be licensed.
- C. Except as provided in subsection (D), the time-frame for the Department to act on a license application is as follows:
 - 1. Administrative completeness review time-frame: 75 days;
 - 2. Substantive review time-frame: 30 days; and
 - 3. Over-all time-frame: 105 days.
- D. The time-frame for the Department to act on an application for a special event license, wine festival or fair license, extension or change of licensed premises, or approval of a liquor law training course is as follows:

1. Administrative completeness review time-frame: 10 days;
 2. Substantive review time-frame: 20 days; and
 3. Over-all time-frame: 30 days.
- E.** Administrative completeness review time-frame.
1. The administrative completeness review time-frame begins when the Department receives an application. During the administrative completeness review-time-frame, the Department shall determine whether the application is:
 - a. Complete,
 - b. Contains a technical error, or
 - c. Contains a non-technical error.
 2. If the Department determines that an application is incomplete or contains a non-technical error, the Department shall return the application to the applicant. If the applicant wishes to be considered further for a license, the applicant shall submit to the Department a new, completed application and non-refundable application fee.
 3. If the Department determines that an application contains a technical error, the Department shall notify the applicant in writing of the technical error.
 4. An applicant that receives a notice regarding a technical error in an application shall correct the technical error within 30 days from the date of the notice or within the time specified by the Department. The administrative completeness review and over-all time-frames are suspended from the date of the notice referenced under subsection (E)(3) until the date the technical error is corrected.
 5. If an applicant fails to correct a technical error within the specified time, the Department shall close the file. An applicant whose file is closed may apply again for a license by submitting a new, completed application and non-refundable application fee.
- F.** Substantive review time-frame.
1. The substantive review time-frame begins when an application is administratively complete or at the end of the administrative completeness review time-frame listed in subsection (C)(1) or (D)(1). If a hearing is required under A.R.S. § 4-201 regarding the license application, the Department shall ensure that the hearing occurs during the substantive review time-frame.
 2. If the Department determines during the substantive review that additional information is needed, the Department shall send the applicant a comprehensive written request for additional information. An applicant from whom additional information is requested shall supply the additional information within 30 days from the date of the request or within the time specified by the Department. Both the substantive review and over-all time-frames are suspended from the date of the Department's request until the date that the Department receives the additional information.
 3. If an applicant fails to submit the requested information within the specified time, the Department shall close the file. An applicant whose file is closed may apply again for a license by submitting a new, completed application and non-refundable application fee.
- G.** Within the overall time-frame, the Department shall:
1. Deny a license to an applicant if the Department determines that the applicant does not meet all the substantive criteria required by A.R.S. Title 4 and this Chapter; or
 2. Grant a license to an applicant if the Department determines that the applicant meets all the substantive criteria required by A.R.S. Title 4 and this Chapter.
- H.** If the Department denies a license under subsection (G)(1), the Department shall provide a written notice of denial to the applicant that explains:
1. The reason for the denial, with citations to supporting statutes or rules;
 2. The applicant's right to appeal the denial; and
 3. The time for appealing the denial.
- I.** This Section is authorized by A.R.S. §§ 41-1073, 4-101(9), 4-201(E), and 4-202(B).

ARTICLE 3. ~~REPEALED~~ LICENSEE RESPONSIBILITIES

R19-1-301. ~~Repealed~~ Display of License

- A.** A retail licensee shall conspicuously display the license issued to the licensee under A.R.S. Title 4 and this Chapter and make the license readily available for inspection by the Department, a peace officer, or a wholesaler. The Department shall consider a retail license displayed within 20 feet of any one point-of-sale cash register to be conspicuously displayed.
- B.** This Section is authorized by A.R.S. § 4-262.

R19-1-302. ~~Repealed~~ Knowledge of Liquor Law; Responsibility

- A.** A licensee shall ensure that the licensee, manager, managing agent, any controlling person, any employee who serves, sells, or furnishes spirituous liquor to a retail customer, and any individual who will be physically present and operating the licensed premises knows and complies with A.R.S. Title 4 and this Chapter.
- B.** A licensee may be legally responsible for an act or omission of a manager, managing agent, controlling person, employee, or contractor if the act or omission occurs while the individual is fulfilling the responsibilities assigned by the licensee.

C. This Section is authorized by A.R.S. § 4-112(G)(2).

R19-1-303. ~~Repealed Authorized Spirituous Liquor~~

A. A licensee shall not directly or indirectly manufacture, sell, or deal in spirituous liquor in Arizona other than the spirituous liquors authorized by the license issued to the licensee under A.R.S. Title 4 and this Chapter.

B. A licensee shall ensure that no spirituous liquor other than the spirituous liquors authorized by the license issued to the licensee under A.R.S. Title 4 and this Chapter is on the licensed premises for any purpose.

C. This Section is authorized by A.R.S. § 4-203(B)(1).

R19-1-304. ~~Repealed Storing Spirituous Liquor on Unlicensed Premises~~

A. Except as provided in subsection (B), a licensee shall not accept delivery of or store spirituous liquor at any premises other than the business premises described on the license issued to the licensee under A.R.S. Title 4 and this Chapter.

B. The Department shall authorize a licensee to accept delivery of or store spirituous liquor at a premises other than the business premises described on the license issued to the licensee under A.R.S. Title 4 and this Chapter if:

1. The licensee submits a written request to the Department that:

a. Identifies the unlicensed premises;

b. Provides a diagram that shows the geographical location of the unlicensed premises in relation to the business premises; and

c. Explains how the licensee will safeguard the spirituous liquor at the unlicensed premises; and

2. The Department determines that the licensee will safeguard the spirituous liquor at the unlicensed premises in a manner that protects the public health, safety, and welfare and that authorizing the licensee to store spirituous liquor at the unlicensed premises is consistent with the best interest of the state.

C. This Section is authorized by A.R.S. § 4-203(B).

R19-1-305. ~~Repealed Paying Taxes Required~~

A. The Director shall not issue an interim permit if the Director has notice that the licensee is delinquent in paying any tax to the state or a political subdivision unless:

1. The licensee or transferee enters into an agreement with the taxing authority to pay the delinquent tax; and

2. The taxing authority submits written verification of the agreement to the Director.

B. This Section is authorized by A.R.S. §§ 4-112(B)(1)(c), 4-203.04(G) and (H), 4-205.04(E), and 4-210(A)(5).

R19-1-306. ~~Repealed Bottle Labeling Requirements~~

A. A licensee and any officer, director, agent, or employee of the licensee shall not directly or indirectly or through an affiliate sell, ship, deliver for sale or shipment, or receive or remove from federal custody any bottled spirituous liquor unless the spirituous liquor is bottled, packaged, and labeled in conformity with all federal requirements.

B. This Section is authorized by A.R.S. § 4-244(21).

R19-1-307. ~~Repealed Bottle Reuse or Refilling Prohibited~~

A. Except as authorized under A.R.S. § 4-244(32), a retail licensee shall ensure that a bottle or other container authorized by law for packaging spirituous liquor:

1. Is not reused to package spirituous liquor after the spirituous liquor originally packaged in the bottle or other container is removed from the bottle or other container, and

2. Bears a label that accurately indicates the kind and brand of spirituous liquor in the bottle or other container.

B. A retail licensee shall ensure that no substance is added to a bottle or other container authorized by law for packaging spirituous liquor that has the effect of increasing the amount of liquid originally packaged or remaining in the bottle or other container.

C. This Section is authorized by A.R.S. § 4-244(21) and (32).

R19-1-308. ~~Repealed Age Requirement for Erotic Entertainers~~

A. A licensee shall ensure that an individual employed by or performing as an erotic entertainer at the licensed premises is at least 19 years old.

B. This Section is authorized by A.R.S. § 4-112(G)(6).

R19-1-309. ~~Repealed Prohibited Acts~~

A. A licensee or an employee of a business shall take reasonable steps to ensure that an individual on the licensed premises, including an employee of the licensed premises, does not:

1. Expose any portion of the individual's anus, vulva, or genitals;

2. Grope, caress, or fondle or cause to be groped, caressed, or fondled the breasts, anus, vulva, or genitals of another individual with any part of the body; or

3. Perform an act of sexual intercourse, masturbation, sodomy, bestiality, or oral copulation.

B. This Section is authorized by A.R.S. § 4-112(B)(1)(b).

R19-1-310. ~~Repealed~~ Prohibited Films and Pictures

- A.** A licensee shall ensure that a film, slide picture, or other reproduction is not shown on the licensed premises if the film, slide picture, or other reproduction depicts:
1. An act of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, or a sexual act prohibited by law;
 2. An individual being touched, caressed, or fondled on the breast, anus, vulva, or genitals;
 3. An individual displaying a portion of the individual's pubic hair, anus, vulva, or genitals; or
 4. Use of an artificial device or inanimate object to depict an activity described under subsections (1) through (3).
- B.** This Section is authorized by A.R.S. § 4-112(B)(1)(b).

R19-1-312. ~~Repealed~~ Accurate Labeling of Dispensing Equipment Required

- A.** A licensee shall ensure that equipment through which spirituous liquor is dispensed is accurately labeled with the brand, grade, or class of spirituous liquor, including wine and beer, dispensed and that nothing on the equipment label directly or indirectly misleads the public regarding the spirituous liquor dispensed, sold, or used.
- B.** Except as provided in subsection (C), a licensee shall ensure that a faucet, spigot, or other outlet from which spirituous liquor is dispensed is clearly and conspicuously labeled:
1. With the name or brand adopted by the manufacturer of the spirituous liquor being dispensed; and
 2. In a manner that is readable from a distance of at least 10 feet by an individual with normal vision who is seated in the area in which the spirituous liquor is served.
- C.** If a faucet, spigot, or other outlet from which spirituous liquor is dispensed is not located in the area in which the spirituous liquor is served, a licensee shall post a sign in the area in which the spirituous liquor is served that lists the names or brands adopted by the manufacturers of only the spirituous liquors served.
- D.** This Section is authorized by A.R.S. § 4-112(G)(4).

R19-1-313. ~~Repealed~~ Sign Limitations

- A.** A producer, domestic microbrewery, wholesaler, or domestic farm winery licensee may directly or indirectly lend to a licensee a sign for interior or exterior use if the sign:
1. Conspicuously bears substantial advertising for spirituous liquor available from the licensee;
 2. Costs no more than \$400;
 3. Has no utilitarian use other than advertising; and
 4. Is not offered by the producer, domestic microbrewery, wholesaler, or domestic farm winery licensee as an inducement to the licensee to purchase or use a product available from the producer, domestic microbrewery, wholesaler, or domestic farm winery licensee to the exclusion, in whole or in part, of a product available from a competitor of the producer, domestic microbrewery, wholesaler, or domestic farm winery licensee.
- B.** A licensee shall ensure that a sign or other advertising matter displayed at the licensed premises is not obscene when evaluated by contemporary community standards.
- C.** This Section is authorized by A.R.S. §§ 4-112(G)(4) and 4-243(A)(4).

R19-1-314. ~~Expired~~ Prohibited Inducement to Purchase or Consume Spirituous Liquor

- A.** Except as specified in subsection (B), an on-sale retailer shall not offer or furnish to a customer an inducement such as a gift, prize, coupon, premium, or rebate, including assumption of an excise or transaction privilege tax, if receipt of the inducement is contingent on the purchase or consumption of spirituous liquor.
- B.** A bar or beer and wine bar licensee may offer or furnish a coupon to a customer if the coupon can be used only for an off-sale purchase.
- C.** An on-sale retailer may furnish to a customer an advertising novelty of nominal value or a service that is a customary trade practice if receipt of the novelty or service is not contingent on the purchase or consumption of spirituous liquor.
- D.** This Section is authorized by A.R.S. § 4-112(B)(1).

R19-1-315. ~~Repealed~~ Responsibilities of a Licensee that Operates a Delivery Service

- A.** A licensed retailer that operates a delivery service under A.R.S. § 4-203(J) or a licensed domestic farm winery that delivers wine under A.R.S. § 4-205.04(C)(9) shall ensure that delivery of spirituous liquor:
1. Is made only to an individual who is at least 21 years old;
 2. Is made only after an inspection of identification shows that the individual accepting delivery of the spirituous liquor is of legal drinking age;
 3. Is made only during the hours of lawful service of spirituous liquor;
 4. Is not made to an intoxicated or disorderly individual; and
 5. Is not made to the licensed premises of a licensed retailer.
- B.** A licensed retailer that operates a delivery service under A.R.S. § 4-203(J) or a licensed domestic farm winery that delivers wine under A.R.S. § 4-205.04(C)(9) shall refuse to complete a delivery if the licensee believes the delivery may constitute a violation of A.R.S. Title 4 or this Chapter.
- C.** This Section is authorized by A.R.S. §§ 4-112(B)(1)(d), 4-203(J) and (M), and 4-205.04(C)(9) and (D).

R19-1-316. Repealed Responsibilities of a Liquor Store or Beer and Wine Store Licensee

- A.** Except for a broken package, as defined at A.R.S. § 4-101, used in sampling conducted under A.R.S. § 4-206.01(J), 4-243(B)(3) or 4-244.04, a liquor store or beer and wine store licensee shall not have a broken package of spirituous liquor on the licensed premises.
- B.** This Section is authorized by A.R.S. § 4-244(19).

R19-1-317. Responsibilities of a Hotel-Motel or Restaurant Licensee

- A.** If a hotel-motel or restaurant licensee ceases to provide complete restaurant services before 10:00 p.m., the licensee shall cease to sell spirituous liquor at the same time that the licensee ceases to provide complete restaurant services.
- B.** If a hotel-motel or restaurant licensee provides complete restaurant services until at least 10:00 p.m., the licensee may continue to sell spirituous liquor during the hours allowed by law.
- C.** If a hotel-motel or restaurant licensee refuses to serve a meal requested before 10:00 p.m. and continues to serve spirituous liquor, the Department shall assume that the hotel-motel or restaurant licensee has ceased to operate as a restaurant and has the primary purpose of selling or dispensing spirituous liquor for consumption.
- D.** In the event of an audit to determine whether a hotel-motel or restaurant licensee meets the standard at A.R.S. § 4-205.02(H), the licensee shall submit records that enable the Department to determine the amount of gross revenue that the licensee derives from the sale of food and from the sale of spirituous liquor. If the Department is unable to determine the amount of gross revenue attributed to the sale of food, the Department shall assume that the licensee does not meet the standard at A.R.S. § 4-205.02(H).
- E.** To ensure that the Department is able to determine the amount of gross revenue derived from the sale of food and from the sale of spirituous liquor, a hotel-motel or restaurant licensee shall maintain documents in the following order for the time specified in R19-1-501:
 - 1. Vendor invoices. Sorted by vendor by year;
 - 2. Inventory records; financial statements; general ledger; sales journals or schedules; cash receipts or disbursement journals; and bank statements. Sorted by month by year;
 - 3. Daily sales report, guest checks, and cash register journal. Segregated by the sale of food and the sale of spirituous liquor and sorted by day by month by year;
 - 4. Bank deposit slips. Sorted by day by month by year and maintained with the daily sales report, guest checks, and cash register journal;
 - 5. Transaction privilege tax returns. Sorted by month by year;
 - 6. Income tax returns. Sorted by year; and
 - 7. Payroll records. Sorted by pay period by year.
- F.** If a licensee holds multiple licenses for business premises, one of which is for a hotel-motel or restaurant, the licensee shall ensure that records for purchases and sales for the hotel-motel or restaurant are maintained and accounted for separate from records for purchases and sales for the other license on the same premises.
- G.** This Section is authorized by A.R.S. §§ 4-205.01 and 4-205.02.

R19-1-318. Responsibilities of a Special Event Licensee

- A.** If a special event occurs at an otherwise unlicensed location, the special event licensee shall conduct all dispensing, serving, and selling of spirituous liquor;
- B.** If a special event occurs at the licensed premises of a licensed retailer, the special event licensee shall ensure that one of the following occurs during the special event:
 - 1. The licensed retailer places the license in non-use status and ceases to sell spirituous liquor and the special event licensee dispenses and serves spirituous liquor and ensures that all sales of spirituous liquor comply with A.R.S. Title 4 and this Chapter;
 - 2. The licensed retailer dispenses and serves all spirituous liquor under the licensed retailer's license and the special event licensee does not dispense or serve spirituous liquor. The licensed retailer shall dispense and serve only spirituous liquor purchased from a wholesaler and ensure that all sales of spirituous liquor comply with A.R.S. Title 4 and this Chapter;
 - 3. The licensed retailer dispenses and serves all spirituous liquor under the special event license and the special event licensee does not dispense or serve spirituous liquor. The licensed retailer shall dispense and serve only spirituous liquor purchased by or donated to the special event licensee. Both the licensed retailer and special event licensee shall ensure that all sales of spirituous liquor comply with A.R.S. Title 4 and this Chapter; or
 - 4. The licensed premises of the licensed retailer are divided into two areas as follows:
 - a. In the first area, the licensed retailer shall dispense and serve spirituous liquor that is purchased from a wholesaler and ensure that all sales of spirituous liquor comply with A.R.S. Title 4 and this Chapter; and
 - b. In the second area, the special event licensee shall dispense and serve spirituous liquor purchased by or donated to the special event licensee and ensure that all sales of spirituous liquor comply with A.R.S. Title 4 and this Chapter.

- C. If a special event involving sampling of spirituous liquor occurs at the licensed premises of a licensed retailer, the special event licensee shall comply with the procedures in A.R.S. § 4-243(B).
- D. This Section is authorized by A.R.S. §§ 4-112(B)(1)(b) and 4-203.02(E).

R19-1-319. Commercial Coercion or Bribery Prohibited

- A. A distiller, vintner, brewer, rectifier, blender, or other producer or wholesaler shall not directly or indirectly or through an affiliate engage in any of the following activities unless specifically authorized under A.R.S. Title 4, R19-1-320, or R19-1-321:
 - 1. Furnishing, giving, renting, lending, or selling to a licensed retailer an article of primary utilitarian value in the conduct of the business;
 - 2. Selling food or food products to a licensed retailer at less than the cost that the producer or wholesaler paid for the food or food products;
 - 3. Selling non-alcoholic malt beverage, non-alcoholic wine, or cocktail mixer to a licensed retailer at less than the cost that the producer or wholesaler paid for the non-alcoholic malt beverage, non-alcoholic wine, or cocktail mixer.
 - 4. Extending credit or furnishing financing to a licensed retailer through the licensed retailer's purchase of spirituous liquor or other products;
 - 5. Providing a service to a licensed retailer, including stocking, resetting, or pricing merchandise;
 - 6. Paying or crediting a licensed retailer for a promotion, advertising, display, public relations effort, or distribution service;
 - 7. Sharing with a licensed retailer the cost of a promotion or advertising through any medium;
 - 8. Guaranteeing a loan to or repayment of a financial obligation of a licensed retailer;
 - 9. Providing financial assistance to a licensed retailer;
 - 10. Engaging in a practice that requires a licensed retailer to take and dispose of a quota of spirituous liquor;
 - 11. Offering or giving a bonus, premium, compensation, transportation, hotel accommodations, spirituous liquor, or other gift to a licensed retailer or an employee of the licensed retailer; or
 - 12. Offering a product at a price not published or available to all licensees, including a quantity discount on the product.
- B. A licensed retailer shall not require that a producer or wholesaler provide stocking or resetting services as a condition for being allocated shelf, cold box, or product display space.
- C. A licensed retailer shall not solicit from a distiller, vintner, brewer, rectified, blender, or other producer or wholesaler any activity outlined in subsections (A)(1) through (A)(12) unless specifically authorized under A.R.S. Title 4, R19-1-320, or R19-1-321.
- D. This Section is authorized by A.R.S. § 4-243(A).

R19-1-320. Practices Permitted by a Producer or Wholesaler

- A. In addition to practices specifically authorized under A.R.S. Title 4, the practices outlined in subsections (B) through (O) allow a distiller, vintner, brewer, rectifier, blender, or other producer or wholesaler to furnish something of value to a licensed retailer or other specified licensee as long as the producer or wholesaler does not furnish something of value to induce the licensed retailer or other specified licensee to purchase spirituous liquor from the producer or wholesaler to the exclusion, in whole or in part, of another producer or wholesaler.
- B. Participating in a special event.
 - 1. A producer or wholesaler may furnish advertising, sponsorship, services, or other things of value at a special event at which spirituous liquor is sold if:
 - a. A special event license is issued for the special event;
 - b. The special event license is issued to a charitable, civic, religious, or fraternal organization;
 - c. The special event license is not issued to a political organization; and
 - d. The producer or wholesaler ensures that nothing of value is left on the licensed premises of a licensed retailer or given to a licensed retailer or employees of a licensed retailer during or after the special event.
 - 2. A producer or wholesaler may donate spirituous liquor to a special event licensee identified under subsection (B)(1)(b) but shall not sell spirituous liquor directly to the special event licensee. If the special event licensee buys spirituous liquor for resale from a licensed retailer, the producer or wholesaler may submit an invoice for the sale through the licensed retailer after the special event.
 - 3. A producer or wholesaler may provide a sign that is not subject to the limitations in R19-1-313(A)(1) through (3) to a special event licensee identified under subsection (B)(1)(b).
 - 4. A producer or wholesaler may furnish a vehicle for use by a special event licensee identified under subsection (B)(1)(b). The producer or wholesaler shall ensure that the vehicle is used only to store and dispense spirituous liquor and that no employee of the producer or wholesaler dispenses the spirituous liquor.
- C. Providing an item of value to a customer of a licensed retailer. A producer or wholesaler may provide an item of value to a customer of a licensed retailer if:
 - 1. The item provided is not used directly in the business;

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2. The item is provided directly to the customer of the licensed retailer by the producer or wholesaler or an employee of the producer or wholesaler except that a schedule of sporting events that will occur on the licensed premises may be provided to the customer through the licensed retailer;
 3. The item provided has a value less than \$5;
 4. The total value of all items provided does not exceed \$100 per day at the licensed premises;
 5. The producer or wholesaler ensures that no item of value is provided to the licensed retailer or an employee of the licensed retailer; and
 6. The producer or wholesaler ensures that no item of value, except a schedule of sporting events that will occur on the licensed premises, is left on the licensed premises.
- D.** Furnishing print advertising. A producer or wholesaler may furnish a camera- or internet-ready ad of nominal value to a licensed retailer.
- E.** Sponsoring a sporting event. A producer or wholesaler may provide financial, advertising, and other forms of sponsorship to a licensed retailer in conjunction with a sporting event that occurs on the licensed premises of the licensed retailer. If the producer or wholesaler provides a sign as part of the sponsorship of a sporting event, the sign is not subject to the value limitation in R19-1-313. The producer or wholesaler shall ensure no item of value remains with the licensed retailer or at the licensed premises after the sporting event.
- F.** Sponsoring a tradeshow or convention. A producer or wholesaler may provide sampling, advertising, and other forms of sponsorship to a licensed retailer in conjunction with a tradeshow or convention at a licensed or unlicensed business premises. If the producer or wholesaler provides a sign as part of the sponsorship of a tradeshow or convention, the sign is not subject to the value limitation in R19-1-313. The producer or wholesaler shall ensure that no item of value remains with the licensed retailer after the tradeshow or convention.
- G.** Furnishing a spirituous liquor or drink menu. A producer or wholesaler may furnish a spirituous liquor or drink menu, which may include food items, to a licensed retailer for use in the business if:
1. The food items listed are:
 - a. Prepared at or for the business;
 - b. Served at the business; and
 - c. Sold incidental to the sale of spirituous liquor or drink items;
 2. The spirituous liquor or drink menu has no utilitarian value to the licensed retailer except as a spirituous liquor or drink menu; and
 3. The producer or wholesaler offers to furnish a spirituous liquor or drink menu to all licensed retailers to which the producer or wholesaler supplies spirituous liquor.
- H.** Distributing coupons or rebate certificates. A producer or wholesaler may distribute coupons or rebate certificates to consumers by any means including providing the coupons or rebate certificates to a licensed retailer if the coupons or rebate certificates can be used only for an off-sale purchase by the consumer at the business premises of any licensed retailer.
- I.** Providing holiday decorations. A producer or wholesaler may provide brand-identified holiday decorations to a licensed retailer for use on the licensed premises if the decorations have no utilitarian value to the licensed retailer other than as decorations.
- J.** Providing a sample to a customer of a licensed retailer. A producer or wholesaler may provide a sample of spirituous liquor to a customer of a licensed retailer if the producer or wholesaler complies with the procedures at A.R.S. § 4-243(B).
- K.** Conducting market research. A producer or wholesaler may participate in market research regarding spirituous liquor under the following conditions:
1. The spirituous liquor is provided to research participants by personal delivery or through a delivery service provider;
 2. The spirituous liquor provided to research participants is obtained from or shipped through a wholesaler;
 3. All research participants are of legal drinking age;
 4. Any employee of the producer or wholesaler and any employee of a marketing research business conducting the market research that handles the spirituous liquor is at least 19 years old; and
 5. The amount of spirituous liquor provided to each research participant does not exceed 72 ounces of beer, cooler product, or wine or 750 milliliters of distilled spirits.
- L.** Providing pallets and other items for shipment. A producer or wholesaler may provide pallets and other items of nominal value if the primary purpose of the pallets and other items is to facilitate shipment and bulk storage of spirituous liquor.
- M.** Providing a sample to a licensed retailer. A producer or wholesaler may provide a licensed retailer with a sample of spirituous liquor that is not currently offered for sale by the licensed retailer if the sample does not exceed the following:
1. Wine. One quart or one liter as bottled;
 2. Beer. One bottle or can opened on the premises of the licensed retailer; and
 3. Distilled spirits. Five hundred milliliters or the smallest marketed size.
- N.** This Section is authorized by A.R.S. §§ 4-243 and 4-244(3).

R19-1-321. Practices Permitted by a Wholesaler

- A.** In addition to practices specifically authorized under A.R.S. Title 4 and 27 CFR, Chapter 1, Subchapter A, the following

practices allow a wholesaler to furnish something of value to a licensed retailer or other specified licensee as long as the wholesaler does not furnish something of value to induce the licensed retailer or other specified licensee to purchase spirituous liquor from the wholesaler to the exclusion, in whole or in part, of another wholesaler.

- B.** Providing stocking services. A wholesaler may stock any spirituous liquor or other product that the wholesaler sells to a licensed retailer. The stocking service provided by a wholesaler:
1. May include providing a recommended shelf plan or schematic for use by the licensed retailer in displaying spirituous liquor or other product in a point-of-sale area;
 2. May include pricing, cleaning shelves, furnishing point-of-sale advertising that is consistent with R19-1-313, and rotating, cleaning, or otherwise preparing the spirituous liquor or other product for sale at the point of sale;
 3. Shall be performed only in a point-of-sale area, including a cold box, from which a consumer may purchase the spirituous liquor or other product; and
 4. Shall not be required by the licensed retailer as a condition for the wholesaler having shelf space, cold box storage, or product display space.
- C.** Providing resetting services. A wholesaler may reset spirituous liquor or other products sold to a licensed retailer by the wholesaler if the licensed retailer consents to the resetting.
- D.** Furnishing tapping equipment. A wholesaler may furnish tapping equipment under R19-1-326 to an on-sale retail licensee.
- E.** Making a driver sale. When delivering previously ordered spirituous liquor to a licensed retailer, a wholesaler may sell to the licensed retailer spirituous liquor not previously ordered.
- F.** Delivering a specially discounted quantity purchase. A wholesaler may provide a licensed retailer with a specially discounted price for a quantity purchase if the wholesaler delivers the entire quantity purchased to an approved storage facility of the licensed retailer.
- G.** Accepting returned malt beverage products.
1. A wholesaler may allow a licensed retailer that intends to be closed for at least 30 days to exchange malt beverage products purchased from the wholesaler or to receive a credit for or refund of the amount paid for the malt beverage products; and
 2. With permission from the Director, a wholesaler may allow a licensed retailer that is discontinuing sale of a particular malt beverage product to exchange the product purchased from the wholesaler or to receive a credit for or refund of the amount paid for the malt beverage product.
- H.** Selling tobacco products or foodstuffs. A wholesaler may sell tobacco products or foodstuffs to a licensed retailer if the price paid by the retailer equals or exceeds the cost to the wholesaler.
- I.** Furnishing promotional items. A wholesaler may provide promotional items without cost to an on-sale retailer if the total value of the promotional items provided to the on-sale retailer in a calendar year does not exceed \$500. Promotional items, as defined at A.R.S. § 4-243(D), does not include spirituous liquor.
- J.** Facilitating a special event. A wholesaler may facilitate a special event by:
1. Donating spirituous liquor directly to the special event licensee and issuing a net zero cost billing invoice in the name of the special event licensee.
 2. Leaving a delivery vehicle and other equipment necessary for the sale or service of spirituous liquor on the premises of the special event for the duration of the special event and up to one business day before and after the special event, and
 3. Leaving spirituous liquor at the special event if:
 - a. The spirituous liquor is properly described on a preliminary billing invoice issued in the names of both the off-sale retailer from which the special event licensee is purchasing the spirituous liquor and the special event licensee;
 - b. The wholesaler issues a final billing invoice in the names of both the off-sale retailer from which the special event licensee is purchasing the spirituous liquor and the special event licensee within five business days after the special event ends; and
 - c. The spirituous liquor is stored securely to ensure only intended persons gain access to the spirituous liquor.
- K.** Providing product display. A wholesaler may give or sell a display of spirituous liquor or other products to a licensed retailer if the following conditions are met:
1. The product display provided to the licensed retailer does not have a fair market value of more than \$300 per product brand being displayed at any one time in the licensed premises. The cost of the product display excludes the cost of transporting and installing the product display. The wholesaler shall not pool or combine dollar limitations to provide the licensed retailer with a product display that exceeds the dollar limitation in this subsection;
 2. The product display bears conspicuous, substantial, and permanently inscribed or securely affixed advertising regarding the product being displayed or the wholesaler. The name and address of the licensed retailer may appear on the product display;
 3. The product display holds and displays only:
 - a. Product advertised on the product display, or

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- b. Products from the wholesaler advertised on the product display; and
- 4. The wholesaler may require that the licensed retailer purchase enough of the spirituous liquor advertised on the product display for initial completion of the product display. The wholesaler shall not impose an additional condition on the licensed retailer for establishing the product display.
- L. Sponsoring a concert. A wholesaler may provide sponsorship and advertising up to \$5,000 to a licensed retailer in conjunction with a concert at the licensed premises with a capacity greater than 500 persons. For the purpose of this subsection, "concert" includes a performance by live musicians or disc jockeys.
- M. This Section is authorized by A.R.S. §§ 4-203.02(H) through (J) and 4-243.

R19-1-322. Responsibilities of a Registered Retail Agent

- A. A retail agent registered under A.R.S. § 4-222 and R19-1-203 shall provide a licensee that enters into a cooperative-purchase agreement with the registered retail agent a copy of the cooperative-purchase agreement. The licensee shall make the copy of the cooperative-purchase agreement available for inspection on request by the Department or a peace officer.
- B. A retail agent registered under A.R.S. § 4-222 and R19-1-203 shall:
 - 1. Display the Certificate of Registration obtained from the Department on request by the Department, a peace officer, or a licensee;
 - 2. Place all cooperative-purchase orders with a wholesaler;
 - 3. Pay the wholesaler for all cooperative-purchase orders;
 - 4. Not attempt to exchange merchandise after it is delivered by the wholesaler but may request that a delivery error be corrected if the error is recognized at the time of delivery and documented;
 - 5. Provide each licensee under subsection (A) with a copy of the master invoice prepared by the wholesaler from which a cooperative purchase is made; and
 - 6. Charge each licensee under subsection (A) the price listed on the master invoice prepared by the wholesaler for spirituous liquor delivered to the licensee.
- C. A retail agent registered under A.R.S. § 4-222 and R19-1-203 may charge a licensee with which the registered retail agent has a cooperative-purchase agreement a fee for services provided to the licensee.
- D. This Section is authorized by A.R.S. § 4-222.

R19-1-323. Underage Individuals on Licensed Premises

- A. An individual under the legal drinking age may be on the licensed premises of an on-sale retailer under the conditions established in A.R.S. § 4-244(22).
- B. Additionally, an individual under the legal drinking age may be on the licensed premises of an on-sale retailer if:
 - 1. The licensed premises have an occupancy limit of at least 1,000 as determined by the fire marshal;
 - 2. The primary purpose of the licensed premises is not to sell spirituous liquor but rather, to show live sporting events or concerts;
 - 3. The on-sale retailer ensures that spirituous liquor is sold only to individuals who are of the legal drinking age; and
 - 4. The on-sale retailer implements security measures necessary to ensure that an individual under the legal drinking age does not purchase, possess, or consume spirituous liquor on the licensed premises.
- C. Additionally, an individual under the legal drinking age may be on the licensed premises of an on-sale retailer if:
 - 1. The licensed premises have an occupancy limit less than 1,000 as determined by the fire marshal;
 - 2. The primary purpose of the licensed premises is not to sell spirituous liquor but rather, to show live sporting events or concerts; and
 - 3. The on-sale retailer establishes a physical barrier that prevents an underage individual from:
 - a. Entering a portion of the licensed premises where spirituous liquor is sold, possessed, or served; and
 - b. Receiving, purchasing, possessing, or consuming spirituous liquor in that portion of the licensed premises.
- D. This Section is authorized by A.R.S. § 4-210(M) and 4-244(22).

R19-1-324. Standards for Exemption of an Unlicensed Business

- A. The owner of a small restaurant, catering establishment, association, or business hosting a private social function may act under A.R.S. § 4-244.05 if the owner of the small restaurant, catering establishment, association, or business hosting a private social function ensures that:
 - 1. Possession or consumption of spirituous liquor on the business premises is permitted only as an incidental convenience to customers;
 - 2. Only beer and wine is permitted to be possessed or consumed on the business premises;
 - 3. Possession or consumption of beer or wine on the business premises is limited to the hours between noon and 10:00 p.m.;
 - 4. A customer is allowed to possess or consume no more than 32 ounces of beer or 750 milliliters of wine;
 - 5. The occupancy limitation of the small restaurant, catering establishment, association, or business hosting a private social function does not exceed the following maximum:
 - a. Small restaurant: 50; and

- b. Catering establishment, association, or business hosting a private social function: 300; and
6. The owner, manager, comptroller, controlling person, and any employee of the small restaurant, catering establishment, association, or business hosting a private social function complies with all applicable provisions of A.R.S. Title 4 and this Chapter.

B. This Section is authorized by A.R.S. § 4-244.05(I) and (J).

R19-1-325. Display of Warning Sign Regarding Consumption of Alcohol; Posting Notice Regarding Firearms

A. As prescribed under A.R.S. § 4-261, a licensed retailer shall post one or more warning signs, which are available without charge from the Department, regarding consumption of alcohol during pregnancy.

B. An on-sale retailer that wishes to prohibit possession of a weapon on the licensed premises shall post the notice described in A.R.S. § 4-229, which is available without charge from the Department.:

1. In a conspicuous location accessible to the general public, and
2. Immediately adjacent to the license posted as required under A.R.S. § 4-262 and R19-1-301.

C. This Section is authorized by A.R.S. §§ 4-261 and 4-262.

R19-1-326. Tapping Equipment

A. A wholesaler may furnish tapping equipment to an on-sale retailer. The wholesaler shall:

1. Maintain ownership of the tapping equipment;
2. Lend the tapping equipment at the time a new account is established or when the on-sale retailer changes from one tapping system to another; and
3. Remove the tapping equipment when the account is discontinued.

B. If multiple wholesalers share an account and decide to furnish tapping equipment to the on-sale retailer, the wholesaler that initiates the account shall supply the in-line regulator, maintain ownership of the in-line regulator, and ensure that the in-line regulator is removed when the wholesaler discontinues the account.

C. A wholesaler that furnishes tapping equipment to an on-sale retailer shall provide written notice to the Department of the name and address of the on-sale retailer to which the tapping equipment is provided.

D. A wholesaler may sell the following items to an on-sale retailer only for cash at a price that equals or exceeds the price that the wholesaler paid for the items:

1. CO₂;
2. CO₂ regulator;
3. Faucet or complete faucet standard;
4. Shank or bent tube;
5. Air distributor;
6. Blower assembly;
7. Switch;
8. Drip pan;
9. P.V.C. pipe;
10. Sanitizing materials, or
11. Another item necessary to prepare and maintain a tapping-equipment system in proper operating condition.

E. A wholesaler may replace at no charge to an on-sale retailer the following items:

1. Bonnet washer;
2. Friction ring;
3. Valve stem;
4. CO₂ filter; and
5. Coupling gasket.

F. A wholesaler may clean a tapping-equipment system lent to an on-sale retailer at no charge to the on-sale retailer.

G. This Section is authorized by A.R.S. § 4-243(A)(4).

R19-1-327. Domestic Farm Winery Sampling

A. A licensed domestic farm winery that conducts sampling of the product of the licensed domestic farm winery on the premises of an off-sale retailer or a retailer with off-sale privileges, as allowed by A.R.S. § 4-244.04, shall ensure that:

1. No more than six ounces of the product of the licensed domestic farm winery is served to each consumer each day.
2. An employee of the licensed domestic farm winery serves or supervises the serving of the product of the licensed domestic farm winery, and
3. There is no violation of A.R.S. Title 4 or this Chapter.

B. This Section is authorized by A.R.S. § 4-244.04.

ARTICLE 4. REQUIRED NOTICES TO DEPARTMENT

R19-1-401. Notice of License Surrender or Application Withdrawal

A. A licensee that intends to surrender a license that is not a quota license or an applicant that intends to withdraw an applica-

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tion shall submit to the Department a file deactivation form prescribed by the Department.

- B.** The Department shall deem a license surrendered if all of the following apply:
1. The licensed premises are vacant during normal operating hours for at least 30 consecutive days;
 2. The licensee fails to notify the Department of the licensee's intention to suspend the business authorized by the license, as required under A.R.S. § 4-203;
 3. The Department is unable to contact the licensee using information available in the Department's records; and
 4. The individual who informs the Department that the licensee has abandoned the license submits to the Department:
 - a. The license, if available; and
 - b. A signed and notarized statement indicating that to the best of the individual's knowledge, the licensed premises have been vacant during normal operating hours for at least 30 consecutive days and the licensee has abandoned the license and licensed premises.
- C.** The Department shall deny surrender of a license if the Department determines that:
1. It has notice that the licensee is delinquent in paying taxes to the state or a political subdivision;
 2. A complaint is pending against the licensee alleging violation of A.R.S. Title 4 or this Chapter;
 3. Ownership of the license is contested;
 4. Civil proceedings involving the license are pending before any court; or
 5. A hearing is pending before the Board.
- D.** This Section is authorized by A.R.S. §§ 4-210(M) and 4-244(22).

R19-1-402. Registered Retail Agent: Notice of Change in Cooperative-purchase Agreement; List of Cooperative Members

- A.** As required under A.R.S. § 4-222(A), a retail agent registered under R19-1-203 shall provide written notice to the Department within 10 days after a licensee with whom the registered retail agent has a cooperative-purchase agreement terminates the registered retail agent's authority. The registered retail agent shall ensure that the notice identifies the licensee terminating the cooperative-purchase agreement and shall send a copy of the notice to all affected wholesalers.
- B.** A retail agent registered under R19-1-203 shall submit to the Department a copy of a new cooperative purchase agreement between the registered retail agent and another licensee within 10 days after entering into the cooperative-purchase agreement.
- C.** In addition to submitting a copy of each cooperative-purchase agreement to the Department, a retail agent registered under R19-1-203 shall submit to the Department a list that includes the following information regarding each licensee with which the registered retail agent has a cooperative-purchase agreement:
1. Name of licensee;
 2. Address of licensed premises; and
 3. License numbers of each licensee with which the registered retail agent has a cooperative-purchase agreement.
- D.** A registered retail agent shall report to the Department a change in any of the information submitted under subsection (C) within 10 days of the change.
- E.** This Section is authorized by A.R.S. § 4-222.

R19-1-403. Hotel-Motel or Restaurant Licensee: Notice of Change to Restaurant Facility

- A.** Under A.R.S. § 4-205.01(E) or 4-205.02(F), a hotel-motel or restaurant licensee that intends to alter the seating capacity or dimensions of a restaurant facility shall provide advance notice to the Department.
- B.** To provide the notice required under subsection (A), a hotel-motel or restaurant licensee shall complete and submit to the Department the form prescribed by the Department.
- C.** This Section is authorized by A.R.S. § 4-205.02(F).

R19-1-404. Notice of Sampling on a Licensed Off-sale Retail Premises

- A.** A distiller, vintner, brewer, rectifier, blender, or other producer or wholesaler that intends to conduct a sampling under A.R.S. § 4-243(B)(3) or 4-244.04 on the licensed premises of a licensed off-sale retailer shall submit a Store Sampling Notice, which is a form available from the Department, to the Department at least 10 days before the sampling.
- B.** This Section is authorized by A.R.S. §§ 4-243(B)(3)(b) and 4-244.04.

R19-1-405. Notice of Change in Status: Active or Nonuse

- A.** A licensee that ceases to manufacture, sell, or deal in spirituous liquor for 30 consecutive days shall submit notice to the Department, on a form that is available from the Department.
- B.** Except as provided in subsection (D), a licensee that puts a license on nonuse status by complying with subsection (A) may put the license on active status by submitting notice to the Department, on a form that is available from the Department.
- C.** If a license is on nonuse status for more than five months, the licensee shall pay the surcharge prescribed at A.R.S. § 4-203(G) when the license is returned to active status by complying with subsection (B).
- D.** Under A.R.S. § 4-203(G), if a license is on nonuse status for 36 months, the license automatically reverts to the state

unless extended by the Director for good cause.

E. This Section is authorized by A.R.S. § 4-203.

R19-1-406. Notice of Change in Manager

A. As required under A.R.S. § 4-202(C), a licensee shall provide notice to the Department and file a manager's agreement within 30 days after a change in manager.

B. If a licensee is designated as the manager, the licensee shall comply with subsection (A) when the licensee will be away from the licensed premises, while under normal operating conditions, for more than 30 days.

C. This Section is authorized by A.R.S. § 4-202(C).

R19-1-407. Notice of Legal or Equitable Interest

A. To enable the Department to fulfill its responsibility under A.R.S. § 4-112(B)(3), a person that has a legal or equitable interest in a license issued under A.R.S. Title 4 and this Chapter shall file with the Department a statement of the interest. A person filing a statement of legal or equitable interest shall use a form that is available from the Department.

B. A person that has a legal or equitable interest in a license issued under A.R.S. Title 4 and this Chapter shall file with the Department an amended statement of the interest by complying with subsection (A) when:

1. Any of the information provided in a previous statement of interest changes; or

2. The person's legal or equitable interest terminates.

C. To enable the Department to fulfill its responsibility under A.R.S. § 4-112(B)(3), the Department shall periodically request that the holders of a legal or equitable interest in a license verify in writing to the Director that the statement on file with the Department is correct and accurate. If the holder of a legal or equitable interest in a license fails to respond within 30 days to the Department's request for verification of interest, the Department shall deem the interest terminated.

D. The Department shall provide notice to a person that files a statement of interest under subsection (A) when there is a disciplinary or compliance action or transfer affecting the license in which the person has an interest and shall allow the person to participate in any proceeding regarding the license.

E. This Section is authorized by A.R.S. § 4-112(B)(3).

R19-1-408. Notice of Change in Business Name, Address, E-mail, or Telephone Number

A. A licensee shall not change the name of the business as specified on the license issued by the Department without first providing notice, using a form that is available from the Department.

B. The Department shall communicate with a licensee using the business name, U.S. Postal Service address on file with the Department, and e-mail, when provided. To ensure timely communication from the Department, a licensee shall provide the Department with current contact information for the licensee. When contact information for a licensee changes, the licensee shall submit a notice, using a form that is available from the Department.

C. If the name or U.S. Postal Service address of a business changes and notice is provided under subsection (A) or (B), the Department shall issue a replacement license that reflects the current name and U.S. Postal Service address of the business.

D. This Section is authorized by A.R.S. § 4-112(B)(1)(a).

ARTICLE 5. REQUIRED RECORDS AND REPORTS

R19-1-501. General Recordkeeping

A. A licensee may maintain any record required under A.R.S. Title 4 or this Chapter in electronic form so long as the licensee is readily able to access and produce a paper copy of the electronic record.

B. A licensee shall maintain all invoices, records, bills, and other papers and documents relating to the purchase, sale, or delivery of spirituous alcohol for two years.

C. A hotel-motel or restaurant licensee shall maintain all invoices, records, bills, and other papers and documents relating to the purchase, sale, or delivery of food in the manner specified in R19-1-317 for two years.

D. A licensee shall make the invoices, records, bills, and other papers and documents maintained under subsections (B) and (C) available, upon request, to the Department for examination or audit.

E. This Section is authorized by A.R.S. §§ 4-210(A)(7) and 4-119.

R19-1-502. On-sale Retail Personnel Records

A. As required by A.R.S. § 4-119, an on-sale retail licensee shall maintain a record of every employee of the business that includes the following information about the employee:

1. Full legal name,

2. Residential address,

3. Date of birth, and

4. Description of the employee's responsibilities.

B. A licensee shall maintain the records required under subsection (A) for two years after an individual ceases to be an employee of the business.

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- C. A licensee shall make the records maintained under subsection (A) available, upon request, to the Department for examination.
- D. This Section is authorized by A.R.S. § 4-119.

R19-1-503. Records Regarding Cooperative Purchases

- A. A retail agent registered under A.R.S. § 4-222 and R19-1-203 shall maintain a copy of every cooperative-purchase agreement between the registered retail agent and another licensee for two years after termination of the cooperative-purchase agreement.
 - B. A retail agent registered under A.R.S. § 4-222 and R19-1-203 shall maintain in accordance with R19-1-501:
 1. A copy of a cooperative purchase order placed with a wholesaler;
 2. A copy of a cooperative-purchase invoice provided by a wholesaler; and
 3. A record of the following regarding each cooperative member:
 - a. The kind and quantity of spirituous liquor ordered and delivered;
 - b. Monies received from the cooperative member; and
 - c. The date on and location at which spirituous liquor is delivered to the cooperative member.
- C. A wholesaler that fills a cooperative-purchase order submitted by a retail agent registered under A.R.S. § 4-222 and R19-1-203 shall prepare and provide to the registered retail agent a master invoice of the cooperative purchase that shows the spirituous liquor purchased by each cooperative member and the amount of the discount provided for the cooperative purchase.
 - D. This Section is authorized by A.R.S. § 4-222.

R19-1-504. Record of Delivery of Spirituous Liquor

- A. A retail licensee having off-sale privileges or licensed domestic farm winery that delivers spirituous liquor, as authorized by A.R.S. § 4-203(J) or 4-205.04(C)(9) and R19-1-315, shall complete a record of each delivery at the time of delivery. The licensee shall ensure that the record provides the following information:
 1. Name of licensee making the delivery;
 2. Address of licensee making the delivery;
 3. License number;
 4. Date and time of delivery;
 5. Address at which delivery is made;
 6. Type and brand of spirituous liquor delivered; and
 7. Printed name and signature of the individual making the delivery.
- B. In addition to the information required under subsection (A), a retail licensee having off-sale privileges that delivers spirituous liquor, as authorized by A.R.S. § 4-203(J), shall obtain the following information about the individual accepting delivery of the spirituous liquor:
 1. Name.
 2. Date of birth.
 3. Type of and number on the identification used to verify the individual's date of birth, and
 4. The signature of the individual accepting delivery. The retail licensee making delivery may use an electronic signature system to comply with this subsection.
- C. A licensed domestic farm winery that delivers spirituous liquor, as authorized by A.R.S. § 4-205.04(C)(9), may rely on an electronic signature system operated by the United Parcel Service or Federal Express to comply with the requirements in subsection (A).
- D. A licensed retailer that delivers spirituous liquor under A.R.S. § 4-203.04(H) or a direct shipment licensee that ships wine under A.R.S. § 4-203.04(J) may rely on an electronic signature system operated by the United Parcel Service or Federal Express.
- E. This Section is authorized by A.R.S. §§ 4-112(B)(1)(d), 4-203(J) and (M), 4-203.04(H) and (J), 4-205.04(C)(9) and (D).

R19-1-505. Report of Act of Violence

- A. As required under A.R.S. § 4-244(37), a licensee shall report an act of violence that occurs on the licensed premises.
- B. A licensee shall report an act of violence that occurs on property immediately adjacent to the licensed premises if the act of violence involves a customer who is entering or leaving the licensed premises and if the licensee knew or reasonably should have known of the act of violence.
- C. A licensee shall submit the report required under subsection (A) to the Department or a law enforcement agency. A licensee shall submit the report required under subsection (B) to the Department.
- D. A licensee shall submit the report required under subsection (A) or (B) within seven days after the act of violence occurs.
- E. A licensee that submits a report under subsection (A) or (B) to the Department shall use a form that is available from the Department and provide the following information to the best of the licensee's knowledge:
 1. Name of licensee or licensee's agent;
 2. License number;

3. Name of business;
 4. Address of licensed premises;
 5. Date of the report;
 6. Date and time of the incident being reported;
 7. A statement whether the police were summoned and if so:
 - a. Name of the police jurisdiction summoned;
 - b. Name of the individual who placed the call to the police;
 - c. Police report number, and
 - d. A statement whether an arrest was made;
 8. A statement whether emergency services were summoned and if so, the name of the individual who placed the call for emergency services;
 9. Names or description of participants in the incident;
 10. Names of individuals injured in the incident and a description of the injury;
 11. Detailed description of the incident; and
 12. Name, title, and signature of the individual preparing the report affirming that the information provided is true and accurate to the best of the individual's knowledge.
- F. This Section is authorized by A.R.S. § 4-244(37).

ARTICLE 6. VIOLATIONS; HEARINGS; DISCIPLINE

R19-1-601. Appeals and Hearings

- A. Under A.R.S. § 4-210.02(A), a decision of the Director, except as provided under A.R.S. § 4-203.01(E), is not final until it is appealed to and ruled on by the Board or until the time for appeal expires.
- B. As required by A.R.S. § 4-210(H), the Department, Board, or a panel of the Board established under A.R.S. § 4-111(D) shall ensure that all hearings are conducted according to the procedures at A.R.S. Title 41, Chapter 6, Article 10.
- C. This Section is authorized by A.R.S. § 4-210(H).

R19-1-602. Actions During License Suspension

- A. If the Director suspends a license issued under A.R.S. Title 4 and this Chapter, the licensee:
 1. Shall not take any action on or about the business premises for which a license is required under A.R.S. Title 4 or this Chapter; and
 2. Shall prominently display the notice of suspension on the business premises during the suspension.
- B. This Section is authorized by A.R.S. § 4-244(1).

R19-1-603. Seizure of Spirituous Liquor

- A. If a peace officer has probable cause to believe that a spirituous liquor is being or is intended to be used in a manner that is inconsistent with a provision of A.R.S. Title 4 or this Chapter, the peace officer shall seize the spirituous liquor.
- B. This Section is authorized by A.R.S. § 4-244.05(F).

R19-1-604. Closure Due to Violence

- A. If the Director determines that an act of violence is apt to occur at a licensed premises and that action is needed to protect the public health, safety, or welfare, the Director shall order that:
 1. The licensee closes the doors of the licensed premises to the public;
 2. No spirituous liquor be sold or served to any individual on the licensed premises; and
 3. Only the licensee, employees of the licensee, and peace officers are allowed on the licensed premises.
- B. This Section is authorized by A.R.S. § 4-210.

ARTICLE 7. STATE LIQUOR BOARD

R19-1-701. Election of Officers

- A. The Board shall elect a chairperson and vice chairperson in February of each year.
- B. If a vacancy occurs in the chairperson or vice chairperson office, the Board shall hold an election for the vacant office at its next scheduled meeting.
- C. This Section is authorized by A.R.S. § 4-111(C).

R19-1-702. Determining Whether to Grant a License for a Certain Location

- A. To determine whether public convenience requires and the best interest of the community will be substantially served by issuing or transferring a license at a particular unlicensed location, local governing authorities and the Department shall consider the following criteria:
 1. Petitions and testimony from individuals who favor or oppose issuance of a license and who reside in, own, or lease property within one mile of the proposed premises;
 2. Number and types of licenses within one mile of the proposed premises;

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3. Evidence that all necessary licenses and permits for which the applicant is eligible at the time of application have been obtained from the state and all other governing bodies;
4. Residential and commercial population of the community and its likelihood of increasing, decreasing, or remaining static;
5. Residential and commercial population density within one mile of the proposed premises;
6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers;
7. Effect on vehicular traffic within one mile of the proposed premises;
8. Compatibility of the proposed business with other activity within one mile of the proposed premises;
9. Effect or impact on the activities of businesses or the residential neighborhood that might be affected by granting a license at the proposed premises;
10. History for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant received a detailed report of the violations and criminal activity at least 20 days before the hearing by the Board;
11. Comparison of the hours of operation at the proposed premises to the hours of operation of existing businesses within one mile of the proposed premises; and
12. Proximity of the proposed premises to licensed childcare facilities as defined by A.R.S. § 36-881.

B. This Section is authorized by A.R.S. § 4-201(I).

R19-1-703. Rehearing or Review of a Decision

- A.** As permitted under A.R.S. § 41-1092.09, a party may file with the Board a motion for rehearing or review of a decision issued by the Board.
- B.** A party may amend a motion for rehearing or review at any time before the Board rules on the motion.
- C.** The Board may grant a rehearing or review for any of the following reasons materially affecting a party's rights:
1. Irregularity in the proceedings or any order or abuse of discretion that deprived the moving party of a fair hearing;
 2. Misconduct of the Director or Board, Department staff, or an administrative law judge;
 3. Accident or surprise that could not have been prevented by ordinary prudence;
 4. Newly discovered material evidence that could not, with reasonable diligence, have been discovered and produced at the hearing;
 5. Excessive or insufficient penalty;
 6. Error in the admission or rejection of evidence or other errors of law occurring at the hearing or during the progress of the proceedings; and
 7. The findings of fact or decision is not justified by the evidence or is contrary to law.
- D.** The Board may affirm or modify a decision or grant a rehearing or review to all or some of the parties on all or some of the issues for any of the reasons listed in subsection (C). The Board shall specify with particularity the grounds for an order modifying a decision or granting a rehearing or review. If a rehearing or review is granted, the rehearing or review shall cover only the matters specified in the order.
- E.** Not later than 30 days after the date of a decision and after giving the parties notice and an opportunity to be heard, the Board may, on its own initiative, order a rehearing or review of the decision for any reason it might have granted a rehearing or review on motion of a party. The Board may grant a motion for rehearing or review, timely served, for a reason not stated in a motion. The Board shall specify with particularity the grounds on which a rehearing or review is granted under this subsection.
- F.** When a motion for rehearing or review is based upon affidavits, they shall be served with the motion. An opposing party may, within 15 days after service, serve opposing affidavits. This period may be extended by the Board for a maximum of 20 days for good cause or by written stipulation of the parties. Reply affidavits may be permitted.
- G.** If, in a particular decision, the Board makes a specific finding that the immediate effectiveness of the decision is necessary for preservation of the public health, safety, or welfare and that a rehearing or review of the decision is impracticable, unnecessary, or contrary to the public interest, the decision may be issued as a final decision without an opportunity for a rehearing or review.
- H.** This Section is authorized by A.R.S. §§ 4-210.02 and 41-1092.09.

R19-1-704. Submitting Documents to the Board

- A.** To facilitate the Board's review of documents submitted to it, a party shall submit documents to the Board in printed form and:
1. In an electronic format directed by the Board, or
 2. By means of a removable data-storage device such as a compact disc or flash drive.
- B.** To provide the Board with time to consider adequately documents requiring its action, the following deadlines apply:
1. An applicant, local governing body, or aggrieved party that wishes to submit information regarding an application shall submit the information at least 15 calendar days before the meeting at which the Board will consider the application;

2. An applicant, local governing body, or aggrieved party that wishes to rebut information submitted under subsection (B)(1) shall submit the rebuttal information within five calendar days before the meeting at which the Board will consider the application; and
 3. An appellant shall submit a brief at least 21 calendar days before the meeting at which the Board will consider the appeal.
- C.** An party who is unable to submit documents in an electronic format or by means of a removable data storage device may ask the Board for an exemption from the requirement in subsection (A).
- D.** This Section is authorized by A.R.S. §§ 4-112(A)(2) and 4-201(E).

R19-1-705. Judicial Review

- A.** A party may file a complaint for judicial review of a final decision of the Board under A.R.S. § 12-901 et seq.
- B.** A party that files a complaint for judicial review of a final decision of the Board shall serve a copy of the complaint for judicial review on the Director at the Department's office in Phoenix, Arizona.
- C.** This Section is authorized by A.R.S. §§ 4-211 and 12-901.