



ARIZONA LICENSED BEVERAGE ASSOCIATION

Dear ALBA Members,

Below are ALBA's accomplishments for this legislative session.

**2022 Legislation:**

**HB 2660**

**Extended Premises for All on Sale Retail Licensees**

HB 2660, the 2022 version of the annual liquor omnibus bill, contained several “pro – retail licensee” provisions. One of these, extended premises, will allow every on-sale retail licensee to have an alternative premises, separate from their regular, ongoing premises. This provision was specifically drafted by ALBA and advocated by ALBA throughout the legislative session. It should give every Arizona on sale retail or the opportunity to establish a festive alternative to the regular weekday premises of the establishment.

The provisions of HB 2660 become effective September 24. After that, a retail licensee can file an application with DLLC to have an alternative, larger premises. The larger premises can be used for a variety of purposes such as Oktoberfest, St. Patrick’s Day, Cinco de Mayo, or any other day or combination of days where the retailer wants to use a parking lot, an additional set of indoor space, an adjacent yard, etc. Most importantly, the use of the extended premises does not have to fit the definition, and the restrictions, of a “special event” under the liquor code.

The bill provides that the application must be filed first with the local governing body (city or county) at least 60 days before the application is formally filed with the DLLC. The local governing body can review and make recommendations to the DLLC for approval or disapproval of the extended premises. The form to apply for extended premises will be a standard form provided by the DLLC.

As a part of the form, the applicant licensee must detail the security provisions for the extended premises that will be in place. This is a key provision of the bill, and the DLLC will be looking at the applicant’s delineation of security strategies to make sure that underage drinkers do not consume drinks, that drinks do not it wrongfully leave or enter the property, and that there is general supervision of the area. For example, a city’s recommendations or a Department requirement may include the required signage, hiring of security personnel, use of security cameras, the blocking off of particular driveways, alleyways, or the use of cordons to clearly designate the extended premises.

The extended premises should give nearly every retailer an opportunity to provide for a festive setting for celebration events, or for regular events such as Sunday NFL football game gatherings.

The bill provides that the Department has the authority to limit or revoke the extended premises for a violation of the liquor code or regulations. This new provision becomes effective August 24<sup>th</sup>.

ALBA was proud to take the lead in drafting and advocating for extended premises for every retailer. We are hopeful that Arizona retailers will responsibly use extended premises for their mutual benefit in the benefit of their patrons.

**HB 2660**

**Extended Premises for Large Shopping Centers and Office Complexes**

Separate from the provision which grants individual retail licenses the ability to have an alternative extended premise, the 2022 Arizona Legislature gave specific extended premise authority as well to large shopping centers and office complexes. The extended premises provisions for these types of settings will permit patrons to purchase liquor and then be able to stroll in a designated area within the shopping center or office complex.

Many Arizona shopping centers and office complexes have on sale retailers as well as a greenbelt central area. It is with these settings in mind that the legislature, at the request of Vestar, granted authority for large shopping centers (over 400,000 square-foot) and large office complexes to provide for this type of retail liquor setting.

Similar to the authority granted to individual retail licenses, the application must be filed on a form filed with the DLLC. The application will be filed jointly by one or more licenses at the center or office complex, and the shopping center or office complex itself. Prior to filing the application with the DLLC, the application is required to be submitted within the prior 60 days to the local governing body, either a city or a county. The city and county will then make recommendations to the DLLC, the licensee, and the shopping center or office complex.

Again, the DLLC focus will be on security, to ensure that underage individuals do not consume liquor, to ensure that liquor is not wrongfully brought off of the premises or from another source brought under the premises. The retail centers are expected to utilize security guards, security cameras, cordons, signage, and other means to ensure that these objectives are met.

For shopping centers, this authority already existed prior to Covid and was in the early stages of expansion. However, Covid ended the authorized pilot program. In 2022, the Legislature took the bold steps of making this legislation permanent, and Arizonans will soon see the ability of patrons to use the promenade, or greenbelt while enjoying a favorite adult beverage. This new provision becomes effective August 24<sup>th</sup>.

### **HB 2660**

#### **To protect licensees from removing disruptive patrons**

One of the provisions passed by the Arizona Legislature, as a part of HB 2660 was a provision brought to the Legislature by ALBA and related to disruptive patrons. It was the intent of ALBA to give clear authority to a retail licensee to effectively deal with threatening or disruptive patrons.

Current liquor law requires Arizona liquor licensees to protect their customers and other persons on the premises. While this makes sense in most cases, in some cases it has been argued that even unruly or threatening patrons or others are entitled to be "protected" by the licensee. This type of interpretation has caused confusion and has raised questions by licensees as to their authority to deal with disruptive patrons and others.

ALBA's response was to seek legislation that provided clarity in this circumstance. The new language adopted by the legislature is:

"The duty to protect a customer or other person on the licensed premises does not limit the licensee from using, as necessary, reasonable intervention, reasonable restraint or reasonable removal of a person from the premises to prevent that person from injuring other persons on the premises or damaging or disrupting the premises."

This language allows a licensee to remove or restrain a customer or other person. The requirement is that the other person is either in the act of injuring or threatening or attempting to injure other persons on the premises, or threatening, attempting, or actually damaging or disrupting the premises. Once that conduct occurs, the licensee and its employees must use reasonable restraint or removal of the person. What is reasonable depends on the circumstances. For example, a person who is immediately threatening another person with physical violence can be dealt with immediately and effectively. The licensee cannot use more force than necessary to remove or restrain the unruly patron.

This new section enacted in 2022 legislative session eliminates ambiguity and gives clear authority to licensees to effectively deal with disruptive patrons and others. This provision becomes effective September 24.



**HB 2660**  
**Extending closing time to 3 am for special events determined through an executive order by the Governor**

3 a.m. - House bill 2660, this year's "omnibus liquor bill" contained several pro-retailer provisions. One of the provisions broke new ground and established a 3 a.m. closing for on sale retailers under certain circumstances.

The bill authorizes the Governor to issue an Executive Order that would create a 3 a.m. (3:20 a.m.) closing time in connection with a national championship sporting event held in Arizona. The event could be either a college event or a professional event. Prior to issuing the order, the Governor is required to consult with the public safety community.

The types of sporting events that would qualify would include national collegiate basketball championship, national collegiate football championship, the World Series, Super Bowl, NBA championship, etc.

The new Arizona Governor, inaugurated in early January 2023, will have the opportunity to set a 3 a.m. closing time in connection with Arizona's hosting of the Super Bowl next February. If it does, it will be both an experiment and a reward for Arizona retailers. Stay tuned.

**“NO ONE OF US IS AS POWERFUL AS ALL OF US TOGETHER”**

***Thank you for your continued support.***

Sincerely,

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