

House Engrossed

craft producer; festival; fair; license

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
First Regular Session  
2025

# **HOUSE BILL 2905**

AN ACT

AMENDING SECTION 4-203.02, ARIZONA REVISED STATUTES; REPEALING SECTION 4-203.03, ARIZONA REVISED STATUTES; AMENDING TITLE 4, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 4-203.03; AMENDING SECTION 4-205.08, ARIZONA REVISED STATUTES; REPEALING SECTIONS 4-204.11 AND 4-205.14, ARIZONA REVISED STATUTES; AMENDING SECTION 4-207, ARIZONA REVISED STATUTES; RELATING TO LIQUOR LICENSING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 4-203.02, Arizona Revised Statutes, is amended  
3 to read:

4 **4-203.02. Special event license; rules**

5 A. The director may issue on a temporary basis:

6 1. A daily on-sale special event license authorizing the sale of  
7 spirituous liquor for consumption on the premises where sold. The fee for  
8 the license is \$25 per day. The director shall transfer the monies  
9 collected to the department of health services for the purposes prescribed  
10 in title 36, chapter 18, article 2.

11 2. A daily off-sale special event license authorizing a charitable  
12 auction for the sale of spirituous liquor for consumption off premises.

13 B. Before the director may issue a temporary special event license,  
14 a special event that is to occur at an otherwise unlicensed location or by  
15 a licensee at a location that is not fully within the licensee's existing  
16 licensed premises must be approved by the board of supervisors of a  
17 county, or the board's designee, if the event is to be held in an  
18 unincorporated area, by the governing body of the city or town, or the  
19 governing body's designee, if the event is to be held in a city or town,  
20 or by the president of a university under the jurisdiction of the Arizona  
21 board of regents if the event is to be held on the university's property.  
22 A denial by the county, city or town must be forwarded to the director  
23 within sixty days after the submission of an application to the county,  
24 city or town, unless the applicant has requested more time for  
25 consideration of the application.

26 C. The approval process prescribed in this section does not apply  
27 to physical locations that are fully within premises that are licensed  
28 pursuant to this title.

29 D. A physical location, other than a physical location that is  
30 owned, operated, leased, managed or controlled by the United States, this  
31 state or a city, town or county of this state, that is not licensed  
32 pursuant to this title may not be issued more than a total of thirty days  
33 of special event licenses during the same calendar year. All applications  
34 for a special event license issued pursuant to this section must be  
35 submitted to the department at least ten days before the scheduled event.  
36 The director may waive the ten-day requirement for good cause shown.

37 E. The director may issue the special event license only to a  
38 government entity or a political party or campaign committee supporting a  
39 candidate for public office or a ballot measure, or a nonprofit entity  
40 that is organized as a nonprofit entity in this state or pursuant to the  
41 laws of another state and that is a nonprofit entity under section 501(c)  
42 of the internal revenue code of the United States. The nonprofit entity  
43 shall demonstrate that it is in good standing in this state. An applicant  
44 for a special event license may contract with a special event contractor  
45 for assistance in selling and serving spirituous liquor at the special

1 event. The special event contractor shall be listed on the application  
2 form. The director shall require a special event contractor to provide  
3 the controlling persons' identification and background information deemed  
4 necessary to identify the special event contractor and to demonstrate  
5 proof of the contractor's authority to conduct business in this state,  
6 including providing copies of any required state or local business  
7 licenses or permits. The department shall maintain a list of special  
8 event contractors that have been employed by special event licensees  
9 during the past year and that are not otherwise in penalty status pursuant  
10 to subsection I of this section. A licensee holding a currently active  
11 series 6, 7, 11 or 12 license may serve as the special event contractor  
12 for a special event license without any additional requirements. A new  
13 applicant for an initial special event license may be required by the  
14 department to demonstrate it is qualified, capable and reliable to conduct  
15 a special event. The department may require new special event contractors  
16 and new special event licensees to require persons who serve or sell  
17 spirituous liquor to patrons at the special event to complete an approved  
18 training course in accordance with section 4-112, subsection G,  
19 paragraph 2. A special event contractor is subject to examinations  
20 conducted pursuant to section 4-112, subsection G, paragraph 1.

21 F. The director may issue a temporary special event license under  
22 subsection E of this section to an affiliate of a national, statewide or  
23 international parent nonprofit organization for a special event if all of  
24 the following requirements are met:

25 1. The affiliate holding the event provides a letter from the  
26 internal revenue service that the parent organization is a nonprofit  
27 entity under section 501(c)(4) of the internal revenue code of the United  
28 States with a group ruling.

29 2. The proceeds of the event are for a charitable or nonprofit  
30 purpose.

31 3. The affiliate provides a copy of a charter or letter from the  
32 parent nonprofit entity or organization that is organized under section  
33 501(c) of the internal revenue code of the United States that recognizes  
34 the affiliate as a subordinate to the parent organization.

35 4. The affiliate and its members have not previously violated this  
36 title, local requirements for special events or any fire code.

37 G. The director may issue a special event license concurrently with  
38 ~~wine festival licenses, craft distillery festival licenses and~~  
39 ~~microbrewery festival licenses~~ A CRAFT PRODUCER FESTIVAL LICENSE.  
40 Notwithstanding section 4-244, paragraphs 13 and 19, all licenses shall  
41 allow the presence of purchased spirituous liquor in the possession of the  
42 purchaser.

43 H. For the purposes of this section, a special event licensee or an  
44 employee of a special event licensee and a special event contractor or an  
45 employee of a special event contractor that has been retained for an

1 approved special event may order or purchase spirituous liquor from the  
2 holder of a license authorized to sell off-sale or a licensed wholesaler.  
3 If a nonprofit entity has obtained a special event license for the purpose  
4 of charitable fundraising activities, the nonprofit entity or special  
5 event contractor may receive the spirituous liquor from a wholesaler, farm  
6 winery, microbrewery or producer as a donation, except that a licensee  
7 licensed pursuant to subsection A, paragraph 2 of this section may receive  
8 spirituous liquor from a donor when the donor receives no remuneration or  
9 payment of any kind, directly or indirectly, other than any tax benefits  
10 that might result. Spirituous liquor may be dispensed and served at the  
11 special event only by the following persons:

12 1. The special event licensee or an employee of the special event  
13 licensee, unless the special event is at the premises of a licensed  
14 retailer and the licensed retailer has agreed to dispense and serve the  
15 spirituous liquor.

16 2. The special event contractor or an employee of the special event  
17 contractor, unless the special event is at the premises of a licensed  
18 retailer and the licensed retailer has agreed to dispense and serve the  
19 spirituous liquor.

20 3. The producer or producers who furnished the spirituous liquor.

21 4. The wholesaler or wholesalers who furnished the spirituous  
22 liquor.

23 I. In addition to all other actions that may be taken by the  
24 director for a violation of this title or the rules adopted pursuant to  
25 this title by the special event licensee or special event contractor, the  
26 department may limit the right of the licensee to obtain a special event  
27 license for a period of up to one year or may limit the right of the  
28 special event contractor to support any licensed special event for a  
29 period of up to one year. Any penalty issued pursuant to this subsection  
30 may be appealed to the board pursuant to section 4-210.02 as if the order  
31 was a sanction against a licensee. An organization that is issued a  
32 license pursuant to subsection A, paragraph 2 of this section shall  
33 receive at least seventy-five percent of the gross receipts of the  
34 auction. Up to twenty-five percent of the gross receipts of a special  
35 event auction conducted pursuant to subsection A, paragraph 2 of this  
36 section may be used to pay reasonable and necessary expenses incurred in  
37 connection with the auction. All expenses shall be supported by written  
38 contracts, invoices or receipts, which shall be made available to the  
39 director on request. An organization that is issued a license pursuant to  
40 subsection A, paragraph 2 of this section shall not sell at auction more  
41 than twenty twelve-bottle cases of spirituous liquor annually under a  
42 special event license.

43 J. The director may adopt those rules the director determines are  
44 necessary to implement and administer this section, including a limit on  
45 the number of times during a calendar year a qualified organization may

1 apply for and be issued a license under this section. The qualified  
2 organization issued a license pursuant to subsection A, paragraph 1 of  
3 this section must receive at least twenty-five percent of the gross  
4 revenues of all spirituous liquor sold at the special events, which shall  
5 be supported by a contract between the parties to be supplied at the time  
6 of application.

7 K. At an event conducted under a license issued pursuant to  
8 subsection A of this section, the licensee may conduct a wine pull or  
9 distilled spirits pull of up to twenty twelve-bottle cases of wine and up  
10 to ten twelve-bottle cases of distilled spirits per day of a licensed  
11 special event not to exceed five days per year. The special event  
12 licensee shall be responsible for compliance with the case limits in this  
13 section. An organization that is issued a license pursuant to subsection  
14 A, paragraph 2 of this section shall not sell more than twenty cases of  
15 spirituous liquor annually under a special event license. For the  
16 purposes of this subsection, "wine pull" or "distilled spirits pull" means  
17 an activity where, for a set price, one or more attendees at a special  
18 event pay for the opportunity to select at the event one or more bottles  
19 of wine or distilled spirits where the variety and vintage are  
20 undisclosed.

21 L. Section 4-201 does not apply to the licenses provided for under  
22 this section.

23 M. A licensed producer or wholesaler may donate spirituous liquor  
24 directly to a nonprofit entity that is issued a license pursuant to  
25 subsection A of this section. The licensed producer or wholesaler, in  
26 such instances, shall issue a net-zero cost billing invoice in the name of  
27 the special event licensee. All licensees making or receiving spirituous  
28 liquor donations remain subject to the applicable limits and requirements  
29 stated in this title and in the rules adopted by the department. A  
30 licensed producer or wholesaler may also make a monetary donation to a  
31 nonprofit entity that is issued a license pursuant to subsection A of this  
32 section to help sponsor a special event and the licensed producer or  
33 wholesaler may issue a check payable to either the special event licensee  
34 or to the approved special event contractor that is contracted to conduct  
35 the special event if the special event contractor does not hold a  
36 currently active bar license, beer and wine bar license, hotel-motel  
37 license or restaurant license.

38 N. A licensed wholesaler may temporarily leave a delivery vehicle  
39 and other items of equipment necessary for the sale or service of  
40 spirituous liquor on the premises of a licensed special event for the  
41 duration of the event and up to one business day before and after the  
42 event.

43 O. The holder of a license authorized to sell off-sale or a  
44 licensed wholesaler may leave purchased spirituous liquor products at a  
45 special event if the products are properly described on a preliminary

1 billing invoice that is issued in the name of the special event licensee.  
2 The holder of a license authorized to sell off-sale or the licensed  
3 wholesaler has up to five business days after the special event ends to  
4 make any necessary billing adjustments and issue a final billing invoice  
5 to the special event licensee. Within one business day after the  
6 conclusion of the special event, the special event licensee or a special  
7 event contractor shall return unbroken packages of spirituous liquor to  
8 the appropriate off-sale licensee or wholesaler subject to the applicable  
9 rules of the United States alcohol and tobacco tax and trade bureau and  
10 the policy of the applicable off-sale licensee or wholesaler.

11 P. The director may adopt rules deemed necessary to implement and  
12 administer this section for special event contractors.

13 Sec. 2. Repeal

14 Section 4-203.03, Arizona Revised Statutes, is repealed.

15 Sec. 3. Title 4, chapter 2, article 1, Arizona Revised Statutes, is  
16 amended by adding a new section 4-203.03, to read:

17 4-203.03. Craft producer festival license; craft producer  
18 fair license; fee

19 A. THE DIRECTOR MAY ISSUE ON A TEMPORARY BASIS A CRAFT PRODUCER  
20 FESTIVAL LICENSE THAT AUTHORIZES:

21 1. THE SAMPLING OF THE CRAFT PRODUCER PRODUCTS ON THE CRAFT  
22 PRODUCER FESTIVAL PREMISES.

23 2. THE SALE OF THE CRAFT PRODUCER PRODUCTS FOR CONSUMPTION ON THE  
24 CRAFT PRODUCER FESTIVAL PREMISES.

25 3. THE SALE OF THE CRAFT PRODUCER PRODUCTS IN THE ORIGINAL  
26 CONTAINER FOR CONSUMPTION OFF THE CRAFT PRODUCER FESTIVAL PREMISES.

27 B. BEFORE THE DIRECTOR MAY ISSUE A CRAFT PRODUCER FESTIVAL LICENSE,  
28 A CRAFT PRODUCER FESTIVAL THAT IS TO OCCUR AT AN OTHERWISE UNLICENSED  
29 LOCATION OR AT A LOCATION THAT IS NOT FULLY WITHIN THE LICENSEE'S EXISTING  
30 LICENSED PREMISES MUST BE APPROVED BY THE BOARD OF SUPERVISORS, OR THE  
31 BOARD'S DESIGNEE, IF THE EVENT IS TO BE HELD IN AN UNINCORPORATED AREA OR  
32 BY THE GOVERNING BODY OF THE CITY OR TOWN, OR THE GOVERNING BODY'S  
33 DESIGNEE, IF THE EVENT IS TO BE HELD IN A CITY OR TOWN. A DENIAL BY THE  
34 COUNTY, CITY OR TOWN MUST BE FORWARDED TO THE DIRECTOR WITHIN SIXTY DAYS  
35 AFTER THE SUBMISSION OF AN APPLICATION TO THE COUNTY, CITY OR TOWN UNLESS  
36 THE APPLICANT HAS REQUESTED MORE TIME FOR CONSIDERATION OF THE  
37 APPLICATION.

38 C. THE APPROVAL PROCESS PRESCRIBED IN THIS SECTION DOES NOT APPLY  
39 TO PHYSICAL LOCATIONS THAT ARE FULLY LOCATED WITHIN A PREMISES LICENSED  
40 PURSUANT TO THIS TITLE.

41 D. THE DIRECTOR MAY ISSUE ONE OR MORE CRAFT PRODUCER FESTIVAL  
42 LICENSES FOR EACH LICENSED CRAFT PRODUCER, FOR A TOTAL OF UP TO ONE  
43 HUNDRED FIFTY CALENDAR DAYS FOR EACH CRAFT PRODUCER. THE DIRECTOR MAY  
44 ESTABLISH A FEE FOR EACH DAY OF EACH EVENT FOR A CRAFT PRODUCER FESTIVAL  
45 LICENSE.

1       E. A REPRESENTATIVE OF THE LICENSED CRAFT PRODUCER MAY CONSUME  
2 SMALL AMOUNTS OF THE PRODUCTS OF THE LICENSED CRAFT PRODUCER ON THE  
3 FESTIVAL PREMISES FOR THE PURPOSE OF QUALITY CONTROL.

4       F. THE DIRECTOR MAY ISSUE A CRAFT PRODUCER FAIR LICENSE WITH THE  
5 PERMISSION OF STATE FAIR ORGANIZERS OR COUNTY FAIR ORGANIZERS. ANY CRAFT  
6 PRODUCER MAY ALLOW THE SAMPLING OF CRAFT PRODUCER PRODUCTS ON THE FAIR  
7 PREMISES, THE SALE OF THE PRODUCTS FOR CONSUMPTION ON THE FAIR PREMISES  
8 AND THE SALE OF THE PRODUCTS IN ORIGINAL CONTAINERS FOR CONSUMPTION OFF  
9 THE FAIR PREMISES AT ANY SANCTIONED STATE FAIR OR COUNTY FAIR. THE  
10 DIRECTOR MAY ESTABLISH A FEE FOR EACH DAY FOR EACH EVENT FOR A CRAFT  
11 PRODUCER FAIR LICENSE.

12       G. SECTION 4-201 DOES NOT APPLY TO THE LICENSES PROVIDED UNDER THIS  
13 SECTION.

14       Sec. 4. Section 4-205.08, Arizona Revised Statutes, is amended to  
15 read:

16       4-205.08. Microbrewery license; issuance; regulatory  
17 provisions; retail site

18       A. The director may issue a microbrewery license to any  
19 microbrewery. Each location that engages in producing, manufacturing and  
20 bottling these products must obtain a separate microbrewery license. The  
21 licensee may not transfer the microbrewery license from person to person  
22 or from location to location.

23       B. An applicant for a microbrewery license, at the time of filing  
24 the application for the license, shall accompany the application with the  
25 license fee. Persons holding a microbrewery license shall report annually  
26 at the end of each calendar year, at the time and in the manner as the  
27 director prescribes, the amount of beer produced or manufactured by them  
28 during the calendar year and the amount delivered pursuant to subsection  
29 D, paragraph 4, subdivision (b) of this section. If the total amount of  
30 beer that is produced or manufactured during the calendar year exceeds the  
31 amount permitted annually by the license, the licensee shall apply for and  
32 receive a producer's license only on surrender of the microbrewery license  
33 or licenses and shall have no continuing rights as a microbrewery under  
34 this section. On the surrender of the microbrewery license or licenses,  
35 the licensee shall transfer, surrender or otherwise relinquish control of  
36 all of its retail licenses located remotely from a microbrewery.

37       C. Notwithstanding any other law, a licensed microbrewery may:

38           1. Sell beer produced or manufactured on the premises for  
39 consumption on or off the premises.

40           2. Make sales and deliveries of beer that the microbrewery produces  
41 or manufactures to persons licensed to sell beer under this title through  
42 wholesalers licensed under this title or as provided in subsection D,  
43 paragraph 4, subdivision (a) or (b) of this section.

1       3. Make sales and deliveries of beer that the microbrewery produces  
2 or manufactures to persons licensed to sell beer in another state if  
3 lawful under the laws of that state.

4       4. Serve beer produced or manufactured on the premises for the  
5 purpose of sampling the beer.

6       5. Sell beer produced or manufactured by other microbreweries for  
7 consumption only on the premises of the licensee, except that the sales  
8 percentage of beer from other microbreweries may not exceed twenty percent  
9 of the licensee's annual sales of beer by volume at the premises. If the  
10 other microbrewery has established a distribution relationship with one or  
11 more wholesalers who are licensed under this title, the beer shall be  
12 purchased through those wholesalers.

13      6. Maintain at no charge a tapping equipment system of a licensed  
14 retailer when the microbrewery sells beer as provided in subsection D,  
15 paragraphs 3 and 4 of this section, including cleaning the tapping  
16 equipment system and replacing bonnet washers, friction rings, valve  
17 stems, hardware, unions, clamps, air tees, screws, tapping devices, tower  
18 heads and single air and beer lines.

19      D. A licensed microbrewery is subject to all of the following  
20 requirements:

21       1. The microbrewery shall produce or manufacture not less than ~~five~~  
22 ONE thousand gallons of beer in each calendar year following the first  
23 year of operation.

24       2. The microbrewery shall not produce or manufacture more than six  
25 million two hundred thousand gallons of beer in a calendar year.

26       3. If retail operations are conducted in conjunction with the  
27 microbrewery, the microbrewery may sell other spirituous liquor products  
28 if the microbrewery holds an on-sale retail license for a bar, beer and  
29 wine bar or restaurant. The microbrewery may be issued up to a combined  
30 total of seven retail licenses in this state, whether the premises are  
31 located on or adjacent to a microbrewery or remotely from a  
32 microbrewery. The limit on the number of retail licenses applies on an  
33 aggregated basis to all microbreweries that are under common control of  
34 any person with control of the microbrewery.

35       4. The microbrewery may make sales and deliveries of beer that it  
36 has produced or manufactured to both:

37           (a) Retail licensees that meet the requirements prescribed in  
38 paragraph 3 of this subsection in any amount.

39           (b) Any other retail licensee in a cumulative amount not to exceed  
40 ninety-three thousand gallons in total for all licensed retailers in any  
41 calendar year.

42       E. A microbrewery that produces or manufactures more than one  
43 million two hundred forty thousand gallons of beer in a calendar year  
44 maintains all of the rights associated with a microbrewery license, except  
45 that the microbrewery shall not:

1       1. Apply for or receive a retail license pursuant to subsection D,  
2 paragraph 3 of this section for premises that are located remotely from  
3 the microbrewery.

4       2. Make sales or deliveries of beer that the microbrewery has  
5 produced or manufactured to any retail licensee as provided in subsection  
6 D, paragraph 4 of this section, except for the microbrewery's retail  
7 licensees on or adjacent to the microbrewery.

8       F. The gallonage amounts prescribed in subsection D, paragraph 2  
9 and subsection E of this section apply to the aggregate manufacture or  
10 production of all microbreweries that are under common control of any  
11 person with control of the microbrewery.

12       G. A microbrewery that is otherwise engaged as a distiller,  
13 vintner, brewer, rectifier, blender or other producer of spirituous liquor  
14 in any jurisdiction is prohibited from holding any retail license that is  
15 located remotely from a microbrewery. This subsection does not prohibit a  
16 person with control of more than one microbrewery from conducting retail  
17 operations remotely from a microbrewery pursuant to subsection D,  
18 paragraph 3 of this section.

19       H. A microbrewery that sells or delivers beer pursuant to this  
20 section shall:

21       1. Pay to the department of revenue all luxury taxes imposed  
22 pursuant to title 42, chapter 3 and all transaction privilege or use taxes  
23 imposed pursuant to title 42, chapter 5.

24       2. File all returns or reports required by law.

25       I. A delivery of beer by a microbrewery to a purchaser in this  
26 state is a transaction deemed to have occurred in this state.

27       J. The director shall adopt rules to administer this section.

28       Sec. 5. Repeal

29       Sections 4-205.11 and 4-205.14, Arizona Revised Statutes, are  
30 repealed.

31       Sec. 6. Section 4-207, Arizona Revised Statutes, is amended to  
32 read:

33       4-207. Restrictions on licensing premises near school  
34       buildings; definition

35       A. A retailer's license shall not be issued for any premises that  
36 are, at the time the license application is received by the director,  
37 within three hundred horizontal feet of a public or private school  
38 building with kindergarten programs or any of grades one through twelve or  
39 within three hundred horizontal feet of a fenced recreational area  
40 adjacent to such school building. This section does not prohibit the  
41 renewal of a valid license issued pursuant to this title if, on the date  
42 that the original application for the license is filed, the premises were  
43 not within three hundred horizontal feet of a public or private school  
44 building with kindergarten programs or any of grades one through twelve or

1 within three hundred horizontal feet of a fenced recreational area  
2 adjacent to such school building.

3       B. Subsection A of this section does not apply to a:

4        1. Restaurant issued a license pursuant to section 4-205.02,  
5 subject to the limitations in section 4-205.02, subsection H for a permit  
6 allowing for the sale of beer for consumption off of the licensed premises  
7 pursuant to section 4-244, paragraph 32, subdivision (c).

8        2. Special event license issued pursuant to section 4-203.02.

9        3. Hotel-motel issued a license pursuant to section 4-205.01.

10       4. Government license issued pursuant to section 4-205.03.

11       5. Playing area of a golf course issued a license pursuant to this  
12 article.

13       6. Beer and wine license at a nonprofit performing arts theatre  
14 with a permanent seating capacity of at least two hundred fifty persons.

15       7. ~~Craft distillery festival license issued pursuant to section~~  
16 ~~4-205.11.~~

17       8. ~~Farm winery festival license issued pursuant to section~~  
18 ~~4-203.03.~~

19       9. ~~Microbrewery festival license or microbrewery fair license~~  
20 ~~issued pursuant to section 4-205.14.~~

21       7. CRAFT PRODUCER FESTIVAL LICENSE OR CRAFT PRODUCER FAIR LICENSE  
22 ISSUED PURSUANT TO SECTION 4-203.03.

23       C. Notwithstanding subsection A of this section:

24       1. A transferable spirituous liquor license that is validly issued  
25 and that is, on the date an application for a transfer is filed, within  
26 three hundred horizontal feet of a public or private school building with  
27 kindergarten programs or any of grades one through twelve or within three  
28 hundred horizontal feet of a fenced recreational area adjacent to such  
29 school building may be transferred person to person pursuant to sections  
30 4-201, 4-202 and 4-203 and remains in full force until the license is  
31 terminated in any manner, unless renewed pursuant to section 4-209,  
32 subsection A.

33       2. A person may be issued a spirituous liquor license pursuant to  
34 sections 4-201, 4-202 and 4-203 of the same class for premises that, on  
35 the date the application is filed, have a valid transferable or  
36 nontransferable license of the same series if the premises are, on the  
37 date an application for the license is filed, within three hundred  
38 horizontal feet of a public or private school building with kindergarten  
39 programs or any of grades one through twelve or within three hundred  
40 horizontal feet of a fenced recreational area adjacent to such school  
41 building and the license remains in full force until the license is  
42 terminated in any manner, unless renewed pursuant to section 4-209,  
43 subsection A.

44       3. A person may be issued a liquor store license pursuant to  
45 sections 4-201, 4-202, 4-203 and 4-206.01 for premises that have a beer

1 and wine store license validly issued if the premises, on the date an  
2 application for such license is filed, are within three hundred horizontal  
3 feet of a public or private school building with kindergarten programs or  
4 any of grades one through twelve or within three hundred horizontal feet  
5 of a fenced recreational area adjacent to such school building and the  
6 license remains in full force until the license is terminated in any  
7 manner, unless renewed pursuant to section 4-209, subsection A.

8 4. The governing body of a city or town, on a case-by-case basis,  
9 may approve an exemption from the distance restrictions prescribed in this  
10 section for a public or private school that is located in an area that is  
11 designated an entertainment district by the governing body of that city or  
12 town. A city or town with a population of at least five hundred thousand  
13 persons may designate not more than three entertainment districts within  
14 the boundaries of the city or town pursuant to this paragraph. A city or  
15 town with a population of at least two hundred thousand persons but less  
16 than five hundred thousand persons may designate not more than two  
17 entertainment districts within the boundaries of the city or town pursuant  
18 to this paragraph. A city or town with a population of less than two  
19 hundred thousand persons may designate not more than one entertainment  
20 district within the boundaries of the city or town pursuant to this  
21 paragraph.

22 5. A person may be issued a beer and wine store license pursuant to  
23 sections 4-201, 4-202, 4-203 and 4-206.01 for premises that have a liquor  
24 store license validly issued if the premises, on the date of an  
25 application for which the license is filed, are within three hundred  
26 horizontal feet of a public or private school building with kindergarten  
27 programs or any of grades one through twelve or within three hundred  
28 horizontal feet of a fenced recreation area adjacent to such school  
29 building and the license remains in full force until the license is  
30 terminated in any manner, unless renewed pursuant to section 4-209,  
31 subsection A.

32 D. For the purposes of this section, "entertainment district" means  
33 a specific contiguous area that is designated an entertainment district by  
34 a resolution adopted by the governing body of a city or town, that  
35 consists of not more than one square mile, that is not less than  
36 one-eighth of a mile in width and that contains a significant number of  
37 entertainment, artistic and cultural venues, including music halls,  
38 concert facilities, theaters, arenas, stadiums, museums, studios,  
39 galleries, restaurants, bars and other related facilities.