

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 23-0463.01 Jery Payne x2157

HOUSE BILL 23-1061

HOUSE SPONSORSHIP

Daugherty,

SENATE SPONSORSHIP

Zenzinger,

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PERMITTING A RETAIL ESTABLISHMENT TO SERVE**
102 **COMPLEMENTARY ALCOHOL BEVERAGES AT A PLACE OF**
103 **BUSINESS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law authorizes an art gallery to be issued a permit that allows the art gallery to serve complementary alcohol beverages. Under current law, a permit holder is prohibited from:

- Selling alcohol beverages by the drink;
- Serving alcohol beverages for more than 4 hours in a

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

- 24-hour period;
- Serving alcohol beverages more than 15 days per year;
- Charging an entrance fee or a cover charge in connection with offering complimentary alcohol beverages;
- Violating the "Colorado Liquor Code"; or
- Allowing more than 250 people to be on the premises at one time when alcohol beverages are being served.

The bill broadens this permit to allow all retail establishments to obtain the permit if the establishment conducts business at a physical building in Colorado, sells goods or services to the public at the location, and derives less than 50% of the establishment's gross sales of goods and services from the sale of food. The prohibitions applicable to art gallery permit holders under current law are not changed and apply to a retail establishment that obtains a permit; except that:

- The prohibition on selling alcohol is broadened to cover the sale of alcohol beverages in any form; and
- The number of days that an establishment may serve alcohol beverages in a year is increased from 15 to 24 days.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 44-3-424 as
 3 follows:

4 **44-3-424. Retail establishment permit - definition.** (1) (a) A
 5 person operating ~~an art gallery that offers~~ A RETAIL ESTABLISHMENT MAY
 6 OFFER AND SERVE complimentary alcohol beverages for consumption only
 7 on the premises ~~may be~~ IF THE RETAIL ESTABLISHMENT HAS BEEN issued
 8 ~~an art gallery~~ A RETAIL ESTABLISHMENT permit, which ~~shall~~ MUST be
 9 renewed annually. ~~An art gallery permittee~~

10 (b) A RETAIL ESTABLISHMENT PERMIT HOLDER shall not:

11 (a) (I) Directly or indirectly, sell alcohol beverages; ~~by the drink;~~
 12 ~~shall not~~

13 (b) (II) Serve alcohol beverages for more than four hours in ~~any~~
 14 ~~one day;~~ A TWENTY-FOUR-HOUR PERIOD; and ~~shall not~~

15 (c) (III) Serve alcohol beverages more than ~~fifteen~~ TWENTY-FOUR

1 days per year. ~~of licensure.~~

2 (2) (a) The state or local licensing authority may reject the
3 application for ~~an art gallery~~ A RETAIL ESTABLISHMENT permit if the
4 applicant fails to establish that the applicant is able to offer
5 complimentary alcohol beverages without violating this section or
6 creating a public safety risk to the neighborhood.

7 (b) Upon initial application, and for each renewal, the applicant
8 ~~shall~~ MUST list each day that alcohol beverages will be served, which days
9 ~~shall~~ MUST not be changed without a minimum of fifteen days' written
10 notice to the state and local licensing authority.

11 (3) ~~An art gallery shall not be denied an art gallery~~ NEITHER THE
12 STATE NOR A LOCAL LICENSING AUTHORITY SHALL DENY A RETAIL
13 ESTABLISHMENT permit based solely on the ~~art gallery's~~ RETAIL
14 ESTABLISHMENT'S proximity to any public or private school or the
15 principal campus of a college, university, or seminary.

16 (4) ~~An art gallery~~ A RETAIL ESTABLISHMENT shall not charge an
17 entrance fee or a cover charge ~~in connection with~~ IN EXCHANGE FOR
18 offering complimentary alcohol beverages for consumption only on the
19 premises.

20 (5) ~~An art gallery~~ A RETAIL ESTABLISHMENT permit may be
21 suspended or revoked in accordance with section 44-3-601 if the
22 ~~permittee~~ PERMIT HOLDER violates ~~any provision of~~ this article 3 or any
23 rule adopted pursuant to this article 3 or fails to truthfully furnish any
24 required information in connection with a permit application.

25 (6) (a) EXCEPT AS PROVIDED IN SUBSECTION (6)(b) OF THIS
26 SECTION, it is unlawful for any owner, part owner, shareholder, or person
27 interested directly or indirectly in ~~an art gallery~~ A RETAIL ESTABLISHMENT

1 THAT HOLDS A permit ISSUED PURSUANT TO THIS SECTION to conduct, own
2 either in whole or in part, or be directly or indirectly interested in any
3 other business licensed pursuant to this article 3 or article 4 of this title
4 44. ~~except that~~

5 (b) A ~~person regulated under~~ RETAIL ESTABLISHMENT THAT HOLDS
6 A PERMIT ISSUED PURSUANT TO this section may have an interest in:

7 (I) Other ~~art gallery permits; in~~ RETAIL ESTABLISHMENTS THAT
8 HOLD A PERMIT ISSUED PURSUANT TO THIS SECTION;

9 (II) A license described in section 44-3-401 (1)(j) to (1)(t), (1)(v),
10 or (1)(w), 44-3-412 (1), or 44-4-104 (1)(c); or ~~in~~

11 (III) A financial institution referred to in section 44-3-308 (4).

12 (7) As used in this section, "~~art gallery~~" "RETAIL ESTABLISHMENT"
13 means an establishment:

14 (a) ~~Whose~~ THAT HAS THE primary purpose ~~is to exhibit and offer~~
15 ~~for sale works of fine art as defined in section 6-15-101 or precious or~~
16 ~~semiprecious metals or stones as defined in section 18-16-102.~~ OF
17 SELLING GOODS OR SERVICES TO THE PUBLIC;

18 (b) THAT CONDUCTS THE BUSINESS DESCRIBED IN SUBSECTION
19 (7)(a) OF THIS SECTION AT A PHYSICAL BUILDING IN COLORADO; AND

20 (c) THAT DERIVES LESS THAN FIFTY PERCENT OF THE
21 ESTABLISHMENT'S GROSS SALES OF GOODS AND SERVICES FROM THE SALE
22 OF FOOD.

23 (8) ~~An art gallery~~ A RETAIL ESTABLISHMENT issued a permit shall
24 not intentionally allow more than two hundred fifty people to be on the
25 premises at one time when alcohol beverages are being served.

26 (9) ~~Nothing in this section~~ THIS SECTION DOES NOT:

27 (a) ~~shall be construed to~~ Abrogate any insurance coverage

1 required by law; OR

2 (b) ~~to authorize a licensed art gallery~~ AUTHORIZE A RETAIL
3 ESTABLISHMENT PERMIT HOLDER to violate:

4 (I) Section 44-3-901, including ~~without limitation~~, serving a
5 visibly intoxicated person and taking an alcohol beverage off the licensed
6 premises; or ~~to violate~~

7 (II) Any zoning or occupancy ordinances or laws.

8 **SECTION 2.** In Colorado Revised Statutes, 44-3-501, **amend**
9 (1)(t) as follows:

10 **44-3-501. State fees - rules - one-time fee waiver.** (1) The
11 applicant shall pay the following license and permit fees to the
12 department annually in advance:

13 (t) For each ~~art gallery~~ RETAIL ESTABLISHMENT permit, fifty
14 dollars;

15 **SECTION 3.** In Colorado Revised Statutes, 44-3-505, **amend**
16 (1)(o) and (4)(a)(IV) as follows:

17 **44-3-505. Local license fees.** (1) The applicant shall pay the
18 following license fees to the treasurer of the municipality, city and
19 county, or county where the licensed premises is located annually in
20 advance:

21 (o) For each ~~art gallery~~ RETAIL ESTABLISHMENT permit,
22 twenty-five dollars;

23 (4) (a) Each application for a license provided for in this article 3
24 and article 4 of this title 44 filed with a local licensing authority must be
25 accompanied by an application fee in an amount determined by the local
26 licensing authority to cover actual and necessary expenses, subject to the
27 following limitations:

1 (IV) For a new ~~license~~ or renewal application for ~~an art gallery~~ A
2 RETAIL ESTABLISHMENT permit, not to exceed one hundred dollars;

3 **SECTION 4.** In Colorado Revised Statutes, 44-3-901, **amend**
4 (1)(i)(IV) as follows:

5 **44-3-901. Unlawful acts - exceptions - definitions.** (1) Except
6 as provided in section 18-13-122, it is unlawful for any person:

7 (i) (IV) Notwithstanding subsection (1)(i)(I) of this section, it is
8 not unlawful for adult patrons of ~~an art gallery~~ ~~permittee~~ A RETAIL
9 ESTABLISHMENT PERMIT HOLDER to consume alcohol beverages on the
10 premises when the consumption is conducted within the limitations of a
11 valid permit granted pursuant to section 44-3-424.

12 **SECTION 5. Act subject to petition - effective date.** This act
13 takes effect at 12:01 a.m. on the day following the expiration of the
14 ninety-day period after final adjournment of the general assembly; except
15 that, if a referendum petition is filed pursuant to section 1 (3) of article V
16 of the state constitution against this act or an item, section, or part of this
17 act within such period, then the act, item, section, or part will not take
18 effect unless approved by the people at the general election to be held in
19 November 2024 and, in such case, will take effect on the date of the
20 official declaration of the vote thereon by the governor.