

First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 13-0008.01 Christy Chase x2008

HOUSE BILL 13-1178

HOUSE SPONSORSHIP

Priola,

SENATE SPONSORSHIP

(None),

House Committees

Business, Labor, Economic, & Workforce Development

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING REVISIONS TO THE STATUTES GOVERNING LICENSES FOR**
102 **THE SALE OF ALCOHOL BEVERAGES IN COLORADO, AND, IN**
103 **CONNECTION THEREWITH, PERMITTING FERMENTED MALT**
104 **BEVERAGE RETAIL LICENSEES TO SELL CRAFT BEER,**
105 **PERMITTING ALCOHOL BEVERAGE RETAILERS TO OBTAIN**
106 **MULTIPLE LICENSES, PROHIBITING THE SALE OF CAFFEINATED**
107 **ALCOHOL BEVERAGES, AND PROHIBITING THE SALE OF ALCOHOL**
108 **BEVERAGES CONTAINING MORE THAN TEN PERCENT ALCOHOL**
109 **BY PERSONS LICENSED TO SELL FERMENTED MALT BEVERAGES.**

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

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://www.leg.state.co.us/billsummaries>.)

Current law contains a separate category of licenses for establishments selling fermented malt beverages, which is beer with an alcohol content of 3.2% or less by weight (3.2% beer), as distinguished from licenses that permit the sale of other alcohol beverages with higher alcohol content, including malt liquor (full beer), wine, and spirits. Grocery stores and convenience stores are permitted to obtain only a fermented malt beverage retail license.

Sections 2, 3, and 5 of the bill permit grocery and convenience stores that have a fermented malt beverage license to also sell craft beer under their existing fermented malt beverage license. "Craft beer" is beer with an alcohol content in excess of 3.2% by weight or 4% alcohol by volume that is manufactured by a craft brewer that produces no more than 6 million barrels of craft beer per year. Convenience and grocery stores would continue to be prohibited from selling other types of alcohol beverages such as wine or spirits. Under **section 4**, fermented malt beverage retail licensees are required to implement a training program for their employees regarding the requirements for selling alcohol beverages and checking age identification.

Section 5 also defines "caffeinated alcohol beverage" as a fermented malt beverage, including craft beer, or malt liquor that contains at least 0.5% alcohol by volume, to which caffeine or other stimulant has been added, and that is sold in pre-mixed containers. The term is defined for purposes of **section 8**, which prohibits the importation, production, manufacture, distribution, sale, or serving of caffeinated alcohol beverages. Section 8 also prohibits fermented malt beverage retailers from selling alcohol beverages containing more than 10% alcohol by volume.

Current law prohibits a retail liquor store or liquor-licensed drugstore licensee from owning an interest in more than one retail liquor store or liquor-licensed drugstore license, respectively. **Sections 6 and 7** permit a retail liquor store or liquor-licensed drugstore licensee to have an interest in up to 4 additional retail liquor store or liquor-licensed drugstore licenses, respectively.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds, determines, and declares that:

4 (a) Colorado is a state that is rich in its supply of home-grown and

1 home-produced products;

2 (b) The state is a leader in the production of home-grown products
3 and in the marketing of Colorado-grown and Colorado-produced food and
4 beverage goods;

5 (c) Among its many and diverse local products, Colorado is
6 renowned for its many locally produced, micro-brewed beers,
7 distinguishing Colorado as having one of the most vibrant craft brewery
8 industries in the country;

9 (d) Improving the availability of and access to locally produced
10 beers will help bolster the success of Colorado brewers in the marketplace
11 and will encourage further development of Colorado-produced beer
12 products;

13 (e) Increasing the convenience for Colorado consumers to
14 purchase Colorado-produced beers will also foster growth in local
15 industry.

16 (2) The general assembly further finds and declares that allowing
17 convenience stores, grocery stores, and other similar retail stores that sell
18 food to also market and sell craft beer will improve access to and
19 availability of craft beer products, highlight additional marketing
20 opportunities for Colorado-produced beer goods, and respond to
21 consumer demand for increased shopping convenience, resulting in an
22 overall boost in sales of Colorado products.

23 **SECTION 2.** In Colorado Revised Statutes, **amend** 12-46-102 (1)
24 as follows:

25 **12-46-102. Legislative declaration.** (1) The general assembly
26 hereby declares that it is in the public interest that fermented malt
27 beverages, ~~shall~~ INCLUDING CRAFT BEER, be manufactured, imported, and

1 sold only by persons licensed as provided in this article OR ARTICLE 47 OF
2 THIS TITLE. The general assembly further declares that it is lawful to
3 manufacture and sell fermented malt beverages, ~~containing not more than~~
4 ~~three and two-tenths percent alcohol by weight~~ INCLUDING CRAFT BEER,
5 subject to ~~the provisions of~~ this article and applicable provisions of
6 articles 47 and 48 of this title.

7 **SECTION 3.** In Colorado Revised Statutes, **amend** 12-46-103 (1)
8 as follows:

9 **12-46-103. Definitions.** Definitions applicable to this article also
10 appear in article 47 of this title. As used in this article, unless the context
11 otherwise requires:

12 (1) (a) "Fermented malt beverage" means any beverage obtained
13 by the fermentation of any infusion or decoction of barley, malt, hops, or
14 any similar product or any combination thereof in water containing not
15 less than one-half of one percent alcohol by volume and not more than
16 three and two-tenths percent alcohol by weight or four percent alcohol by
17 volume. ~~except that~~ NOTWITHSTANDING THE ALCOHOL PERCENTAGE LIMIT
18 STATED IN THIS PARAGRAPH (a), "FERMENTED MALT BEVERAGE" INCLUDES
19 CRAFT BEER, AS DEFINED IN SECTION 12-47-103 (6.8).

20 (b) "Fermented malt beverage" ~~shall~~ DOES not include
21 confectionery containing alcohol within the limits prescribed by section
22 25-5-410 (1) (I) (II), C.R.S.

23 **SECTION 4.** In Colorado Revised Statutes, **add** 12-46-108 as
24 follows:

25 **12-46-108. Training for employees.** EACH PERSON LICENSED TO
26 SELL FERMENTED MALT BEVERAGES AT RETAIL PURSUANT TO SECTION
27 12-46-104 (1) (c) SHALL IMPLEMENT A TRAINING PROGRAM FOR ITS

1 EMPLOYEES PERTAINING TO THE REQUIREMENTS FOR SELLING ALCOHOL
2 BEVERAGES AND CHECKING AGE IDENTIFICATION IN CONNECTION WITH
3 THE SALE OF ALCOHOL BEVERAGES. A LICENSEE COMPLIES WITH THIS
4 SECTION IF ITS EMPLOYEES PARTICIPATE IN AND COMPLY WITH THE SERVER
5 AND SELLER TRAINING PROGRAM ESTABLISHED PURSUANT TO SECTION
6 12-47-1002.

7 **SECTION 5.** In Colorado Revised Statutes, 12-47-103, **amend**
8 (2); and **add** (5.5) and (6.8) as follows:

9 **12-47-103. Definitions.** As used in this article and article 46 of
10 this title, unless the context otherwise requires:

11 (2) "Alcohol beverage" means fermented malt beverage,
12 INCLUDING CRAFT BEER, or malt, vinous, or spirituous liquors; except that
13 "alcohol beverage" ~~shall~~ DOES not include confectionery containing
14 alcohol within the limits prescribed by section 25-5-410 (1) (i) (II), C.R.S.

15 (5.5) "CAFFEINATED ALCOHOL BEVERAGE" MEANS A FERMENTED
16 MALT BEVERAGE, INCLUDING CRAFT BEER, OR MALT LIQUOR:

17 (a) CONTAINING AT LEAST ONE-HALF OF ONE PERCENT ALCOHOL
18 BY VOLUME;

19 (b) TO WHICH IS ADDED, OR WHICH IS INFUSED WITH, CAFFEINE OR
20 OTHER STIMULANTS, INCLUDING GUARANA, GINSENG, OR TAURINE; AND

21 (c) THAT IS SOLD OR DISTRIBUTED IN A PRE-MIXED CONTAINER.

22 (6.8) "CRAFT BEER" MEANS MALT LIQUOR THAT IS MANUFACTURED
23 BY A BREW PUB OR BY A MANUFACTURER LICENSED PURSUANT TO SECTION
24 12-47-402 OR 12-47-405 THAT PRODUCES NOT MORE THAN SIX MILLION
25 BARRELS OF CRAFT BEER EACH CALENDAR YEAR.

26 **SECTION 6.** In Colorado Revised Statutes, 12-47-407, **amend**
27 (4) as follows:

1 **12-47-407. Retail liquor store license.** (4) (a) EXCEPT AS
2 PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (4), it is unlawful for
3 any owner, part owner, shareholder, or person interested directly or
4 indirectly in a retail liquor store LICENSE to conduct, own either in whole
5 or in part, or be directly or indirectly interested in any other business
6 licensed pursuant to this article. ~~except that such a~~

7 (b) AN OWNER, PART OWNER, SHAREHOLDER, OR person
8 INTERESTED DIRECTLY OR INDIRECTLY IN A RETAIL LIQUOR STORE LICENSE
9 may have an interest in:

10 (I) NOT MORE THAN FOUR ADDITIONAL RETAIL LIQUOR STORE
11 LICENSES, FOR A TOTAL OF NOT MORE THAN FIVE RETAIL LIQUOR STORE
12 LICENSES;

13 (II) An arts license; ~~or~~

14 (III) An airline public transportation system license granted under
15 this article; or ~~in~~

16 (IV) A financial institution referred to in section 12-47-308 (4).

17 **SECTION 7.** In Colorado Revised Statutes, 12-47-408, **amend**
18 (4) as follows:

19 **12-47-408. Liquor-licensed drugstore license.** (4) (a) EXCEPT
20 AS PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (4), it is unlawful for
21 any owner, part owner, shareholder, or person interested directly or
22 indirectly in a liquor-licensed drugstore LICENSE to conduct, own either
23 in whole or in part, or be directly or indirectly interested in any other
24 business licensed pursuant to this article. ~~except that such a~~

25 (b) AN OWNER, PART OWNER, SHAREHOLDER, OR person
26 INTERESTED DIRECTLY OR INDIRECTLY IN A LIQUOR-LICENSED DRUGSTORE
27 LICENSE may have an interest in:

1 (I) NOT MORE THAN FOUR ADDITIONAL LIQUOR-LICENSED
2 DRUGSTORE LICENSES, FOR A TOTAL OF NOT MORE THAN FIVE
3 LIQUOR-LICENSED DRUGSTORE LICENSES;

4 (II) An arts license; ~~or~~

5 (III) An airline public transportation system license granted under
6 this article; or ~~in~~

7 (IV) A financial institution referred to in section 12-47-308 (4).

8 **SECTION 8.** In Colorado Revised Statutes, 12-47-901, **amend**
9 (8); and **add** (1) (n) as follows:

10 **12-47-901. Unlawful acts - exceptions.** (1) Except as provided
11 in section 18-13-122, C.R.S., it is unlawful for any person:

12 (n) TO IMPORT, PRODUCE, MANUFACTURE, DISTRIBUTE, SELL AT
13 WHOLESALE OR AT RETAIL, GIVE AWAY, OR SERVE A CAFFEINATED
14 ALCOHOL BEVERAGE.

15 (8) It is unlawful for ~~any manufacturer or wholesaler licensed~~
16 ~~pursuant to article 46 of this title to sell, deliver, or cause to be delivered~~
17 ~~to any person licensed pursuant to section 12-47-407 or 12-47-408 any~~
18 ~~beverage containing alcohol in excess of three and two-tenths percent by~~
19 ~~weight or four percent by volume, or for any A fermented malt beverage~~
20 ~~retailer licensed pursuant to article 46 of this title to sell, possess, or~~
21 ~~permit the consumption on the premises of any ~~of the~~ beverages~~
22 ~~containing alcohol in excess of three and two-tenths percent by weight or~~
23 ~~four TEN percent by volume. or for any fermented malt beverage retail~~
24 ~~licensee licensed pursuant to article 46 of this title to hold or operate~~
25 ~~under any license for the sale of any beverages containing alcohol in~~
26 ~~excess of three and two-tenths percent by weight or four percent by~~
27 ~~volume for the same premises. Any violation of this subsection (8) by any~~

1 A fermented malt beverage licensee licensed pursuant to article 46 of this
2 title immediately invalidates the license granted under article 46 of this
3 title.

4 **SECTION 9. Act subject to petition - effective date.** This act
5 takes effect at 12:01 a.m. on the day following the expiration of the
6 ninety-day period after final adjournment of the general assembly (August
7 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a
8 referendum petition is filed pursuant to section 1 (3) of article V of the
9 state constitution against this act or an item, section, or part of this act
10 within such period, then the act, item, section, or part will not take effect
11 unless approved by the people at the general election to be held in
12 November 2014 and, in such case, will take effect on the date of the
13 official declaration of the vote thereon by the governor.