

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 16-1255.02 Christy Chase x2008

SENATE BILL 16-197

SENATE SPONSORSHIP

Steadman,

HOUSE SPONSORSHIP

(None),

Senate Committees
Business, Labor, & Technology
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE RETAIL SALE OF ALCOHOL BEVERAGES, AND, IN ___**
102 **CONNECTION THEREWITH, RESTRICTING THE ISSUANCE OF NEW**
103 **LIQUOR-LICENSED DRUGSTORE AND RETAIL LIQUOR STORE**
104 **LICENSES EXCEPT UNDER SPECIFIED CIRCUMSTANCES;**
105 **ALLOWING LIQUOR-LICENSED DRUGSTORE AND RETAIL LIQUOR**
106 **STORE LICENSEES TO OBTAIN ADDITIONAL LICENSES UNDER**
107 **LIMITED CIRCUMSTANCES; REPEALING THE LIMIT ON THE**
108 **ALCOHOL CONTENT OF FERMENTED MALT BEVERAGES ON**
109 **JANUARY 1, 2019; AND MAKING AN APPROPRIATION.**

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

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.*

applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

On or after January 1, 2017, and before January 1, 2027, the bill allows a liquor-licensed drugstore to obtain up to 5 additional liquor-licensed drugstore licenses, under which drugstores are permitted to sell malt, vinous, and spirituous liquors in sealed containers for consumption off the licensed premises. On or after January 1, 2017, and before January 1, 2027, a liquor-licensed drugstore seeking to obtain an additional liquor-licensed drugstore license must apply to the state and local licensing authorities, as part of a single application, to transfer ownership of 2 retail liquor stores licensed as of the effective date of the bill, change the location of one of the retail liquor stores, and merge and convert the 2 retail liquor store licenses into a single liquor-licensed drugstore license. Assuming all other requirements for the transfer, merger, and conversion are satisfied, the application is permitted only if:

- ! The applicant has paid a purchase price of at least \$350,000 per retail liquor store to acquire ownership of the 2 retail liquor stores;
- ! The subject retail liquor store and the drugstore applicant's premises are within the jurisdiction of the same local licensing authority; and
- ! The drugstore's licensed premises will not be located within 2,500 feet of another licensed liquor retailer within the same local licensing authority's jurisdiction.

In making its determination on the application, the local licensing authority may consider the reasonable requirements of the neighborhood.

Starting January 1, 2027, a liquor-licensed drugstore may obtain an unlimited number of additional liquor-licensed drugstore licenses without acquiring and converting 2 retail liquor store licenses.

A liquor-licensed drugstore shall:

- ! Not sell alcohol beverages at a price that is lower than the drugstore's cost to purchase the products;
- ! Ensure that an employee completes alcohol beverage transactions with customers directly rather than through a self-checkout register;
- ! Ensure that employees who are involved in selling alcohol beverages maintain certification as responsible alcohol beverage vendors;
- ! Not sell clothing or accessories imprinted with advertising, logos, or slogans related to alcohol beverages;
- ! Not store alcohol products off the licensed premises;
- ! Designate a manager who has been permitted by the state licensing authority to conduct the store's alcohol beverage purchases with licensed wholesalers; and

! Shelve and display its alcohol beverage merchandise separately from nonalcohol products it offers for sale.

Additionally, a drugstore that obtains a liquor license on or after January 1, 2017, must effect payment upon delivery and cannot purchase alcohol beverages on credit.

The bill removes the maximum alcohol content of fermented malt beverages, thereby allowing licensed fermented malt beverage retailers to sell beer with an alcohol content in excess of 3.2% by weight or 4% by volume.

Wholesalers, manufacturers, and their employees cannot stock liquor-licensed drugstore shelves with alcohol beverages or otherwise provide shelving, displaying, or similar services to a liquor-licensed drugstore.

The state licensing authority may issue a manager's permit to a liquor-licensed drugstore manager who controls the drugstore's alcohol beverage operations if the permit applicant satisfies specified criteria.

A liquor-licensed drugstore must pay an application fee to both the state licensing authority and the local licensing authority and, if the application is granted, is subject to applicable annual liquor-licensed drugstore licensing fees.

The bill expands the nonalcohol products that a retail liquor store may sell, including soft drinks, snack foods, wine-, beer-, and spirits-making kits and related supplies, clothing and accessories related to alcohol beverages, lottery tickets, tobacco and related products, and any other merchandise not related to the consumption of alcohol beverages if the annual gross revenue from the other merchandise does not exceed 20% of the retail liquor store's total annual gross revenue.

The bill permits a retail liquor store owner to have an interest in up to 5 additional retail liquor store licenses.

All licensed retailers will have to verify that each customer attempting to purchase alcohol beverages is at least 21 years of age by requiring the customer to present a valid, government-issued document that includes the customer's photograph and date of birth.

A liquor-licensed drugstore is prohibited from allowing an employee under 21 years of age to sell, deliver, or otherwise have contact with malt, vinous, or spirituous liquors offered for sale on, or sold and removed from, the licensed premises.

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

2 **SECTION 1.** In Colorado Revised Statutes, 12-47-408, **amend**
3 (1), (2), and (4); **repeal (5)**; and **add (6), (7), (8), and (9)** as follows:

4 **12-47-408. Liquor-licensed drugstore license - multiple**

1 **licenses permitted - requirements - repeal.** (1) (a) (I) A liquor-licensed
2 drugstore license shall be issued to persons selling malt, vinous, and
3 spirituous liquors in sealed containers not to be consumed at the place
4 where sold. ON AND AFTER JULY 1, 2016, EXCEPT AS PERMITTED UNDER
5 PARAGRAPH (b) OF THIS SUBSECTION (1), THE STATE AND LOCAL LICENSING
6 AUTHORITIES SHALL NOT ISSUE A NEW LIQUOR-LICENSED DRUGSTORE
7 LICENSE IF THE LICENSED PREMISES FOR WHICH A LIQUOR-LICENSED
8 DRUGSTORE LICENSE IS SOUGHT IS LOCATED:

9 (A) WITHIN ONE THOUSAND FIVE HUNDRED FEET OF A RETAIL
10 LIQUOR STORE LICENSED UNDER SECTION 12-47-407; OR

11 (B) FOR A DRUGSTORE PREMISES LOCATED IN A MUNICIPALITY
12 WITH A POPULATION OF TEN THOUSAND OR FEWER, WITHIN THREE
13 THOUSAND FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION
14 12-47-407.

15 (II) Nothing in this subsection (1) shall prohibit PROHIBITS:

16 (A) THE RENEWAL OR TRANSFER OF OWNERSHIP OF A
17 LIQUOR-LICENSED DRUGSTORE LICENSE INITIALLY ISSUED PRIOR TO JULY
18 1, 2016.

19 (B) A liquor-licensed drugstore licensee from allowing tastings to
20 be conducted on his or her THE licensed premises if an authorization for
21 the APPLICABLE LOCAL LICENSING AUTHORITY HAS AUTHORIZED THE
22 LIQUOR-LICENSED DRUGSTORE TO CONDUCT tastings has been granted
23 pursuant to section 12-47-301 ON ITS LICENSED PREMISES IN ACCORDANCE
24 WITH SECTION 12-47-301 (10).

25 (b) (I) ON OR AFTER JANUARY 1, 2017, TO QUALIFY FOR AN
26 ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSE UNDER THIS SECTION,
27 A LIQUOR-LICENSED DRUGSTORE LICENSEE, OR A RETAIL LIQUOR STORE

1 LICENSEE THAT WAS LICENSED AS A LIQUOR-LICENSED DRUGSTORE ON
2 FEBRUARY 21, 2016, MUST APPLY TO THE STATE AND LOCAL LICENSING
3 AUTHORITIES, AS PART OF A SINGLE APPLICATION, FOR A TRANSFER OF
4 OWNERSHIP OF AT LEAST TWO LICENSED RETAIL LIQUOR STORES THAT
5 WERE LICENSED OR HAD APPLIED FOR A LICENSE ON OR BEFORE MAY 1,
6 2016, A CHANGE OF LOCATION OF ONE OF THE RETAIL LIQUOR STORES, AND
7 A MERGER AND CONVERSION OF THE RETAIL LIQUOR STORE LICENSES INTO
8 A SINGLE LIQUOR-LICENSED DRUGSTORE LICENSE. THE APPLICANT MAY
9 APPLY FOR A TRANSFER, CHANGE OF LOCATION, AND MERGER AND
10 CONVERSION ONLY IF ALL OF THE FOLLOWING REQUIREMENTS ARE MET:

11 (A) THE RETAIL LIQUOR STORES THAT ARE THE SUBJECT OF THE
12 TRANSFER OF OWNERSHIP ARE LOCATED WITHIN THE SAME LOCAL
13 LICENSING AUTHORITY JURISDICTION AS THE DRUGSTORE PREMISES FOR
14 WHICH THE APPLICANT IS SEEKING A LIQUOR-LICENSED DRUGSTORE
15 LICENSE, AND, IF ANY RETAIL LIQUOR STORES ARE LOCATED WITHIN ONE
16 THOUSAND FIVE HUNDRED FEET OF THE DRUGSTORE PREMISES OR, FOR A
17 DRUGSTORE PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION
18 OF TEN THOUSAND OR FEWER OR IN AN UNINCORPORATED AREA OF A
19 COUNTY, WITHIN THREE THOUSAND FEET OF THE DRUGSTORE PREMISES,
20 THE APPLICANT APPLIES TO TRANSFER OWNERSHIP OF ALL RETAIL LIQUOR
21 STORES LOCATED WITHIN THAT DISTANCE.

22 (B) UPON TRANSFER AND CONVERSION OF THE RETAIL LIQUOR
23 STORE LICENSES TO A SINGLE LIQUOR-LICENSED DRUGSTORE LICENSE, THE
24 DRUGSTORE PREMISES FOR WHICH THE LIQUOR-LICENSED DRUGSTORE
25 LICENSE IS SOUGHT WILL BE LOCATED AT LEAST ONE THOUSAND FIVE
26 HUNDRED FEET FROM ALL LICENSED RETAIL LIQUOR STORES THAT ARE
27 WITHIN THE SAME LOCAL LICENSING AUTHORITY JURISDICTION AS THE

1 DRUGSTORE PREMISES OR, FOR A DRUGSTORE PREMISES LOCATED IN A
2 MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER, AT
3 LEAST THREE THOUSAND FEET FROM ALL LICENSED RETAIL LIQUOR STORES
4 THAT ARE WITHIN THE SAME LOCAL LICENSING AUTHORITY JURISDICTION
5 AS THE DRUGSTORE PREMISES.

6 (II) FOR PURPOSES OF DETERMINING WHETHER THE DISTANCE
7 REQUIREMENTS SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b)
8 ARE SATISFIED, THE DISTANCE SHALL BE DETERMINED BY A RADIUS
9 MEASUREMENT THAT BEGINS AT THE PRINCIPAL DOORWAY OF THE
10 DRUGSTORE PREMISES FOR WHICH THE APPLICATION IS MADE AND ENDS AT
11 THE PRINCIPAL DOORWAY OF THE LICENSED RETAIL LIQUOR STORE.

12 (III) IN MAKING ITS DETERMINATION ON THE TRANSFER OF
13 OWNERSHIP, CHANGE OF LOCATION, AND LICENSE MERGER AND
14 CONVERSION APPLICATION, THE LOCAL LICENSING AUTHORITY SHALL
15 CONSIDER THE REASONABLE REQUIREMENTS OF THE NEIGHBORHOOD AND
16 THE DESIRES OF THE ADULT INHABITANTS IN ACCORDANCE WITH SECTION
17 12-47-312.

18 (IV) IN ADDITION TO ANY OTHER REQUIREMENTS FOR LICENSURE
19 UNDER THIS SECTION OR ARTICLE, A PERSON APPLYING FOR A NEW
20 LIQUOR-LICENSED DRUGSTORE LICENSE IN ACCORDANCE WITH THIS
21 PARAGRAPH (b) ON OR AFTER JANUARY 1, 2017, OR TO RENEW A
22 LIQUOR-LICENSED DRUGSTORE LICENSE ISSUED ON OR AFTER JANUARY 1,
23 2017, UNDER THIS PARAGRAPH (b) MUST:

24 (A) PROVIDE EVIDENCE TO THE STATE AND LOCAL LICENSING
25 AUTHORITIES THAT AT LEAST TWENTY PERCENT OF THE LICENSEE'S GROSS
26 ANNUAL INCOME DERIVED FROM TOTAL SALES DURING THE PRIOR TWELVE
27 MONTHS AT THE DRUGSTORE PREMISES FOR WHICH A NEW OR RENEWAL

1 LICENSES IS SOUGHT IS FROM THE SALE OF FOOD ITEMS, AS DEFINED BY THE
2 STATE LICENSING AUTHORITY BY RULE; AND

3 (B) BE OPEN TO THE PUBLIC.

4 ==

5 (2) Every A person ~~selling~~ LICENSED UNDER THIS SECTION TO
6 SELL malt, vinous, and spirituous liquors as provided in this section shall:

7 (a) Purchase ~~such~~ malt, vinous, and spirituous liquors only from
8 a wholesaler licensed ~~pursuant to~~ UNDER this article;

9 (b) NOT SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS TO
10 CONSUMERS AT A PRICE THAT IS BELOW THE LIQUOR-LICENSED
11 DRUGSTORE'S COST TO PURCHASE THE MALT, VINOUS, OR SPIRITUOUS
12 LIQUORS;

13 (c) NOT ALLOW CONSUMERS TO PURCHASE MALT, VINOUS, OR
14 SPIRITUOUS LIQUORS AT A SELF-CHECKOUT OR OTHER MECHANISM THAT
15 ALLOWS THE CONSUMER TO COMPLETE THE ALCOHOL BEVERAGE
16 PURCHASE WITHOUT ASSISTANCE FROM AND COMPLETION OF THE
17 TRANSACTION BY AN EMPLOYEE OF THE LIQUOR-LICENSED DRUGSTORE;

18 (d) REQUIRE, IN ACCORDANCE WITH SECTION 12-47-901 (10),
19 CONSUMERS ATTEMPTING TO PURCHASE MALT, VINOUS, OR SPIRITUOUS
20 LIQUORS TO PRESENT A VALID IDENTIFICATION, AS DETERMINED BY THE
21 STATE LICENSING AUTHORITY BY RULE; AND

22 (e) NOT SELL CLOTHING OR ACCESSORIES IMPRINTED WITH
23 ADVERTISING, LOGOS, SLOGANS, TRADEMARKS, OR MESSAGES RELATED TO
24 ALCOHOL BEVERAGES.

25 ==

26 (4) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS
27 SUBSECTION (4), it is unlawful for any owner, part owner, shareholder, or

1 person interested directly or indirectly in a liquor-licensed drugstore to
2 conduct, own either in whole or in part, or be directly or indirectly
3 interested in any other business licensed pursuant to this article. ~~except~~
4 ~~that such a~~

5 (b) AN OWNER, PART OWNER, SHAREHOLDER, OR PERSON
6 INTERESTED DIRECTLY OR INDIRECTLY IN A LIQUOR-LICENSED DRUGSTORE
7 may have an interest in:

8 (I) An arts license ~~or~~ GRANTED UNDER THIS ARTICLE;

9 (II) An airline public transportation system license granted under
10 this article; ~~or in~~

11 (III) A financial institution referred to in section 12-47-308 (4);

12 (IV) FOR A LIQUOR-LICENSED DRUGSTORE LICENSED ON OR BEFORE
13 JANUARY 1, 2016, ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES
14 AS FOLLOWS, BUT ONLY IF OBTAINED IN ACCORDANCE WITH PARAGRAPH
15 (b) OF SUBSECTION (1) OF THIS SECTION:

16 (A) ON OR AFTER JANUARY 1, 2017, AND BEFORE JANUARY 1,
17 2022, FOUR ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES, FOR A
18 MAXIMUM OF FIVE TOTAL LIQUOR-LICENSED DRUGSTORE LICENSES;

19 (B) ON OR AFTER JANUARY 1, 2022, AND BEFORE JANUARY 1,
20 2027, UP TO SEVEN ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES,
21 FOR A MAXIMUM OF EIGHT TOTAL LIQUOR-LICENSED DRUGSTORE
22 LICENSES;

23 (C) ON OR AFTER JANUARY 1, 2027, AND BEFORE JANUARY 1,
24 2032, UP TO TWELVE ADDITIONAL LIQUOR-LICENSED DRUGSTORE
25 LICENSES, FOR A MAXIMUM OF THIRTEEN TOTAL LIQUOR-LICENSED
26 DRUGSTORE LICENSES;

27 (D) ON OR AFTER JANUARY 1, 2032, AND BEFORE JANUARY 1,

1 2037, UP TO NINETEEN ADDITIONAL LIQUOR-LICENSED DRUGSTORE
2 LICENSES, FOR A MAXIMUM OF TWENTY TOTAL LIQUOR-LICENSED
3 DRUGSTORE LICENSES; AND

4 (E) ON OR AFTER JANUARY 1, 2037, AN UNLIMITED NUMBER OF
5 ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES.

6 (5) A licensee under the provisions of this section with a valid
7 license in effect on July 1, 2000, may apply to a local licensing authority
8 to convert or transfer such license to a retail liquor store license issued
9 under the provisions of section 12-47-407 and may continue to operate as
10 a retail liquor store licensee notwithstanding the limitations with respect
11 to location within five hundred feet from any public or parochial school
12 or the principal campus of any college, university, or seminary pursuant
13 to the provisions of section 12-47-313 (1) (d) (I). The local licensing
14 authority may, but shall not be required to, consider the reasonable
15 requirements of the neighborhood pursuant to section 12-47-312 in
16 making a determination on the conversion or transfer to a retail liquor
17 store license.

18 (6) (a) A LIQUOR-LICENSED DRUGSTORE LICENSED UNDER THIS
19 SECTION SHALL NOT STORE ALCOHOL BEVERAGES OFF THE LICENSED
20 PREMISES.

21 (b) A LICENSED WHOLESALER SHALL MAKE ALL DELIVERIES OF
22 ALCOHOL BEVERAGES TO A LIQUOR-LICENSED DRUGSTORE:

23 (I) THROUGH A COMMON CARRIER, A CONTRACT CARRIER, OR ON
24 VEHICLES OWNED BY THE WHOLESALER; AND

25 (II) ONLY TO THE BUSINESS ADDRESS OF THE LIQUOR-LICENSED
26 DRUGSTORE.

27 (7) (a) A LIQUOR-LICENSED DRUGSTORE LICENSED UNDER THIS

1 SECTION ON OR AFTER JANUARY 1, 2017, SHALL HAVE AT LEAST ONE
2 MANAGER PERMITTED UNDER SECTION 12-47-425 WHO WORKS ON THE
3 LICENSED PREMISES. THE LIQUOR-LICENSED DRUGSTORE SHALL DESIGNATE
4 AT LEAST ONE PERMITTED MANAGER ON THE LICENSED PREMISES TO
5 CONDUCT THE LIQUOR-LICENSED DRUGSTORE'S PURCHASES OF ALCOHOL
6 BEVERAGES FROM A LICENSED WHOLESALER. A LICENSED WHOLESALER
7 SHALL TAKE ORDERS FOR ALCOHOL BEVERAGES ONLY FROM A PERMITTED
8 MANAGER DESIGNATED BY THE LIQUOR-LICENSED DRUGSTORE.

9 (b) A LIQUOR-LICENSED DRUGSTORE THAT IS INVOLVED IN
10 SELLING ALCOHOL BEVERAGES MUST OBTAIN AND MAINTAIN A
11 CERTIFICATION AS A RESPONSIBLE ALCOHOL BEVERAGE VENDOR IN
12 ACCORDANCE WITH PART 10 OF THIS ARTICLE.

13 (c) AN EMPLOYEE OF A LIQUOR-LICENSED DRUGSTORE WHO IS
14 UNDER TWENTY-ONE YEARS OF AGE SHALL NOT DELIVER OR OTHERWISE
15 HAVE ANY CONTACT WITH MALT, VINOUS, OR SPIRITUOUS LIQUORS
16 OFFERED FOR SALE ON, OR SOLD AND REMOVED FROM, THE LICENSED
17 PREMISES.

18 (8)(a) A PERSON LICENSED UNDER SECTION 12-47-402, 12-47-403,
19 12-47-404, 12-47-405, 12-47-406, OR 12-47-415 OR AN EMPLOYEE,
20 AGENT, REPRESENTATIVE, OR SALESPERSON EMPLOYED BY A PERSON
21 LICENSED UNDER ANY OF THOSE SECTIONS SHALL NOT PROVIDE ANY
22 SERVICES TO OR FOR THE BENEFIT OF A LIQUOR-LICENSED DRUGSTORE,
23 INCLUDING SERVICES INVOLVING SHELVING, DRESSING, DISPLAYING, OR
24 SETTING INVENTORY OWNED OR PURCHASED BY THE LIQUOR-LICENSED
25 DRUGSTORE.

26 (b) THIS SUBSECTION (8) DOES NOT PREVENT:

27 (I) A WHOLESALER LICENSED UNDER SECTION 12-47-406 FROM

1 UNLOADING ALCOHOL BEVERAGES DELIVERED TO A LIQUOR-LICENSED
2 DRUGSTORE LOCATION AT THE LOCATION'S CUSTOMARY LOADING DOCK.
3 A LICENSED WHOLESALER MAY UNLOAD ALCOHOL BEVERAGES AT A
4 LIQUOR-LICENSED DRUGSTORE LOCATION AT ANY TIME THAT THE
5 LOCATION IS OPEN TO THE PUBLIC; OR

6 (II) A PERSON LICENSED UNDER SECTION 12-47-406 OR 12-47-415
7 FROM ACCESSING A LIQUOR-LICENSED DRUGSTORE'S DISPLAY TO
8 LAWFULLY REMOVE OR EXCHANGE MALT LIQUORS OR FERMENTED MALT
9 BEVERAGES, AS MAY BE PERMITTED BY THE STATE LICENSING AUTHORITY,
10 THAT NO LONGER MEET MANUFACTURER'S QUALITY STANDARDS.

11 ==

12 **SECTION 2.** In Colorado Revised Statutes, **add** 12-47-425 as
13 follows:

14 **12-47-425. Liquor-licensed drugstore manager's permit.**

15 (1) THE STATE LICENSING AUTHORITY MAY ISSUE A MANAGER'S PERMIT
16 TO AN INDIVIDUAL WHO IS EMPLOYED BY A LIQUOR-LICENSED DRUGSTORE
17 LICENSED UNDER SECTION 12-47-408 AND WHO WILL BE IN ACTUAL
18 CONTROL OF THE LIQUOR-LICENSED DRUGSTORE'S ALCOHOL BEVERAGE
19 OPERATIONS.

20 (2) AN INDIVIDUAL SEEKING A MANAGER'S PERMIT SHALL APPLY
21 TO THE STATE LICENSING AUTHORITY IN THE FORM AND MANNER
22 REQUIRED BY THE STATE LICENSING AUTHORITY. TO OBTAIN A MANAGER'S
23 PERMIT, THE INDIVIDUAL MUST DEMONSTRATE THAT HE OR SHE:

24 (a) HAS NOT BEEN CONVICTED OF A CRIME INVOLVING THE SALE OR
25 DISTRIBUTION OF ALCOHOL BEVERAGES WITHIN THE EIGHT YEARS
26 IMMEDIATELY PRECEDING THE DATE ON WHICH THE APPLICATION IS
27 SUBMITTED;

1 (b) HAS NOT BEEN CONVICTED OF ANY FELONY WITHIN THE FIVE
2 YEARS IMMEDIATELY PRECEDING THE DATE ON WHICH THE APPLICATION
3 IS SUBMITTED; EXCEPT THAT IN CONSIDERING THE CONVICTION OF A
4 FELONY, THE STATE LICENSING AUTHORITY IS GOVERNED BY SECTION
5 24-5-101, C.R.S.;

6 (c) IS AT LEAST TWENTY-ONE YEARS OF AGE; AND

7 (d) HAS NOT HAD A MANAGER'S PERMIT OR ANY SIMILAR PERMIT
8 ISSUED BY THE STATE, A LOCAL JURISDICTION, OR ANOTHER STATE OR
9 FOREIGN JURISDICTION REVOKED BY THE ISSUING AUTHORITY WITHIN THE
10 THREE YEARS IMMEDIATELY PRECEDING THE DATE ON WHICH THE
11 APPLICATION IS SUBMITTED.

12 ==

13 (3) IT IS UNLAWFUL FOR AN INDIVIDUAL WHO HAS A MANAGER'S
14 PERMIT ISSUED UNDER THIS SECTION TO BE INTERESTED DIRECTLY OR
15 INDIRECTLY IN:

16 (a) A WHOLESALER LICENSED PURSUANT TO SECTION 12-47-406;

17 (b) A LIMITED WINERY LICENSED PURSUANT TO SECTION
18 12-47-403;

19 (c) AN IMPORTER LICENSED PURSUANT TO SECTION 12-47-404;

20 (d) A MANUFACTURER LICENSED PURSUANT TO SECTION 12-47-402
21 OR 12-47-405; OR

22 (e) ANY BUSINESS LICENSED UNDER THIS ARTICLE THAT HAS HAD
23 ITS LICENSE REVOKED BY THE STATE LICENSING AUTHORITY WITHIN THE
24 EIGHT YEARS IMMEDIATELY PRECEDING THE DATE ON WHICH THE
25 INDIVIDUAL APPLIES FOR A MANAGER'S PERMIT UNDER THIS SECTION.

26 (4) IN RECOGNITION OF THE STATE'S FLOURISHING LOCAL
27 BREWERIES, WINERIES, AND DISTILLERIES THAT LOCALLY PRODUCE

1 HIGH-QUALITY MALT, VINOUS, AND SPIRITUOUS LIQUORS, MANAGERS OF
2 LIQUOR-LICENSED DRUGSTORES ARE ENCOURAGED TO PURCHASE AND
3 PROMOTE LOCALLY-PRODUCED ALCOHOL BEVERAGE PRODUCTS IN THEIR
4 LIQUOR-LICENSED DRUGSTORES.

5 **SECTION 3.** In Colorado Revised Statutes, **amend** 12-46-102 as
6 follows:

7 **12-46-102. Legislative declaration.** (1) The general assembly
8 hereby declares that it is in the public interest that fermented malt
9 beverages shall be manufactured, imported, and sold only by persons
10 licensed as provided in this article AND ARTICLE 47 OF THIS TITLE. The
11 general assembly further declares that it is lawful to manufacture and sell
12 fermented malt beverages ~~containing not more than three and two-tenths~~
13 ~~percent alcohol by weight~~ subject to the provisions of this article and
14 applicable provisions of articles 47 and 48 of this title.

15 (2) The general assembly FURTHER recognizes that fermented malt
16 beverages AND MALT LIQUORS are separate and distinct from, ~~malt~~ AND
17 HAVE A UNIQUE REGULATORY HISTORY IN RELATION TO, vinous and
18 spirituous liquors, and as such require THE RETENTION OF a separate and
19 distinct regulatory framework under this article. To aid administrative
20 efficiency, however, ~~the provisions in~~ article 47 of this title ~~shall apply~~
21 APPLIES to the regulation of fermented malt beverages, except when
22 otherwise expressly provided for in this article.

23 **SECTION 4.** In Colorado Revised Statutes, 12-46-103, **amend**
24 (1) as follows:

25 **12-46-103. Definitions.** Definitions applicable to this article also
26 appear in article 47 of this title. As used in this article, unless the context
27 otherwise requires:

1 (1) (a) "Fermented malt beverage" means BEER AND any OTHER
2 beverage obtained by the fermentation of any infusion or decoction of
3 barley, malt, hops, or any similar product or any combination thereof in
4 water containing not less than one half of one percent alcohol by volume.
5 ~~and not more than three and two-tenths percent alcohol by weight or four~~
6 ~~percent alcohol by volume; except that~~

7 (b) "Fermented malt beverage" ~~shall~~ DOES not include
8 confectionery containing alcohol within the limits prescribed by section
9 25-5-410 (1) (i) (II), C.R.S.

10 SECTION 5. In Colorado Revised Statutes, add 12-46-108 as
11 follows:

12 12-46-108. Liquor industry working group - creation - duties
13 - report - repeal. (1) THE STATE LICENSING AUTHORITY SHALL CONVENE
14 A LIQUOR INDUSTRY WORKING GROUP TO DEVELOP AN IMPLEMENTATION
15 PROCESS FOR GROCERY AND CONVENIENCE STORES TO APPLY FOR A
16 LICENSE TO SELL MALT LIQUOR AND FERMENTED MALT BEVERAGES
17 CONTAINING AT LEAST ONE-HALF PERCENT ALCOHOL BY VOLUME
18 STARTING JANUARY 1, 2019. THE WORKING GROUP SHALL ANALYZE THE
19 IMPACT THAT REMOVING THE ALCOHOL CONTENT LIMIT ON FERMENTED
20 MALT BEVERAGES WILL HAVE ON THE ALCOHOL BEVERAGE INDUSTRY AS
21 A WHOLE, AS WELL AS ON CURRENT RETAIL LICENSEES, AND SHALL
22 CONSIDER OTHER LEGISLATIVE, REGULATORY, OR ADMINISTRATIVE
23 CHANGES NECESSARY TO PROMOTE THE THREE-TIERED DISTRIBUTION
24 SYSTEM IN COLORADO.

25 (2) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE
26 SHALL APPOINT THE FOLLOWING MEMBERS TO SERVE ON THE LIQUOR
27 INDUSTRY WORKING GROUP:

- 1 (a) A MEMBER FROM THE DEPARTMENT OF REVENUE;
- 2 (b) A MEMBER FROM THE LIQUOR ENFORCEMENT DIVISION IN THE
3 DEPARTMENT OF REVENUE;
- 4 (c) A MEMBER FROM THE ATTORNEY GENERAL'S OFFICE;
- 5 (d) A MEMBER REPRESENTING MUNICIPAL GOVERNMENT;
- 6 (e) A MEMBER REPRESENTING COUNTY GOVERNMENT;
- 7 (f) A MEMBER REPRESENTING COMMUNITY PREVENTION;
- 8 (g) A MEMBER REPRESENTING LAW ENFORCEMENT;
- 9 (h) TWO MEMBERS REPRESENTING LARGE BREWERIES;
- 10 (i) TWO MEMBERS REPRESENTING SMALL BREWERIES;
- 11 (j) ONE MEMBER REPRESENTING A NATIONAL DISTILLERY;
- 12 (k) ONE MEMBER REPRESENTING A COLORADO DISTILLERY;
- 13 (l) THREE MEMBERS REPRESENTING RETAIL LIQUOR STORE
14 LICENSEES, ONE OF WHICH MUST REPRESENT A SMALL RETAIL LIQUOR
15 STORE LICENSEE;
- 16 (m) ONE MEMBER REPRESENTING A STATEWIDE OFF-PREMISES
17 RETAIL LICENSEE;
- 18 (n) TWO MEMBERS REPRESENTING PERSONS LICENSED UNDER
19 SECTION 12-47-411;
- 20 (o) ONE MEMBER REPRESENTING PERSONS LICENSED UNDER
21 SECTION 12-47-412;
- 22 (p) TWO MEMBERS REPRESENTING LICENSED WHOLESALERS;
- 23 (q) ONE MEMBER REPRESENTING A NATIONAL VINOUS LIQUORS
24 MANUFACTURER;
- 25 (r) ONE MEMBER REPRESENTING A COLORADO VINOUS LIQUORS
26 MANUFACTURER;
- 27 (s) TWO ATTORNEYS WHO PRACTICE IN THE AREA OF LIQUOR LAW

- 1 AND REGULATION:
- 2 (t) ONE MEMBER REPRESENTING MOTHERS AGAINST DRUNK
- 3 DRIVING OR ITS SUCCESSOR ORGANIZATION:
- 4 (u) TWO MEMBERS REPRESENTING GROCERY STORES;
- 5 (v) TWO MEMBERS REPRESENTING CONVENIENCE STORES; AND
- 6 (w) TWO MEMBERS OF THE PUBLIC.
- 7 (3) THE LIQUOR INDUSTRY WORKING GROUP SHALL CONVENE AS
- 8 SOON AS PRACTICABLE AFTER THE EFFECTIVE DATE OF THIS SECTION, BUT
- 9 NO LATER THAN AUGUST 1, 2016, AND BY JANUARY 1, 2018, SHALL
- 10 REPORT ITS FINDINGS AND RECOMMENDATIONS FOR AN IMPLEMENTATION
- 11 PROCESS, INCLUDING ANY LEGISLATIVE OR ADMINISTRATIVE
- 12 RECOMMENDATIONS, TO THE SENATE BUSINESS, LABOR, AND TECHNOLOGY
- 13 COMMITTEE AND THE HOUSE OF REPRESENTATIVES BUSINESS AFFAIRS AND
- 14 LABOR COMMITTEE, OR THEIR SUCCESSOR COMMITTEES.
- 15 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2019.

16 **SECTION 6.** In Colorado Revised Statutes, 12-47-103, **amend**
 17 **(19) and (31)** as follows:

18 **12-47-103. Definitions.** As used in this article and article 46 of
 19 this title, unless the context otherwise requires:

20 (19) "Malt liquors" includes beer and ~~shall be construed to mean~~
 21 MEANS any beverage obtained by the alcoholic fermentation of any
 22 infusion or decoction of barley, malt, hops, or any other similar product,
 23 or any combination thereof, in water containing ~~more than three and~~
 24 ~~two-tenths percent of alcohol by weight or four percent alcohol by~~
 25 ~~volume~~ NOT LESS THAN ONE-HALF OF ONE PERCENT ALCOHOL BY VOLUME.

26 (31) "Retail liquor store" means an establishment engaged only in
 27 the sale of malt, vinous, and spirituous liquors, KEGS AND GROWLERS,

1 EITHER EMPTY OR FILLED WITH ALCOHOL BEVERAGES IF FILLED ON THE
2 LICENSED PREMISES, and soft drinks and mixers, all in sealed containers
3 for consumption off the premises; tobaccos, tobacco products, smokers'
4 supplies, and nonfood items related to the consumption of such
5 beverages; and liquor-filled candy and food items approved by the state
6 licensing authority, which are prepackaged, labeled, and directly related
7 to the consumption of such beverages and are sold solely for the purpose
8 of cocktail garnish in containers up to sixteen ounces. Nothing in this
9 section shall be construed to authorize the sale of food items that could
10 constitute a snack, a meal, or portion of a meal NONALCOHOL PRODUCTS,
11 BUT ONLY IF THE ANNUAL GROSS REVENUES FROM THE SALE OF
12 NONALCOHOL PRODUCTS DOES NOT EXCEED TWENTY PERCENT OF THE
13 RETAIL LIQUOR STORE'S TOTAL ANNUAL GROSS REVENUES.

14 **SECTION 7. In Colorado Revised Statutes, 12-47-301, amend**
15 **(9), (10) (a), and (10) (c) (V); repeal (10) (c) (IX) and (10) (c) (XI); and**
16 **add (12) as follows:**

17 **12-47-301. Licensing in general. (9) (a) (I) A licensee may move**
18 **his or her permanent location to any other place in the same city, town, or**
19 **city and county for which the license was originally granted, or in the**
20 **same county if such license was granted for a place outside the corporate**
21 **limits of any city, town, or city and county, but it shall be unlawful to sell**
22 **any alcohol beverage at any such place until permission to do so is**
23 **granted by all the licensing authorities provided for in this article.**

24 **(II) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS PARAGRAPH**
25 **(a), FOR A RETAIL LIQUOR STORE LICENSED ON OR BEFORE JANUARY 1,**
26 **2016, THE LICENSEE MAY APPLY TO MOVE THE PERMANENT LOCATION TO**
27 **ANOTHER PLACE WITHIN OR OUTSIDE THE MUNICIPALITY OR COUNTY IN**

1 WHICH THE LICENSE WAS ORIGINALLY GRANTED. IT IS UNLAWFUL FOR THE
2 LICENSEE TO SELL ANY ALCOHOL BEVERAGES AT THE NEW LOCATION
3 UNTIL PERMISSION IS GRANTED BY THE STATE AND LOCAL LICENSING
4 AUTHORITIES.

5 (b) (I) In permitting such A change of location, such THE licensing
6 authorities shall consider the reasonable requirements of the
7 neighborhood to which the applicant seeks to change his or her location,
8 the desires of the adult inhabitants as evidenced by petitions,
9 remonstrances, or otherwise, and all reasonable restrictions that are or
10 may be placed upon the new district by the council, board of trustees, or
11 licensing authority of the city, town, or city and county or by the board of
12 county commissioners of any county.

13 (II) IF THE STATE AND LOCAL LICENSING AUTHORITIES APPROVE AN
14 APPLICATION FOR A CHANGE OF LOCATION SUBMITTED UNDER
15 SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION (9) BY A
16 RETAIL LIQUOR STORE LICENSED ON OR BEFORE JANUARY 1, 2016, THE
17 LICENSEE MUST CHANGE THE LOCATION OF ITS PREMISES WITHIN THREE
18 YEARS AFTER THE APPROVAL IS GRANTED.

19 (10) (a) The provisions of This subsection (10) shall only apply
20 APPLIES ONLY within a county, city and county, or municipality if the
21 WHOSE governing body of the county, city and county, or municipality
22 adopts an ordinance or resolution authorizing tastings pursuant to this
23 subsection (10). The ordinance or resolution may provide for stricter
24 limits than this subsection (10) LIMITATIONS on the number of tastings per
25 year per licensee, the days on which tastings may occur, or the number of
26 hours each tasting may last.

27 (c) Tastings are subject to the following limitations:

1 (V) Tastings shall be conducted only during the operating hours
2 in which the licensee on whose premises the tastings occur is permitted
3 to sell alcohol beverages, and in no case earlier than 11 a.m. or later than
4 7 p.m.

5 (IX) The licensee shall not serve more than four individual
6 samples to a patron during a tasting.

7 (XI) Tastings may occur on no more than four of the six days from
8 a Monday to the following Saturday, not to exceed one hundred four days
9 per year.

10 (12) (a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
11 ARTICLE, ON AND AFTER JULY 1, 2016, THE STATE AND LOCAL LICENSING
12 AUTHORITIES SHALL NOT ISSUE A NEW LICENSE UNDER THIS ARTICLE
13 AUTHORIZING THE SALE AT RETAIL OF MALT, VINOUS, OR SPIRITUOUS
14 LIQUORS IN SEALED CONTAINERS FOR CONSUMPTION OFF THE LICENSED
15 PREMISES IF THE PREMISES FOR WHICH THE RETAIL LICENSE IS SOUGHT IS
16 LOCATED:

17 (I) WITHIN ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER
18 LICENSED PREMISES LICENSED TO SELL MALT, VINOUS, OR SPIRITUOUS
19 LIQUORS AT RETAIL FOR OFF-PREMISES CONSUMPTION; OR

20 (II) FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A
21 POPULATION OF TEN THOUSAND OR FEWER OR IN AN UNINCORPORATED
22 AREA OF A COUNTY, WITHIN THREE THOUSAND FEET OF ANOTHER
23 LICENSED PREMISES LICENSED TO SELL MALT, VINOUS, OR SPIRITUOUS
24 LIQUORS AT RETAIL FOR OFF-PREMISES CONSUMPTION.

25 (b) FOR PURPOSES OF DETERMINING WHETHER THE DISTANCE
26 REQUIREMENTS SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (12) ARE
27 SATISFIED, THE DISTANCE SHALL BE DETERMINED BY A RADIUS

1 MEASUREMENT THAT BEGINS AT THE PRINCIPAL DOORWAY OF THE
2 PREMISES FOR WHICH THE APPLICATION IS MADE AND ENDS AT THE
3 PRINCIPAL DOORWAY OF THE OTHER RETAIL LICENSED PREMISES.

4 **SECTION 8.** In Colorado Revised Statutes, 12-47-303, **amend**
5 (1) (c) and (2); and **add (1) (d)** as follows:

6 **12-47-303. Transfer of ownership and temporary permits.**

7 (1) (c) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
8 PARAGRAPH (c), for any other transfer of ownership, application ~~shall~~
9 MUST be made to the state and local licensing authorities on forms
10 prepared and furnished by the state licensing authority. In determining
11 whether to permit a transfer of ownership, the licensing authorities shall
12 consider only the requirements of section 12-47-307 and 1 CCR 203-2,
13 rule 47-302, entitled "Changing, Altering, or Modifying Licensed
14 Premises", or any analogous successor rule. The local licensing authority
15 may ~~cause~~ CONDUCT a hearing on the application for transfer of
16 ownership ~~to be held. No hearing provided for by this paragraph (c) shall~~
17 ~~be held by the local licensing authority until a notice of hearing has been~~
18 ~~conspicuously posted on the licensed premises for a period of ten days~~
19 ~~and notice of the hearing has been provided the applicant at least ten days~~
20 ~~prior to the hearing~~ AFTER PROVIDING NOTICE IN ACCORDANCE WITH
21 SUBPARAGRAPH (III) OF THIS PARAGRAPH (c). Any transfer of ownership
22 hearing by the state licensing authority ~~shall be pursuant to~~ MUST BE HELD
23 IN ACCORDANCE WITH section 12-47-305 (2).

24 (II) A LICENSE MERGER AND CONVERSION AS PROVIDED FOR IN
25 SECTION 12-47-408 (1) (b) INCLUDES A TRANSFER OF OWNERSHIP OF AT
26 LEAST TWO RETAIL LIQUOR STORES, A CHANGE OF LOCATION OF ONE OF
27 THE RETAIL LIQUOR STORES, AND A MERGER AND CONVERSION OF THE

1 RETAIL LIQUOR STORE LICENSES INTO A SINGLE LIQUOR-LICENSED
2 DRUGSTORE LICENSE, ALL AS PART OF A SINGLE TRANSACTION, AND THE
3 LIQUOR-LICENSED DRUGSTORE APPLICANT NEED NOT APPLY SEPARATELY
4 FOR A TRANSFER OF OWNERSHIP UNDER THIS SECTION. THE
5 LIQUOR-LICENSED DRUGSTORE APPLYING FOR A LICENSE MERGER AND
6 CONVERSION PURSUANT TO SECTION 12-47-408 (1) (b) IS INELIGIBLE FOR
7 A TEMPORARY PERMIT PURSUANT TO THIS SECTION. THE LOCAL LICENSING
8 AUTHORITY SHALL CONSIDER THE REASONABLE REQUIREMENTS OF THE
9 NEIGHBORHOOD PURSUANT TO SECTION 12-47-312 WHEN MAKING A
10 DETERMINATION ON THE MERGER AND CONVERSION OF THE RETAIL
11 LIQUOR STORE LICENSES INTO A SINGLE LIQUOR-LICENSED DRUGSTORE
12 LICENSE. THE LOCAL LICENSING AUTHORITY MAY HOLD A HEARING ON THE
13 APPLICATION FOR THE LICENSE MERGER AND CONVERSION AFTER
14 PROVIDING NOTICE IN ACCORDANCE WITH SUBPARAGRAPH (III) OF THIS
15 PARAGRAPH (c).

16
17 (III) PRIOR TO HOLDING A HEARING AS PROVIDED IN THIS
18 PARAGRAPH (c), THE LOCAL LICENSING AUTHORITY SHALL NOTIFY THE
19 APPLICANT OF THE HEARING AT LEAST TEN DAYS BEFORE THE HEARING
20 AND SHALL POST, OR MAY DIRECT THE LICENSE APPLICANT TO POST, A
21 NOTICE OF THE HEARING IN A CONSPICUOUS LOCATION ON THE LICENSED
22 PREMISES FOR AT LEAST TEN CONSECUTIVE DAYS BEFORE THE HEARING.

23 (d) THE STATE OR A LOCAL LICENSING AUTHORITY SHALL NOT
24 APPROVE A TRANSFER OF OWNERSHIP UNDER THIS SUBSECTION (1) UNTIL
25 THE APPLICANT FILES WITH THE LOCAL LICENSING AUTHORITY
26 CONFIRMATION FROM EACH WHOLESALER LICENSED UNDER THIS ARTICLE
27 THAT HAS SOLD ALCOHOL BEVERAGES TO THE TRANSFEROR THAT THE

1 WHOLESALER HAS BEEN PAID IN FULL FOR ALL ALCOHOL BEVERAGES
2 DELIVERED TO THE TRANSFEROR.

3 (2) Notwithstanding ~~the provisions~~ ANY PROVISION of this article
4 to the contrary, a local licensing authority ~~shall have discretionary~~
5 ~~authority to~~ MAY issue a temporary permit to a transferee of any retail
6 class of alcohol beverage license issued by the local licensing authority
7 pursuant to this article or article 46 of this title; ~~Such~~ EXCEPT THAT A
8 LOCAL LICENSING AUTHORITY SHALL NOT ISSUE A TEMPORARY PERMIT TO
9 A LIQUOR-LICENSED DRUGSTORE THAT HAS ACQUIRED OWNERSHIP OF
10 LICENSED RETAIL LIQUOR STORES IN ACCORDANCE WITH SECTION
11 12-47-408 (1) (b). A temporary permit ~~shall authorize~~ AUTHORIZES a
12 transferee to continue selling ~~such~~ alcohol beverages as permitted under
13 the permanent license during the period in which an application to
14 transfer the ownership of the license is pending.

15 **SECTION 9.** In Colorado Revised Statutes, 12-47-312, **amend**
16 (2) (a) as follows:

17 **12-47-312. Results of investigation - decision of authorities.**

18 (2) (a) Before entering any decision approving or denying the
19 application, the local licensing authority shall consider, except where this
20 article specifically provides otherwise, the facts and evidence adduced as
21 a result of its investigation, as well as any other facts, the reasonable
22 requirements of the neighborhood for the type of license for which
23 application has been made, the desires of the adult inhabitants, the
24 number, type, and availability of alcohol beverage outlets located in or
25 near the neighborhood under consideration, and any other pertinent
26 matters affecting the qualifications of the applicant for the conduct of the
27 type of business proposed; except that the reasonable requirements of the

1 neighborhood shall not be considered in the issuance of a club liquor
2 license. The reasonable requirements of the neighborhood may, but are
3 not required to, be considered in the conversion or transfer of a
4 liquor-licensed drugstore license to a retail liquor store license FOR THE
5 MERGER AND CONVERSION OF RETAIL LIQUOR STORE LICENSES TO A SINGLE
6 LIQUOR-LICENSED DRUGSTORE LICENSE IN ACCORDANCE WITH SECTION
7 12-47-408 (1) (b), THE LOCAL LICENSING AUTHORITY SHALL CONSIDER
8 THE REASONABLE REQUIREMENTS OF THE NEIGHBORHOOD AND THE
9 DESIRES OF THE ADULT INHABITANTS OF THE NEIGHBORHOOD.

10 **SECTION 10.** In Colorado Revised Statutes, 12-47-401, **add** (1)
11 (w) as follows:

12 **12-47-401. Classes of licenses and permits.** (1) For the purpose
13 of regulating the manufacture, sale, and distribution of alcohol beverages,
14 the state licensing authority in its discretion, upon application in the
15 prescribed form made to it, may issue and grant to the applicant a license
16 or permit from any of the following classes, subject to the provisions and
17 restrictions provided by this article:

18 (w) MANAGER'S PERMIT.

19 **SECTION 11.** In Colorado Revised Statutes, 12-47-406, **add** (4)
20 as follows:

21 **12-47-406. Wholesaler's license - discrimination in wholesale**
22 **sales prohibited.** (4) (a) A WHOLESALER SHALL MAKE AVAILABLE TO ALL
23 LICENSED RETAILERS IN THIS STATE WITHOUT DISCRIMINATION ALL MALT,
24 VINOUS, AND SPIRITUOUS LIQUORS OFFERED BY THE WHOLESALER FOR
25 SALE AT WHOLESALE. A WHOLESALER SHALL USE ITS BEST EFFORTS TO
26 MAKE AVAILABLE TO LICENSED RETAILERS EACH BRAND OF ALCOHOL
27 BEVERAGE THAT THE WHOLESALER HAS BEEN AUTHORIZED TO DISTRIBUTE.

1 (b) NOTHING IN THIS SECTION PROHIBITS A WHOLESALER FROM
2 ESTABLISHING REASONABLE ALLOCATION PROCEDURES WHEN THE
3 ANTICIPATED DEMAND FOR A PRODUCT IS GREATER THAN THE SUPPLY OF
4 THE PRODUCT.

5 **SECTION 12.** In Colorado Revised Statutes, 12-47-407, **amend**
6 (1) and (4); **repeal (5)**; and **add (6)** as follows:

7 **12-47-407. Retail liquor store license. (1) (a) (I)** A retail liquor
8 store license shall be issued to persons selling only malt, vinous, and
9 spirituous liquors in sealed containers not to be consumed at the place
10 where sold. Malt, vinous, and spirituous liquors in sealed containers shall
11 not be sold at retail other than in retail liquor stores except as provided in
12 section 12-47-408.

13 _____
14 (II) ON AND AFTER JULY 1, 2016, THE STATE AND LOCAL
15 LICENSING AUTHORITIES SHALL NOT ISSUE A NEW RETAIL LIQUOR STORE
16 LICENSE IF THE PREMISES FOR WHICH THE RETAIL LIQUOR STORE LICENSE
17 IS SOUGHT IS LOCATED:

18 (A) WITHIN ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER
19 RETAIL LIQUOR STORE LICENSED UNDER THIS SECTION OR A
20 LIQUOR-LICENSED DRUGSTORE LICENSED UNDER SECTION 12-47-408; OR

21 (B) FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A
22 POPULATION OF TEN THOUSAND OR FEWER OR IN AN UNINCORPORATED
23 AREA OF A COUNTY, WITHIN THREE THOUSAND FEET OF ANOTHER RETAIL
24 LIQUOR STORE LICENSED UNDER THIS SECTION OR A LIQUOR-LICENSED
25 DRUGSTORE LICENSED UNDER SECTION 12-47-408.

26 (b) In addition, retail liquor stores may sell nonfood items related
27 to the consumption of such liquors, liquor-filled candy, and food items

1 ~~approved by the state licensing authority that are prepackaged, labeled,~~
2 ~~directly related to the consumption of such liquors, and sold solely for the~~
3 ~~purpose of cocktail garnish in containers up to sixteen ounces. Nothing~~
4 ~~in this section shall be construed to authorize the sale of food items that~~
5 ~~could constitute a snack, a meal, or a portion of a meal~~ KEGS AND
6 ~~GROWLERS, EITHER EMPTY OR FILLED WITH ALCOHOL BEVERAGES IF FILLED~~
7 ~~ON THE LICENSED PREMISES, AND ANY NONALCOHOL PRODUCTS, BUT ONLY~~
8 ~~IF THE ANNUAL GROSS~~ REVENUES FROM THE SALE OF ~~NONALCOHOLIC~~
9 ~~PRODUCTS DO~~ NOT EXCEED TWENTY PERCENT OF THE RETAIL LIQUOR
10 STORE'S TOTAL ANNUAL GROSS REVENUES.

11 (c) Nothing in this section or in section 12-47-103 (31) ~~shall be~~
12 ~~construed to prohibit the sale of items by~~ PROHIBITS a LICENSED retail
13 liquor store FROM:

14 (I) SELLING ITEMS on behalf of or to benefit a charitable
15 organization, as defined in section 39-26-102, C.R.S., or a nonprofit
16 corporation subject to the "Colorado Revised Nonprofit Corporation Act",
17 articles 121 to 137 of title 7, C.R.S., and determined to be exempt from
18 federal income tax by the federal internal revenue service, if the retail
19 liquor store does not receive compensation for ~~any such~~ THE sale; ~~Nothing~~
20 ~~in this section shall prohibit a retail liquor store licensee~~

21 (II) At the option of the licensee, ~~from~~ displaying promotional
22 material furnished by a manufacturer or wholesaler, which material
23 permits a customer to purchase other items from a third person, if SO
24 LONG AS the retail liquor store licensee does not receive payment from the
25 third person and if the ~~ordering of~~ CUSTOMER ORDERS the additional
26 merchandise is ~~done by the customer~~ directly from the third person;
27 ~~Nothing in this subsection (1) shall prohibit a retail liquor store licensee~~

1 from OR

2 (III) Allowing tastings to be conducted on ~~his or her~~ THE licensed
3 premises if ~~an~~ THE LICENSEE HAS RECEIVED authorization ~~for the~~ TO
4 CONDUCT tastings ~~has been granted~~ pursuant to section 12-47-301.

5

6 (4) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS
7 SUBSECTION (4), it is unlawful for any owner, part owner, shareholder, or
8 person interested directly or indirectly in a retail liquor store to conduct,
9 own either in whole or in part, or be directly or indirectly interested in any
10 other business licensed pursuant to this article. ~~except that such a~~

11 (b) AN OWNER, PART OWNER, SHAREHOLDER, OR person
12 INTERESTED DIRECTLY OR INDIRECTLY IN A RETAIL LIQUOR STORE may
13 have an interest in:

14 (I) An arts license ~~or~~ GRANTED UNDER THIS ARTICLE;

15 (II) An airline public transportation system license granted under
16 this article;

17 (III) FOR A RETAIL LIQUOR STORE LICENSED ON OR BEFORE
18 JANUARY 1, 2016, AND WHOSE LICENSE HOLDER IS A COLORADO
19 RESIDENT, ADDITIONAL RETAIL LIQUOR STORE LICENSES AS FOLLOWS, BUT
20 ONLY IF THE PREMISES FOR WHICH A LICENSE IS SOUGHT SATISFIES THE
21 DISTANCE REQUIREMENTS SPECIFIED IN SUBPARAGRAPH (II) OF
22 PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION:

23 (A) ON OR AFTER JANUARY 1, 2017, AND BEFORE JANUARY 1,
24 2022, ONE ADDITIONAL RETAIL LIQUOR STORE LICENSE, FOR A MAXIMUM
25 OF UP TO TWO TOTAL RETAIL LIQUOR STORE LICENSES;

26 (B) ON OR AFTER JANUARY 1, 2022, AND BEFORE JANUARY 1,
27 2027, UP TO TWO ADDITIONAL RETAIL LIQUOR STORE LICENSES, FOR A

1 MAXIMUM OF THREE TOTAL RETAIL LIQUOR STORE LICENSES; AND

2 (C) ON OR AFTER JANUARY 1, 2027, UP TO THREE ADDITIONAL
3 RETAIL LIQUOR STORE LICENSES, FOR A MAXIMUM OF FOUR TOTAL RETAIL
4 LIQUOR STORE LICENSES; or in

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

6 (5) A licensee under the provisions of section 12-47-408 with a
7 valid license in effect on July 1, 2000, may apply to a local licensing
8 authority to convert or transfer such license to a retail liquor store license
9 issued under the provisions of this section and may continue to operate as
10 a retail liquor store licensee notwithstanding the limitations with respect
11 to location within five hundred feet from any public or parochial school
12 or the principal campus of any college, university, or seminary pursuant
13 to the provisions of section 12-47-313 (1) (d) (I). The local licensing
14 authority may, but shall not be required to, consider the reasonable
15 requirements of the neighborhood pursuant to section 12-47-312 in
16 making a determination on the conversion or transfer to a retail liquor
17 store license.

18 (6) A LIQUOR-LICENSED DRUGSTORE MAY APPLY TO THE
19 STATE AND LOCAL LICENSING AUTHORITIES, AS PART OF A SINGLE
20 APPLICATION, FOR A MERGER AND CONVERSION OF RETAIL LIQUOR
21 STORE LICENSES TO A SINGLE LIQUOR-LICENSED DRUGSTORE LICENSE AS
22 PROVIDED IN SECTION 12-47-408 (1) (b).

23

24 **SECTION 13.** In Colorado Revised Statutes, 12-47-501, **amend**
25 (2) (a) (XIV); and **add** (1) (t), (2) (a) (XVI), and (2) (a) (XVII) as
26 follows:

27 **12-47-501. State fees.** (1) The following license and permit fees

1 shall be paid to the department of revenue annually in advance:

2 (t) FOR EACH MANAGER'S PERMIT, ONE HUNDRED DOLLARS.

3 (2) (a) The state licensing authority shall establish fees for
4 processing the following types of applications, notices, or reports required
5 to be submitted to the state licensing authority:

6 (XIV) Notice of change of name or trade name pursuant to section
7 12-47-301 and rules adopted pursuant to that section; ~~and~~

8 (XVI) ~~==~~ APPLICATIONS FOR TRANSFER OF OWNERSHIP, CHANGE
9 OF LOCATION, AND LICENSE MERGER AND CONVERSION PURSUANT TO
10 SECTION 12-47-408 (1) (b);

11 ~~==~~

12 (XVII) APPLICATIONS FOR MANAGER'S PERMITS PURSUANT TO
13 SECTION 12-47-425.

14 **SECTION 14**. In Colorado Revised Statutes, 12-47-505, **amend**
15 (4) (a) introductory portion; and **add** (4) (a) (V) as follows:

16 **12-47-505. Local license fees**. (4) (a) Each application for a
17 license provided for in this article and article 46 of this title filed with a
18 local licensing authority ~~shall~~ **MUST** be accompanied by an application fee
19 in an amount determined by the local licensing authority to cover actual
20 and necessary expenses, subject to the following limitations:

21 (V) ~~==~~ FOR A TRANSFER OF OWNERSHIP, CHANGE OF LOCATION,
22 AND LICENSE MERGER AND CONVERSION PURSUANT TO SECTION 12-47-408
23 (1) (b), NOT TO EXCEED ONE THOUSAND DOLLARS.

24 ~~==~~

25 **SECTION 15**. In Colorado Revised Statutes, 12-47-901, **amend**
26 (5) introductory portion, (5) (a) (I) (A), and (5) (c); **repeal** (8); and **add**
27 (5) (p) and (10) as follows:

1 **12-47-901. Unlawful acts - exceptions - definitions.** (5) It is
2 unlawful for any person licensed to sell at retail pursuant to this article OR
3 ARTICLE 46 OF THIS TITLE:

4 (a) (I) (A) To sell an alcohol beverage to any person under the age
5 of twenty-one years, to a habitual drunkard, or to a visibly intoxicated
6 person. ~~or to permit any alcohol beverage to be sold or dispensed by a~~
7 ~~person under eighteen years of age, or to permit any such person to~~
8 ~~participate in the sale or dispensing thereof.~~ If a person who, in fact, is not
9 twenty-one years of age exhibits a fraudulent proof of age, any action
10 relying on such fraudulent proof of age shall not constitute grounds for
11 the revocation or suspension of any license issued under this article or
12 article 46 of this title. ~~Notwithstanding any provision in this subparagraph~~
13 ~~(I) to the contrary, no person under twenty-one years of age shall be~~
14 ~~employed to sell or dispense malt, vinous, or spirituous liquors unless he~~
15 ~~or she is supervised by another person who is on premise and has attained~~
16 ~~twenty-one years of age. No employee of a tavern licensed pursuant to~~
17 ~~section 12-47-412, that does not regularly serve meals as defined in~~
18 ~~section 12-47-103 (20), or a retail liquor store shall sell malt, vinous, or~~
19 ~~spirituous liquors unless such person is at least twenty-one years of age.~~

20 (c) Except as provided in section 18-13-122, C.R.S., ~~for any~~
21 ~~person~~ to sell fermented malt beverages to any person under the age of
22 twenty-one years or to any person between the hours of 12 midnight and
23 ~~5 a.m.~~ 8 A.M.;

24 (p) (I) (A) TO PERMIT A PERSON UNDER EIGHTEEN YEARS OF AGE
25 TO SELL, DISPENSE, OR PARTICIPATE IN THE SALE OR DISPENSING OF ANY
26 ALCOHOL BEVERAGE; OR

27 (B) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS

1 PARAGRAPH (p), TO EMPLOY A PERSON WHO IS AT LEAST EIGHTEEN YEARS
2 OF AGE BUT UNDER TWENTY-ONE YEARS OF AGE TO SELL OR DISPENSE
3 MALT, VINOUS, OR SPIRITUOUS LIQUORS UNLESS THE EMPLOYEE IS
4 SUPERVISED BY ANOTHER PERSON WHO IS ON THE LICENSED PREMISES AND
5 IS AT LEAST TWENTY-ONE YEARS OF AGE;

6 (II) IF LICENSED AS A TAVERN UNDER SECTION 12-47-412, A
7 RETAIL LIQUOR STORE UNDER SECTION 12-47-407, OR A LIQUOR-LICENSED
8 DRUGSTORE UNDER SECTION 12-47-408, TO PERMIT AN EMPLOYEE WHO IS
9 UNDER TWENTY-ONE YEARS OF AGE TO SELL MALT, VINOUS, OR
10 SPIRITUOUS LIQUORS; OR

11 (III) IF LICENSED AS A RETAIL LIQUOR STORE UNDER SECTION
12 12-47-407 OR A LIQUOR-LICENSED DRUGSTORE UNDER SECTION 12-47-408,
13 TO PERMIT AN EMPLOYEE WHO IS UNDER TWENTY-ONE YEARS OF AGE TO
14 DELIVER OR OTHERWISE HAVE ANY CONTACT WITH MALT, VINOUS, OR
15 SPIRITUOUS LIQUORS OFFERED FOR SALE ON, OR SOLD AND REMOVED
16 FROM, THE LICENSED PREMISES OF THE RETAIL LIQUOR STORE OR
17 LIQUOR-LICENSED DRUGSTORE.

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

1 license for the sale of any beverages containing alcohol in excess of three
2 and two-tenths percent by weight or four percent by volume for the same
3 premises. Any violation of this subsection (8) by any fermented malt
4 beverage licensee licensed pursuant to article 46 of this title immediately
5 invalidates the license granted under article 46 of this title.

6 (10) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS
7 SUBSECTION (10), IT IS UNLAWFUL FOR A RETAIL LICENSEE OR AN
8 EMPLOYEE OF A RETAIL LICENSEE TO SELL MALT, VINOUS, OR SPIRITUOUS
9 LIQUORS TO A CONSUMER FOR CONSUMPTION OFF THE LICENSED PREMISES
10 UNLESS THE RETAIL LICENSEE OR EMPLOYEE VERIFIES THAT THE
11 CONSUMER IS AT LEAST TWENTY-ONE YEARS OF AGE BY REQUIRING THE
12 CONSUMER TO PRESENT A VALID IDENTIFICATION, AS DETERMINED BY THE
13 STATE LICENSING AUTHORITY BY RULE. THE RETAIL LICENSEE OR
14 EMPLOYEE SHALL MAKE A DETERMINATION FROM THE INFORMATION
15 PRESENTED WHETHER THE PURCHASER IS AT LEAST TWENTY-ONE YEARS
16 OF AGE.

17 (b) IT IS NOT UNLAWFUL FOR A RETAIL LICENSEE OR EMPLOYEE OF
18 A RETAIL LICENSEE TO SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS TO A
19 CONSUMER WHO IS OR REASONABLY APPEARS TO BE OVER FIFTY YEARS OF
20 AGE AND WHO FAILED TO PRESENT AN ACCEPTABLE FORM OF
21 IDENTIFICATION.

22 (c) AS USED IN THIS SUBSECTION (10), "RETAIL LICENSEE" MEANS
23 A PERSON LICENSED UNDER SECTION 12-46-104 (1) (c), 12-47-407, OR
24 12-47-408.

25 **SECTION 16.** In Colorado Revised Statutes, 12-47-104, **amend**
26 (2) (c) as follows:

27 **12-47-104. Wine shipments - permits.** (2) A winery direct

1 shipper's permit may be issued to only a person who applies for such
2 permit to the state licensing authority and who:

3 (c) Except as provided in sections 12-47-402 (1) and 12-47-406
4 (3), does not directly or indirectly have any financial interest in a
5 Colorado wholesaler or retailer licensed pursuant to section 12-47-406,
6 ~~or~~ 12-47-407, OR 12-47-408.

7 **SECTION 17. Appropriation.** (1) For the 2016-17 state fiscal
8 year, \$398,682 is appropriated to the department of revenue. This
9 appropriation is from the liquor enforcement division and state licensing
10 authority cash fund created in section 24-35-401, C.R.S. To implement
11 this act, the department may use this appropriation as follows:

12 (a) \$153,195 for use by the liquor and tobacco enforcement
13 division for personal services, which amount is based on an assumption
14 that the division will require an additional 2.4 FTE;

15 (b) \$17,463 for use by the liquor and tobacco enforcement
16 division for operating expenses; and

17 (c) \$228,024 for the purchase of legal services.

18 (2) For the 2016-17 state fiscal year, \$228,024 is appropriated to
19 the department of law. This appropriation is from reappropriated funds
20 received from the department of revenue under paragraph (c) of
21 subsection (1) of this section and is based on an assumption that the
22 department of law will require an additional 1.4 FTE. To implement this
23 act, the department of law may use this appropriation to provide legal
24 services for the department of revenue.

25 **SECTION 18. Effective date.** This act takes effect July 1, 2016;
26 except that sections 3 and 4 of this act, section 12-47-103 (19), Colorado
27 Revised Statutes, as amended in section 6 of this act, and section

1 12-47-901 (8), Colorado Revised Statutes, as repealed in section 15 of
2 this act, take effect January 1, 2019.

3 **SECTION 19. Safety clause.** The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, and safety.