


CML
 COLORADO MUNICIPAL LEAGUE

CML 96th Annual Conference
 June 19-22, 2018
 Vail

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Change is Constantly Brewing

*Robin Eaton, Deputy City Clerk, City of
 Wheat Ridge*

*Dawn Quintana, Deputy City Clerk, City of
 Longmont*

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Today's Agenda

- Brief Overview of Liquor Laws & Rules
- 2016 Legislative Session Rocked the boat!
- A Look Back at 2017 Legislative Session
- And 2018 . . .
- The blurred lines

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Liquor Laws & Rules

- State Liquor Laws
- Title 12, Article 46 – Beer Code
- Title 12, Article 47 – Liquor Code
- Title 12, Article 48 – Special Event Code
- Colorado Liquor Rules promulgated by the Liquor Enforcement Division
- Liquor Enforcement Division Bulletins

All moving to
 Title 44 on
 Oct. 1, 2018



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Liquor Laws & Rules

- Local Laws & Rules
- Municipal Ordinances
 - Establishing Liquor Authority
 - Opt-In
 - Eliminating Certain Distance Restrictions
- Local Licensing Authority Rules of Procedure



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Big Changes - 2016

- **HB16-1439** Lodging & Entertainment License, 12-47-426
- Created the Lodging & Entertainment License to address the problem of tavern licenses being issued to businesses that did not meet the definition of a Tavern



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Examples of L&E licenses *(actual definition still not finalized)*











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How do L&E licensees operate?

- Can sell drinks for on-premises consumption
- Shall have sandwiches and light snacks on premises during business hours
- Shall have a separate and distinct registered manager for each licensed premises
- Can purchase up to \$2000 of product from a retail licensee during a calendar year and must retain receipts
- Can be part of a common consumption area



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Then came SB16-197 . . .



- Lots of date specific changes in this bill
- Rules still being vetted for many portions of this law
- Make sure you are on the state's email list to get updates!



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There are **14,551** licenses in the State

Only **17** are LLDS **1,613** are Retail Liquor Stores






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SB16-197 Expanded the # of licenses for Liquor Licensed Drug Stores & Retail Liquor Stores

<ul style="list-style-type: none"> • LLDS <ul style="list-style-type: none"> • 1/1/17– may have up to 4 additional licenses (total of 5) • 1/1/22– may have up to 7 additional licenses (total of 8) • 1/1/27– may have up to 12 additional licenses (total of 13) • 1/1/32– may have up to 19 additional licenses (total of 20) • 1/1/37–unlimited 	<ul style="list-style-type: none"> • RLS <ul style="list-style-type: none"> – Must be licensed on or before 1/1/16 – Must be Colorado resident – 1/1/17– may have up to 1 additional license (total of 2) – 1/1/22– may have up to 2 additional licenses (total of 3) – 1/1/27– may have up to 3 additional licenses (total of 4)
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Distance Restrictions for LLDS & RLS

- No new license can be issued within **1500 ft** of another retail licensed location for off premises sales in a jurisdiction with a **population > 10,000**.
- No new license can be issued within **3000 ft** of another retail licensed location for off premises sales in a jurisdiction with a **population < 10,000**.
- If there is a retail establishment, it must be purchased by the applicant.

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Distance Calculations

New licenses

12-47-313 (1)(d)(II)

- 500 foot from public, parochial schools or principal college campus /university/seminary
- Measure from the nearest property line of the land used for school purposes to the nearest portion of the building in which liquor is to be sold, **using a route of direct pedestrian access**

LLDS

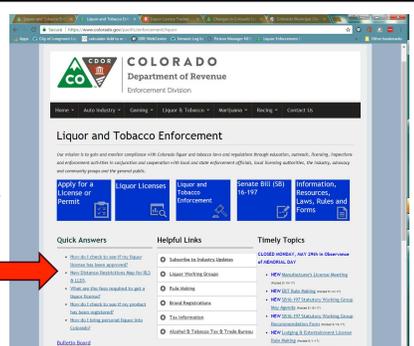
12-47- 408(1)(b)(II)

- Calculated at a **straight-line (radius) sight between the center of the principal doorways of the premises** as designated by the applicant/licensee

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Map of ALL liquor licensees in the State



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Last but **not** least . . .



Effective January 1, 2019

- Expanded list of items that can be sold at liquor stores – these sales can't exceed 20% of gross revenue
- **Transfers** within the same jurisdiction **not subject** to the 1,500/3,000 foot requirement
- Fermented Malt Beverages
 - The definition changes to eliminate the maximum amount of alcohol (page 9, section 12-46-103(1) (a), C.R.S.)

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Take a guess!

- How many convenience and grocery stores are there with a 3.2 license in the state?



1,472

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Other 2016 Bills

HB16-1042 - Liquor License Exemption Higher Education Brewing Program – Allows for an exemption from liquor licensing laws for a brewing program offered by a state institution of higher education. 12-47-106 (6) defined 12-47-103 (24.7-8)

HB16-1084 - Home Brewing By Adult For Personal Use

HB16-1271 - Limited Winery Direct Delivery Personal Consumers 12-47-403 2(b) - Limited winery that has a winery direct shipper's permit can deliver vinous liquors of its own manufacture directly to a personal consumer without the use of a common carrier.

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2017 Bills

Clean Up from SB16-197



SB17-237

- Permits a licensed Tavern or L&E facility that serves meals to allow an employee who is at least 18 but under 21 to sell malt, vinous, or spirituous liquors if supervised on-site by a person who is at least 21
- (SB16-197 took this ability away)

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2017 Bills

Clean Up from SB16-197



SB17-269

- SB16-197 allowed liquor stores to sell non-alcohol products subject to 20% limit on gross sales revenue
- This bill excludes revenues from sale of cigarettes, tobacco & nicotine products; lottery products; ice, soft drinks, and mixers; and nonfood items related to the consumption of alcohol beverages from the 20%

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HB17-1120

- Higher education institution that has an on-premises license can apply for designation as a campus liquor complex, thereby allowing the institution to designate multiple facilities on the campus as locations for serving alcohol beverages
- Designate manager
- Can have Special Event Permits

HB17-1137

- Repeals section 12-47-601(8)
- Local Authority no longer required to report violations/ actions taken against liquor licensees to the Liquor Enforcement Division
- (but it would still be great if everyone did!)

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HB17-1145

- Law exempts amateur beer brewers and winemakers from licensing requirements and allows them to enter brews in contests on licensed premises
- This bill expanded the authorization to winemakers who qualify for the amateur exemption
- Wine portions are limited to 6 oz. to the participants and judges, and cannot be sold or consumed by the public

SB17-058

- This bill clarifies that an employee or an agent of a Hotel & Restaurant (H&R), Tavern, or Lodging & Entertainment (L&E) licensee shall purchase alcohol beverages for one licensed premises only, and the purchases shall be separate and distinct from purchases for any other H&R, Tavern or L&E

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SB17-077

- This bill adds the following entities that may obtain a special events permit:
 - A state agency
 - The Colorado Wine Industry Development Board
 - An instrumentality of a municipality or county
 - That promotes alcohol beverages manufactured in Colorado or tourism in an area of the state where alcohol beverages are manufactured

SB17-134

- Limits penalties for violations relating to the sale of alcohol beverages to a visibly intoxicated or underage person for any retail licensee with the ability to manufacture
- The Authority cannot:
 - Base fines on the estimated gross revenues of manufacturing or wholesale activities
 - Extend a suspension to the manufacturing or wholesale activities

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Which bills survived the stomping in 2018?

HB18-1025

- The bill relocates:
 - Liquor Code from article 47 of title 12 to article 3 of title 44
 - Beer Code from article 46 of title 12 to article 4 of title 44
 - Special Event Liquor Permits from article 48 of title 12 to article 5 of title 44
- Takes effect Oct. 1, 2018

HB18-1096

- Adds municipalities, counties and special districts to list of organizations qualified to hold SEPs, plus it adds educational organizations
- Those groups were only allowed by Rule, since 2012

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SB18-067

- Allows organizations with a Special Event Permit to auction alcohol beverages in **sealed containers** for fundraising purposes under specified circumstances
- Previously, donated alcohol for auction was not allowed to be brought onto an already licensed premises
- Effective March 1, 2018

SB18-079

- Classifies sake as a vinous liquor
- Effective August 8, 2018



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SB18-124

- Eliminates the 30 day waiting period required of manufacturers and importers before the importation or sale of any alcohol beverages in Colorado
- Effective August 8, 2018

SB18-138

- Allows retailers with on-premises license to sell remaining inventory to another on-premises licensee
- Must have 10% common ownership between licensees
- License must have been surrendered or revoked within last 60 days
- Seller must return all alcohol bought on credit & allow wholesalers 30 days to purchase back inventory
- Effective August 8, 2018



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SB18-173

- Expands "cork and carry" to licensees that make sandwiches and light snacks available
- Customer may remove one opened container of partially consumed 750 ml bottle of vinous liquor from the licensed premises
- This right was previously reserved only for licensees with meals
- Effective August 8, 2018





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Bye Bye 3.2 Beer

- What about 3.2 beer?
 - It goes away starting Jan. 1, 2019 (SB16-197)
 - So WHAT does that mean?





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Hello SB18-243!

- Effective January 1, 2019, employees of FMB retailers who are under 21 years of age from selling, dispensing, delivering, handling, or otherwise having any contact with malt liquor for sale on or sold and removed from the licensed premises
- Eliminates the fermented malt beverage retailer's license type that allows a retailer to sell malt liquor for consumption both on and off the licensed premises and prohibits renewal of existing on- and off-premises licenses
- Precludes consideration of violations that occurred more than 5 years prior when determining fine or suspension



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SB18-243 says an FMB Retailer . . .

- Must derive at least 20% of its gross annual sales revenues from the sale of food items
- Cannot sell malt liquor to consumers at a price that is below the retailer's cost
- Cannot allow customers to use a self-checkout mechanism to purchase malt liquor
- Cannot commingle purchases for multiple licensed premises
- May deliver fermented malt beverages to customers of legal age under the same conditions applicable to retail liquor store and liquor-licensed drugstore licensees
- Cannot sell on Christmas Day
- Must verify each customer is at least 21 years of age



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SB18-243 & New FMB Licenses



1,500 feet (pop. 10,000k +)
3,000 feet (pop. <10,000k)
1,500 for pop. <10,000k
contiguous to C&C of Denver





500 feet
unless distance restriction
removed by Local





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SB18-243 & Public Consumption

- Current law prohibits public consumption
- **SB18-243** includes fermented malt beverages within the prohibition against public consumption and authorizes a state or local government entity, by rule, ordinance, or resolution, as applicable, to authorize public consumption of any type of alcohol beverage within the government entity's jurisdiction



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Does that place have a wholesale or retail license?

20/200	E	1
20/100	F P	2
20/70	T O Z	3
20/50	L P E D	4
20/40	F E C P D	5
20/30	E P F C P D	6
20/25	F E L O P E D	7
20/20	F E L O P E D	8
	F E L O P E D	9
	F E L O P E D	10
	F E L O P E D	11

1D 2D 3D



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Blurring Lines

- A **Brew Pub (retail licensee)** can sell growlers of its beer for off-premises consumption
- They can sell their beer to wholesalers
- They can sell their and any other manufacturer's beer for on-premises consumption
- They can only wholesale up to 300,000 gallons per year
- 15% of their gross on-premises food & drink income must be from food sales
- Distance restrictions apply to them (unless eliminated by Local)





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Blurring Lines

- A beer **manufacturer** w/ wholesaler's license can have a sales room (tasting room)
- Can sell growlers of their own beer (off-premises)
- If have distribution agreement, they can sell other manufacturers' beers (on-premises)

It  like a bar or even a Brew Pub – *but there are **no food requirements or distance restrictions***





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Thank you!

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COLORADO
Department of Revenue

Enforcement Division - Liquor & Tobacco

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Mailing Address:
P.O. Box 173350
Denver, CO 80217-3350

BULLETIN 18-07

REFERENCE: IMMEDIATE STATUTORY CHANGES PURSUANT TO
SB 18-243

June 5, 2018

COLORADO LIQUOR ENFORCEMENT DIVISION

On June 4, 2018, Governor John Hickenlooper signed SB 18-243. Generally, the bill modifies laws governing the retail sale of fermented malt beverages (FMB), which will become synonymous in definition with malt liquor as of January 1, 2019.

The Liquor Enforcement Division (Division) will provide materials and conduct classes to address the bill's comprehensive details. However, until those classes are held, this bulletin addresses certain **immediate** statutory changes requiring all stakeholders' attention.

This bulletin provides an overview of the laws affected upon the enactment of SB 18-243. For more information, please visit leg.colorado.gov/bills/sb18-243 to view the entirety of the bill.

Below is a list of items that are **effective as of June 4, 2018** along with the legal citation and the page number of where the information can be found within SB 18-243 ("An Act" version).

1. ELIMINATES THE FMB ON AND OFF LICENSE

Prior to SB 18-243, a person could hold an FMB retail license for consumption both on and off the licensed premises (FMB On-Off). *SB 18-243 eliminates the FMB On-Off license.* This means:

- No FMB On-Off licenses shall be issued new or renewed by the local or state licensing authority.
- Upon their annual renewal, an existing FMB On-Off licensee must convert to a FMB retail license for consumption either on (FMB On) or off (FMB Off) the licensed premises.
 - In order to facilitate this request, the licensee must submit along with their renewal application a written notification to the local licensing authority and state licensing

authority which license it will be converted to (either FMB On or FMB Off). The Division will not accept renewal applications for an FMB On-Off license without this written notification.

See SB 18-243, § 12-46-104(1)(c), C.R.S. [p. 3] and § 12-46-107(1)(c), C.R.S. [p. 4-5].

2. PROHIBITS FMB ON AND OFF LICENSE DELIVERY

Prior to SB 18-243, a FMB On-Off licensee could deliver FMB. As stated above, SB 18-243 eliminates the FMB On-Off license. While a FMB On-Off licensee may operate until their annual renewal and conversion, a FMB On-Off licensee may no longer deliver FMB effective as of June 4, 2018.

See SB 18-243, § 12-46-107(1)(c)(I), C.R.S. [p. 4].

3. CREATES FOOD SALES REQUIREMENTS FOR CERTAIN NEW LICENSEES

SB 18-243 creates food sales requirements for certain new licensees. In addition to other requirements, to qualify for a *new* FMB Off license or to *renew* a FMB Off license issued on or after June 4, 2018, a person must:

- Derive at least 20% of its gross annual revenues from total sales from the sale of food items for consumption off the premises.
 - For purposes of calculating gross annual revenues from total sales, revenues derived from the sale of the following products are excluded:
 - Fuel products;
 - Cigarettes, tobacco products, and nicotine products; and
 - Lottery products.

However, this requirements does not apply to:

- A person that owns or leases a proposed FMB retailer licensed premises and, as of January 1, 2019, has applied for or received from the municipality, city and county, or county in which the premises are located:
 - An active building permit, or
 - A certificate of occupancy.

See SB 18-243, § 12-46-107(3), C.R.S. [p. 5-6].

4. CREATES ADDITIONAL LICENSEING CONSIDERATIONS

SB 18-243 requires the local licensing authority and state licensing authority to consider the effect on competition before granting or denying a second or additional license for a:

- Beer and wine license;
- Hotel and restaurant license;
- Tavern license;
- Brew pub license;
- Club license;
- Arts license;
- Racetrack license;
- Public transportation system license;
- Optional premises license;
- Vintner’s restaurant license;
- Distillery pub license;
- Lodging and entertainment license;
- Bed and breakfast permit; or
- Financial institution referred to in section 12-47-308(4) for the same licensee.

The local licensing authority and the state licensing authority shall deny a second or additional license that would restrain competition.

(Note: Prior to SB 18-243, this provision only applied to a hotel and restaurant license or vintner’s restaurant license.)

See SB 18-243, § 12-47-301(2)(a), C.R.S. [p. 8].

5. CREATES AND AMENDS DISTANCE RESTRICTIONS BETWEEN CERTAIN LICENSED PREMISES

SB 18-243 creates and amends distance restrictions between certain licensees under certain conditions.

- Neither an *existing* FMB Off nor an *existing* retail liquor store (RLS) license shall change its license location within 1,500 feet or 3,000 feet of an existing RLS license.
- Neither a *new* RLS nor a *new* liquor-licensed drugstore (LLDS) license shall locate within 1,500 feet of an RLS or LLDS license if located within a municipality with a population less than 10,000 people and is contiguous to the City and County of Denver.
- A *new* FMB Off license shall not be located within 500 feet of an RLS license. This distance requirement does not apply to:
 - A person that owns or leases a proposed FMB retailer licensed premises and, as of January 1, 2019, has applied for or received from the municipality, city and county, or county in which the premises are located:
 - An active building permit, or
 - A certificate of occupancy.

See SB 18-243, § 12-47-301(9)(a)(I)(B)-(C), C.R.S. [p. 8-9] and § 12-47-301(12)(a)-(a.5), C.R.S. [p. 11-12].

6. CREATES A MIMIMUM DISTANCE REQUIREMENT FOR CURRENT FMB OFF LICENSES WHO CHANGE LOCATION AND NEW FMB OFF LICENSES FROM SCHOOLS

SB 18-243 prohibits new FMB Off licenses from locating within 500 feet of any public or parochial school, or the principal campus of any college, university, or seminary, with limited exceptions. This distance restriction also applies to a change of location for an existing FMB Off license. The distance computation is the same as other distance requirement from any public or parochial school currently found in law.

See SB 18-243, § 12-47-313(1)(e), C.R.S. [p. 15-16].

7. EXPANDS QUALIFYING CONDITIONS REQUIRED TO ACQUIRE ADDITIONAL LLDS LICENSES

In addition to existing qualifying conditions, SB 18-243 further allows a licensee to acquire interest in additional LLDS licenses over time if the LLDS submitted an application for a new LLDS before October 1, 2016.

See SB 18-243, § 12-47-408(4)(b)(V), C.R.S. [p. 21].

8. EXPANDS AND AMENDS CERTAIN TASTINGS LAWS AND LIMITATIONS

SB 18-243 expands and amends certain tastings laws and limitations.

- A tasting may be conducted later in the day (until 9 p.m.) and more days per year (156 days per year, any day of the week).
- An RLS or LLDS licensee may securely store open and unconsumed alcohol beverage containers for future tastings as long as they are not stored in the sales area.
- A tasting may be conducted by a representative, employee, or agent of a wholesaler, brew pub, distillery pub, manufacturer, limited winery, importer, or vintner's restaurant, in addition to a RLS or LLDS licensee employee.
- Any violation of a tastings limitation is the responsibility of the RLS or LLDS licensee even if the violation was committed by a representative, employee, or agent of another licensee named above.
- A representative, employee, or agent of a manufacturer, limited winery, wholesaler, or importer may pour or serve alcohol beverages as part of a tasting at a RLS or LLDS licensed premises.

See SB 18-243, § 12-47-301(10)(c)(I)(A), (V), (VII), (XI), C.R.S. [p. 10], § 12-47-301(10)(d), C.R.S. [p. 10-11], and § 12-47-308(1)(a)(II)(B), (3)(a)(II)(B), (5)(b)(II), C.R.S. [p. 13-15].

9. CREATES A NEW LIMITATION ON SUSPENSIONS OR FINES

SB 18-243 creates a new limitation on suspensions or fines. When imposing a suspension or fine against a retail licensee for a violation of section 12-47-901(5)(a)(I), C.R.S., the local licensing authority or state licensing authority shall not consider any violation that occurred more than five years before the violation for which a suspension or fine is being considered.

See SB 18-243, § 12-47-601(7.5)(c), C.R.S. [p. 22-23].

As stated above, the Division will prepare additional materials and conduct classes to address the bill's comprehensive details. If you have any questions about this bulletin, please contact the Division at (303) 205-2306.

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

SENATE BILL 18-243

BY SENATOR(S) Holbert and Guzman, Marble, Priola, Scott, Tate;
also REPRESENTATIVE(S) Esgar and McKean, Young, Kennedy.

CONCERNING THE RETAIL SALE OF ALCOHOL BEVERAGES, AND, IN
CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) Prior to July 1, 2016, Colorado liquor laws strictly limited the ability of retail establishments to sell various alcohol beverage products in sealed containers for off-premises consumption by, among other provisions, imposing the following restrictions:

(I) With regard to persons licensed as a retail liquor store or liquor-licensed drugstore, which is a retail establishment that operates a state-licensed pharmacy on site, which license authorizes the retail sale of beer, wine, and spirits for off-premises consumption only, limiting those persons to having an interest in only one such retail license; and

(II) For retail establishments such as grocery stores, convenience

stores, and other chain-type establishments that consist of multiple locations, those persons were permitted to obtain only a fermented malt beverage retailer's license under the "Colorado Beer Code" that authorized the sale of beer with a maximum alcohol content of 3.2% alcohol by weight or 4% alcohol by volume; except that a grocery store that operates a state-licensed pharmacy could obtain one liquor-licensed drugstore license for a single location;

(b) In 2016, the general assembly enacted Senate Bill 16-197, which dramatically altered the landscape of the off-premises retail liquor industry by:

(I) Permitting retail liquor stores and liquor-licensed drugstores to obtain multiple licenses to sell beer, wine, and spirits at more than one licensed establishment, subject to restrictions based on proximity to an existing retail liquor business and other requirements; and

(II) Eliminating, as of January 1, 2019, the maximum alcohol content of beer sold by fermented malt beverage retailers;

(c) In an effort to ease the effect of these dramatic changes in the law on the liquor industry, the legislation directed the state licensing authority to convene a working group consisting of members of the industry to develop an implementation process for the transition, including a process for grocery and convenience stores to apply for a license to sell beer with no alcohol content limits;

(d) While the working group convened for over a year following the passage of SB16-197, the group was not able to come to a consensus on how to implement the transition and thus did not develop an application process; and

(e) Accordingly, effective January 1, 2019, the definition of fermented malt beverages will no longer contain an alcohol content limit, and it is therefore important to enact legislation to establish safeguards and parity among retail establishments and ensure public health and safety given that, as of January 1, 2019, a fermented malt beverage retailer will be able to sell beer with no maximum alcohol content under its existing license and without having to apply for or obtain a new license.

SECTION 2. In Colorado Revised Statutes, 12-46-104, **amend** (1) introductory portion and (1)(c) as follows:

12-46-104. Licenses - state license fees - requirements - repeal.

(1) The licenses to be granted and issued by the state licensing authority pursuant to this article ~~46~~ for the manufacture, importation, and sale of fermented malt beverages ~~shall be~~ ARE as follows:

(c) (I) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, a retailer's license shall be granted and issued to any person, partnership, association, organization, or corporation qualifying under section 12-47-301 and not prohibited from licensure under section 12-47-307 to sell at retail ~~the said~~ fermented malt beverages EITHER FOR CONSUMPTION OFF THE LICENSED PREMISES OR ON THE LICENSED PREMISES, BUT NOT FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES, upon paying an annual license fee of seventy-five dollars to the state licensing authority.

(II) (A) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, THE STATE LICENSING AUTHORITY SHALL NOT ISSUE A NEW OR RENEW A FERMENTED MALT BEVERAGE RETAILER'S LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES. ANY LICENSEE HOLDING A FERMENTED MALT BEVERAGE LICENSE AUTHORIZING THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES THAT WAS ISSUED BY THE STATE LICENSING AUTHORITY UNDER THIS SUBSECTION (1)(c) BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, THAT APPLIES TO RENEW THE LICENSE ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, MUST SIMULTANEOUSLY APPLY TO CONVERT THE LICENSE EITHER TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES AT RETAIL FOR CONSUMPTION OFF THE LICENSED PREMISES OR TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES AT RETAIL FOR CONSUMPTION ON THE LICENSED PREMISES.

(B) THIS SUBSECTION (1)(c)(II) IS REPEALED, EFFECTIVE JULY 1, 2019.

SECTION 3. In Colorado Revised Statutes, **amend** 12-46-106 as follows:

12-46-106. Lawful acts. (1) It is lawful for a person under eighteen years of age who is under the supervision of a person on the premises ~~over~~ eighteen years of age OR OLDER to be employed in a place of business where fermented malt beverages are sold at retail in containers for off-premises consumption. During the normal course of such employment, any person under ~~eighteen~~ TWENTY-ONE years of age may handle and otherwise act with respect to fermented malt beverages in the same manner as that person does with other items sold at retail; except that: ~~no~~

(a) A person under eighteen years of age shall NOT sell or dispense fermented malt beverages, check age identification, or make deliveries beyond the customary parking area for the customers of the retail outlet; AND

(b) A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE SHALL NOT DELIVER FERMENTED MALT BEVERAGES IN SEALED CONTAINERS TO CUSTOMERS UNDER SECTION 12-46-107 (6).

(2) This section ~~shall~~ DOES NOT ~~be construed to~~ permit the violation of any other provisions of this section under circumstances not specified in this section.

SECTION 4. In Colorado Revised Statutes, 12-46-107, **amend** (1)(c); and **add** (3), (4), (5), and (6) as follows:

12-46-107. Local licensing authority - application - fees - definition - rules - repeal. (1) The local licensing authority shall issue only the following classes of fermented malt beverage licenses:

(c) (I) Sales for consumption both on and off the premises of the licensee; ~~A person licensed pursuant to this paragraph (c) may deliver at retail fermented malt beverages in factory-sealed containers in conjunction with the delivery of food products if such person has obtained a permit for the delivery of fermented malt beverages from the state licensing authority. The state licensing authority shall promulgate rules as are necessary for the proper delivery of fermented malt beverages pursuant to this paragraph (c) and shall have the authority to issue a permit to any person who is licensed pursuant to and delivers fermented malt beverages under this paragraph (c)~~ EXCEPT THAT ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, A LOCAL LICENSING AUTHORITY SHALL NOT ISSUE A NEW

FERMENTED MALT BEVERAGE LICENSE OR RENEW AN EXISTING FERMENTED MALT BEVERAGE LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES. ANY LICENSEE HOLDING A FERMENTED MALT BEVERAGE LICENSE ISSUED UNDER THIS SUBSECTION (1)(c) PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, THAT APPLIES TO RENEW THE LICENSE ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, MUST SIMULTANEOUSLY APPLY TO CONVERT THE LICENSE EITHER TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION OFF THE LICENSED PREMISES AS SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION OR TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON THE LICENSED PREMISES AS SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION.

(II) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE JULY 1, 2019.

(3)(a) IN ADDITION TO ANY OTHER REQUIREMENTS SPECIFIED IN THIS ARTICLE 46 OR ARTICLE 47 OF THIS TITLE 12, TO QUALIFY FOR A NEW LICENSE UNDER SUBSECTION (1)(a) OF THIS SECTION ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (3) OR TO RENEW A LICENSE THAT WAS ISSUED UNDER SUBSECTION (1)(a) OF THIS SECTION ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (3), A PERSON MUST DERIVE AT LEAST TWENTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES FROM THE SALE OF FOOD ITEMS FOR CONSUMPTION OFF THE PREMISES.

(b) FOR PURPOSES OF CALCULATING GROSS ANNUAL REVENUES FROM TOTAL SALES, REVENUES DERIVED FROM THE SALE OF THE FOLLOWING PRODUCTS ARE EXCLUDED:

(I) FUEL PRODUCTS, AS DEFINED IN SECTION 8-20-201 (2);

(II) CIGARETTES, TOBACCO PRODUCTS, AND NICOTINE PRODUCTS, AS DEFINED IN SECTION 18-13-121 (5); AND

(III) LOTTERY PRODUCTS.

(c) THE STATE LICENSING AUTHORITY MAY ADOPT RULES SPECIFYING THE FORM AND MANNER IN WHICH AN APPLICANT FOR A NEW OR RENEWAL LICENSE MAY DEMONSTRATE COMPLIANCE WITH THIS SUBSECTION (3).

(d) THIS SUBSECTION (3) DOES NOT APPLY TO A PERSON THAT OWNS OR LEASES A PROPOSED FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES AND, AS OF JANUARY 1, 2019, HAS APPLIED FOR OR RECEIVED FROM THE MUNICIPALITY, CITY AND COUNTY, OR COUNTY IN WHICH THE PREMISES ARE LOCATED:

(I) A BUILDING PERMIT FOR THE STRUCTURE TO BE USED FOR THE FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES, WHICH PERMIT IS CURRENTLY ACTIVE AND WILL NOT EXPIRE BEFORE THE COMPLETION OF THE LIQUOR LICENSING PROCESS; OR

(II) A CERTIFICATE OF OCCUPANCY FOR THE STRUCTURE TO BE USED FOR THE FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES.

(e) AS USED IN THIS SUBSECTION (3), "FOOD ITEMS" MEANS ANY RAW, COOKED, OR PROCESSED EDIBLE SUBSTANCE, ICE, OR BEVERAGE, OTHER THAN A BEVERAGE CONTAINING ALCOHOL, THAT IS INTENDED FOR USE OR FOR SALE, IN WHOLE OR IN PART, FOR HUMAN CONSUMPTION.

(4) ON OR AFTER JANUARY 1, 2019, A FERMENTED MALT BEVERAGE RETAILER LICENSED UNDER SUBSECTION (1)(a) OF THIS SECTION:

(a) (I) SHALL NOT SELL FERMENTED MALT BEVERAGES TO CONSUMERS AT A PRICE THAT IS BELOW THE RETAILER'S COST, AS LISTED ON THE INVOICE, TO PURCHASE THE FERMENTED MALT BEVERAGES, UNLESS THE SALE IS OF DISCONTINUED OR CLOSE-OUT FERMENTED MALT BEVERAGES.

(II) THIS SUBSECTION (4)(a) DOES NOT PROHIBIT A FERMENTED MALT BEVERAGE RETAILER FROM OPERATING A BONA FIDE LOYALTY OR REWARDS PROGRAM FOR FERMENTED MALT BEVERAGES SO LONG AS THE PRICE FOR THE PRODUCT IS NOT BELOW THE RETAILER'S COSTS AS LISTED ON THE INVOICE. THE STATE LICENSING AUTHORITY MAY ADOPT RULES TO IMPLEMENT THIS SUBSECTION (4)(a).

(b) SHALL NOT ALLOW CONSUMERS TO PURCHASE FERMENTED MALT BEVERAGES AT A SELF-CHECKOUT OR OTHER MECHANISM THAT ALLOWS THE CONSUMER TO COMPLETE THE FERMENTED MALT BEVERAGES PURCHASE WITHOUT ASSISTANCE FROM AND COMPLETION OF THE ENTIRE TRANSACTION BY AN EMPLOYEE OF THE FERMENTED MALT BEVERAGE RETAILER.

(5) A PERSON LICENSED UNDER SUBSECTION (1)(a) OF THIS SECTION THAT HOLDS MULTIPLE FERMENTED MALT BEVERAGE RETAILER'S LICENSES FOR MULTIPLE LICENSED PREMISES MAY OPERATE UNDER A SINGLE OR CONSOLIDATED CORPORATE ENTITY BUT SHALL NOT COMMINGLE PURCHASES OF OR CREDIT EXTENSIONS FOR PURCHASES OF FERMENTED MALT BEVERAGES FROM A WHOLESALER LICENSED UNDER THIS ARTICLE 46 OR ARTICLE 47 OF THIS TITLE 12 FOR MORE THAN ONE LICENSED PREMISES. A WHOLESALER LICENSED UNDER THIS ARTICLE 46 OR ARTICLE 47 OF THIS TITLE 12 SHALL NOT BASE THE PRICE FOR THE FERMENTED MALT BEVERAGES IT SELLS TO A FERMENTED MALT BEVERAGE RETAILER LICENSED UNDER SUBSECTION (1)(a) OF THIS SECTION ON THE TOTAL VOLUME OF FERMENTED MALT BEVERAGES THAT THE RETAILER PURCHASES FOR MULTIPLE LICENSED PREMISES.

(6) (a) A PERSON LICENSED UNDER SUBSECTION (1)(a) OF THIS SECTION WHO COMPLIES WITH THIS SUBSECTION (6) AND RULES PROMULGATED UNDER THIS SUBSECTION (6) MAY DELIVER FERMENTED MALT BEVERAGES IN SEALED CONTAINERS TO A PERSON OF LEGAL AGE IF:

(I) THE PERSON RECEIVING THE DELIVERY OF FERMENTED MALT BEVERAGES IS LOCATED AT A PLACE THAT IS NOT LICENSED PURSUANT TO THIS SECTION;

(II) THE DELIVERY IS MADE BY AN EMPLOYEE OF THE FERMENTED MALT BEVERAGE RETAILER WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS USING A VEHICLE OWNED OR LEASED BY THE LICENSEE TO MAKE THE DELIVERY;

(III) THE PERSON MAKING THE DELIVERY VERIFIES, IN ACCORDANCE WITH SECTION 12-47-901 (10), THAT THE PERSON RECEIVING THE DELIVERY OF FERMENTED MALT BEVERAGES IS AT LEAST TWENTY-ONE YEARS OF AGE; AND

(IV) THE FERMENTED MALT BEVERAGE RETAILER DERIVES NO MORE THAN FIFTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES OF FERMENTED MALT BEVERAGES FROM THE SALE OF FERMENTED MALT BEVERAGES THAT THE FERMENTED MALT BEVERAGE RETAILER DELIVERS.

(b) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES AS NECESSARY FOR THE PROPER DELIVERY OF FERMENTED MALT BEVERAGES PURSUANT TO THIS SUBSECTION (6) AND MAY ISSUE A PERMIT TO ANY

PERSON WHO IS LICENSED PURSUANT TO AND DELIVERS FERMENTED MALT BEVERAGES UNDER SUBSECTION (1)(a) OF THIS SECTION. A PERMIT ISSUED UNDER THIS SUBSECTION (6) IS SUBJECT TO THE SAME SUSPENSION AND REVOCATION PROVISIONS AS ARE SET FORTH IN SECTION 12-47-601 FOR OTHER LICENSES GRANTED PURSUANT TO ARTICLE 47 OF THIS TITLE 12.

SECTION 5. In Colorado Revised Statutes, 12-47-301, **amend** (2)(a), (8), (9)(a), (10)(c)(I), (10)(c)(V), (10)(c)(VII), (10)(c)(XI), (10)(c)(XII), (10)(d), and (12) as follows:

12-47-301. Licensing in general. (2) (a) Before granting any license, all licensing authorities shall consider, except where this ~~article~~ ARTICLE 47 and article 46 of this ~~title~~ TITLE 12 specifically provide otherwise, the reasonable requirements of the neighborhood, the desires of the adult inhabitants as evidenced by petitions, remonstrances, or otherwise, and all other reasonable restrictions that are or may be placed upon the neighborhood by the local licensing authority. With respect to a second or additional license described in section 12-47-401 (1)(j) to (1)(t), (1)(v), or (1)(w) or 12-47-410 (1) or in a financial institution referred to in section 12-47-308 (4) for the same licensee, all licensing authorities shall consider the effect on competition of the granting or disapproving of additional licenses to such licensee and shall not approve an application for a second or additional ~~hotel and restaurant or vintner's restaurant~~ license that would have the effect of restraining competition. ~~shall be approved.~~

(8) Each licensee holding a fermented malt beverage on-premises license, ~~or on- and off-premises license~~, beer and wine license, tavern license, lodging and entertainment license, club license, arts license, or racetrack license shall manage the premises himself or herself or employ a separate and distinct manager on the premises and shall report the name of the manager to the state and local licensing authorities. The licensee shall report any change in managers to the state and local licensing authorities within thirty days after the change. It is unlawful for the licensee to fail to report the name of or any change in managers as required by this subsection (8). The failure to report is grounds for suspension of the license.

(9) (a) (I) (A) SUBJECT TO SUBSECTIONS (9)(a)(I)(B) AND (9)(a)(I)(C) OF THIS SECTION, a licensee may move ~~his or her~~ ITS permanent location to any other place in the same city, town, or city and county for which the license was originally granted, or in the same county if ~~such~~ THE

license was granted for a place outside the corporate limits of any city, town, or city and county, but it ~~shall be~~ IS unlawful to sell any alcohol beverage at ~~any such place~~ THE NEW LOCATION until permission ~~to do so~~ is granted by ~~all~~ the STATE AND LOCAL licensing authorities. ~~provided for in this article.~~

(B) THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT GRANT PERMISSION UNDER THIS SUBSECTION (9)(a)(I) TO A FERMENTED MALT BEVERAGE RETAILER LICENSED UNDER SECTION 12-46-107 (1)(a) TO MOVE ITS PERMANENT LOCATION IF THE NEW LOCATION IS: WITHIN ONE THOUSAND FIVE HUNDRED FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407; FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER, WITHIN THREE THOUSAND FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407; OR, FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407.

(C) THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT GRANT PERMISSION UNDER THIS SUBSECTION (9)(a)(I) TO A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407 TO MOVE ITS PERMANENT LOCATION IF THE NEW LOCATION IS: WITHIN ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407; FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER, WITHIN THREE THOUSAND FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407; OR, FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407.

(II) Notwithstanding ~~subparagraph (I) of this paragraph (a)~~ SECTION (9)(a)(I) OF THIS SECTION AND SUBJECT TO SUBSECTION (9)(a)(I)(C), for a retail liquor store licensed on or before January 1, 2016, the licensee may apply to move the permanent location to another place within or outside the municipality or county in which the license was originally granted. It is unlawful for the licensee to sell any alcohol beverages at the new location until permission is granted by the state and local licensing authorities.

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

(I) Tastings shall be conducted only:

(A) By a person who: Has completed a server training program that meets the standards established by the liquor enforcement division in the department of revenue and ~~who is either a retail liquor store licensee or a liquor-licensed drugstore licensee, or~~ an employee of a RETAIL LIQUOR STORE OR LIQUOR-LICENSED DRUGSTORE licensee, OR A REPRESENTATIVE, EMPLOYEE, OR AGENT OF THE LICENSED WHOLESALER, BREW PUB, DISTILLERY PUB, MANUFACTURER, LIMITED WINERY, IMPORTER, OR VINTNER'S RESTAURANT PROMOTING THE ALCOHOL BEVERAGES FOR THE TASTING; and ~~only~~

(B) On a licensee's licensed premises.

(V) THE LICENSEE MAY CONDUCT tastings ~~shall be conducted~~ only during the operating hours in which the licensee on whose premises the tastings occur is permitted to sell alcohol beverages, and in no case earlier than 11 a.m. or later than ~~7 p.m.~~ 9 P.M.

(VII) The licensee shall promptly remove all open and unconsumed alcohol beverage samples from the licensed premises, ~~or shall~~ destroy the samples immediately following the completion of the tasting, OR STORE ANY OPEN CONTAINERS OF UNCONSUMED ALCOHOL BEVERAGES IN A SECURE AREA OUTSIDE THE SALES AREA OF THE LICENSED PREMISES FOR USE AT A TASTING CONDUCTED AT A LATER TIME OR DATE.

(XI) THE LICENSEE MAY CONDUCT tastings ~~may occur~~ on no more than ~~four of the six days from a Monday to the following Saturday, not to exceed one hundred four~~ ONE HUNDRED FIFTY-SIX days per year.

(XII) No manufacturer of spirituous or vinous liquors shall induce a licensee through free goods or financial or in-kind assistance to favor the manufacturer's products being sampled at a tasting. The RETAIL LIQUOR STORE OR LIQUOR-LICENSED DRUGSTORE licensee ~~shall bear~~ BEARS the financial and all other responsibility for a tasting CONDUCTED ON ITS LICENSED PREMISES.

(d) A violation of a limitation specified in this subsection (10) ~~or of~~

~~section 12-47-801~~ by a retail liquor store or liquor-licensed drugstore licensee, whether by ~~his or her~~ THE LICENSEE'S employees, agents, or otherwise ~~shall be~~ OR BY A REPRESENTATIVE, EMPLOYEE, OR AGENT OF THE LICENSED WHOLESALER, BREW PUB, DISTILLERY PUB, MANUFACTURER, LIMITED WINERY, IMPORTER, OR VINTNER'S RESTAURANT THAT PROMOTED THE ALCOHOL BEVERAGES FOR THE TASTING, IS THE RESPONSIBILITY OF, AND SECTION 12-47-801 APPLIES TO, the retail liquor store or liquor-licensed drugstore licensee ~~who is conducting~~ THAT CONDUCTED the tasting.

(12) (a) Notwithstanding any other provision of this article **47**, on and after July 1, 2016, the state and local licensing authorities shall not issue a new license under this article **47** authorizing the sale at retail of malt, vinous, or spirituous liquors in sealed containers for consumption off the licensed premises if the premises for which the retail license is sought is located:

(I) Within one thousand five hundred feet of another licensed premises licensed to sell malt, vinous, or spirituous liquors at retail for off-premises consumption; ~~or~~

(II) For a premises located in a municipality with a population of ten thousand or fewer, within three thousand feet of another licensed premises licensed to sell malt, vinous, or spirituous liquors at retail for off-premises consumption; OR

(III) FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER LICENSED PREMISES LICENSED TO SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS AT RETAIL FOR OFF-PREMISES CONSUMPTION.

(a.5) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE 47, ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (12)(a.5), THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT ISSUE A NEW FERMENTED MALT BEVERAGE RETAILER'S LICENSE UNDER ARTICLE 46 OF THIS TITLE 12 AUTHORIZING THE SALE AT RETAIL OF FERMENTED MALT BEVERAGES IN SEALED CONTAINERS FOR CONSUMPTION OFF THE LICENSED PREMISES IF THE PREMISES FOR WHICH THE RETAIL LICENSE IS SOUGHT IS LOCATED WITHIN FIVE HUNDRED FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407.

(II) THIS SUBSECTION (12)(a.5) DOES NOT APPLY TO A PERSON THAT OWNS OR LEASES A PROPOSED FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES AND, AS OF JANUARY 1, 2019, HAS APPLIED FOR OR RECEIVED FROM THE MUNICIPALITY, CITY AND COUNTY, OR COUNTY IN WHICH THE PREMISES ARE LOCATED:

(A) A BUILDING PERMIT FOR THE STRUCTURE TO BE USED FOR THE FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES, WHICH PERMIT IS CURRENTLY ACTIVE AND WILL NOT EXPIRE BEFORE THE COMPLETION OF THE LIQUOR LICENSING PROCESS; OR

(B) A CERTIFICATE OF OCCUPANCY FOR THE STRUCTURE TO BE USED FOR THE FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES.

(b) For purposes of ~~this subsection (12)~~ SUBSECTION (12)(a) OF THIS SECTION, a license under this ~~article~~ ARTICLE 47 authorizing the sale at retail of malt, vinous, or spirituous liquors in sealed containers for consumption off the licensed premises includes a license under this ~~article~~ ARTICLE 47 authorizing the sale of malt and vinous liquors in sealed containers not to be consumed at the place where the malt and vinous liquors are sold.

(c) For purposes of determining whether the distance requirements specified in ~~paragraph (a) of this subsection (12)~~ SUBSECTIONS (12)(a) AND (12)(a.5) OF THIS SECTION are satisfied, the distance shall be determined by a radius measurement that begins at the principal doorway of the premises for which the application is made and ends at the principal doorway of the other retail licensed premises.

SECTION 6. In Colorado Revised Statutes, 12-47-308, **amend** (1)(a), (3)(a), and (5) as follows:

12-47-308. Unlawful financial assistance. (1) (a) (I) It is unlawful for any person licensed pursuant to this ~~article~~ ARTICLE 47 or article 46 of this ~~title~~ TITLE 12 as a manufacturer, limited winery, ~~licensee~~, wholesaler, or importer, or any person, partnership, association, organization, or corporation interested financially in or with any of said licensees, to furnish, supply, or loan, in any manner, directly or indirectly, to any person licensed to sell at retail pursuant to this ~~article~~ ARTICLE 47 or article 46 or 48 of this ~~title~~ TITLE 12:

(A) Any financial assistance, including the extension of credit for more than thirty days, as specified in section 12-47-202 (2)(b) or in rules of the state licensing authority; or

(B) Any equipment, fixtures, chattels, or furnishings used in the storing, handling, serving, or dispensing of food or alcohol beverages within the premises or for making any structural alterations or improvements in or on the building in which ~~such~~ THE premises ~~are~~ IS located.

(II) This ~~section shall~~ SUBSECTION (1) DOES not:

(A) Apply to signs or displays within ~~such~~ THE LICENSED premises;
OR

(B) PREVENT A REPRESENTATIVE, EMPLOYEE, OR AGENT OF A PERSON LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 AS A MANUFACTURER, LIMITED WINERY, WHOLESALER, OR IMPORTER FROM POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGE PRODUCTS AS PART OF A TASTING BEING CONDUCTED ON THE LICENSED PREMISES OF A PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES AT RETAIL FOR OFF-PREMISES CONSUMPTION, AND POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGES DOES NOT CONSTITUTE LABOR PROVIDED BY A PERSON LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 AS A MANUFACTURER, LIMITED WINERY, WHOLESALER, OR IMPORTER TO A PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES AT RETAIL.

(3) (a) (I) It is unlawful for any person licensed to sell at retail pursuant to this ~~article~~ ARTICLE 47 or article 46 of this ~~title~~ TITLE 12 to receive and obtain from the persons or parties described and referred to in subsection (1)(a) of this section, directly or indirectly, any financial assistance or any equipment, fixtures, chattels, or furnishings used in the storing, handling, serving, or dispensing of food or alcohol beverages within the premises or from making any structural alterations or improvements in or on the building on which ~~such~~ THE premises ~~are~~ IS located.

(II) This subsection (3) ~~shall~~ DOES not:

(A) Apply to signs or displays within ~~such~~ THE premises or to advertising materials that are intended primarily to advertise the product of the wholesaler or manufacturer and that have only negligible value in themselves or to the inspection and servicing of malt or vinous liquor-dispensing equipment to the extent necessary for the maintenance of reasonable standards of purity, cleanliness, and health; OR

(B) PREVENT A REPRESENTATIVE, EMPLOYEE, OR AGENT OF A LICENSEE DESCRIBED AND REFERRED TO IN SUBSECTION (1)(a) OF THIS SECTION FROM POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGE PRODUCTS AS PART OF A TASTING BEING CONDUCTED ON THE LICENSED PREMISES OF THE PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES AT RETAIL FOR OFF-PREMISES CONSUMPTION, AND POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGES DOES NOT CONSTITUTE LABOR PROVIDED BY A LICENSEE DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION TO A PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES AT RETAIL.

(5) (a) It is unlawful for any owner, part owner, shareholder, stockholder, or person interested, directly or indirectly, in any retail business or establishment of a person licensed to sell at retail pursuant to ~~the provisions of this article~~ ARTICLE 47 or article 46 or 48 of this ~~title~~ TITLE 12 to enter into any agreement with any person or party or to receive, possess, or accept any money, fixtures, supplies, or things of value from any person or party, whereby a person licensed to sell at retail pursuant to this ~~article~~ ARTICLE 47 or article 46 or 48 of this ~~title~~ TITLE 12 may be influenced or caused, directly or indirectly, to buy, sell, dispense, or handle the product of any manufacturer of alcohol beverages.

(b) This subsection (5) ~~shall~~ DOES not:

(I) Apply to displays within ~~such~~ THE premises; OR

(II) PREVENT A REPRESENTATIVE, EMPLOYEE, OR AGENT OF A PERSON LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 AS A MANUFACTURER, LIMITED WINERY, WHOLESALER, OR IMPORTER FROM POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGE PRODUCTS AS PART OF A TASTING BEING CONDUCTED ON THE LICENSED PREMISES OF A PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES AT RETAIL FOR OFF-PREMISES CONSUMPTION, AND POURING OR SERVING THE

LICENSEE'S ALCOHOL BEVERAGES DOES NOT CONSTITUTE LABOR PROVIDED BY A PERSON LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 AS A MANUFACTURER, LIMITED WINERY, WHOLESALER, OR IMPORTER TO A PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES AT RETAIL.

SECTION 7. In Colorado Revised Statutes, 12-47-313, **amend** (1) introductory portion; and **add** (1)(e) as follows:

12-47-313. Restrictions for applications for new license - repeal.

(1) ~~No~~ AN application for the issuance of any license specified in section 12-47-309 (1) or 12-46-107 (1) shall NOT be received or acted upon:

(e) (I) IF THE BUILDING IN WHICH THE FERMENTED MALT BEVERAGES ARE TO BE SOLD PURSUANT TO A LICENSE UNDER SECTION 12-46-107 (1)(a) IS LOCATED WITHIN FIVE HUNDRED FEET OF ANY PUBLIC OR PAROCHIAL SCHOOL OR THE PRINCIPAL CAMPUS OF ANY COLLEGE, UNIVERSITY, OR SEMINARY; EXCEPT THAT THIS SUBSECTION (1)(e)(I) DOES NOT APPLY TO:

(A) LICENSED PREMISES LOCATED OR TO BE LOCATED ON LAND OWNED BY A MUNICIPALITY;

(B) AN EXISTING LICENSED PREMISES ON LAND OWNED BY THE STATE;

(C) A FERMENTED MALT BEVERAGE RETAILER THAT HELD A VALID LICENSE AND WAS ACTIVELY DOING BUSINESS BEFORE THE PRINCIPAL CAMPUS WAS CONSTRUCTED;

(D) A CLUB LOCATED WITHIN THE PRINCIPAL CAMPUS OF ANY COLLEGE, UNIVERSITY, OR SEMINARY THAT LIMITS ITS MEMBERSHIP TO THE FACULTY OR STAFF OF THE INSTITUTION; OR

(E) A CAMPUS LIQUOR COMPLEX.

(II) THE DISTANCES REFERRED TO IN SUBSECTION (1)(e)(I) OF THIS SECTION ARE TO BE COMPUTED BY DIRECT MEASUREMENT FROM THE NEAREST PROPERTY LINE OF THE LAND USED FOR SCHOOL PURPOSES TO THE NEAREST PORTION OF THE BUILDING IN WHICH FERMENTED MALT BEVERAGES ARE TO BE SOLD, USING A ROUTE OF DIRECT PEDESTRIAN ACCESS.

(III) THE LOCAL LICENSING AUTHORITY OF ANY CITY AND COUNTY, BY RULE OR REGULATION, THE GOVERNING BODY OF ANY OTHER MUNICIPALITY, BY ORDINANCE, OR THE GOVERNING BODY OF ANY OTHER COUNTY, BY RESOLUTION, MAY:

(A) ELIMINATE OR MODIFY THE DISTANCE RESTRICTIONS IMPOSED BY THIS SUBSECTION (1)(e); OR

(B) ELIMINATE ONE OR MORE TYPES OF SCHOOLS OR CAMPUSES FROM THE APPLICATION OF ANY DISTANCE RESTRICTION ESTABLISHED BY OR PURSUANT TO THIS SUBSECTION (1)(e).

(IV) IN ADDITION TO THE REQUIREMENTS OF SECTION 12-47-312 (2), THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE EVIDENCE AND MAKE A SPECIFIC FINDING OF FACT AS TO WHETHER THE BUILDING IN WHICH THE FERMENTED MALT BEVERAGES ARE TO BE SOLD IS LOCATED WITHIN ANY DISTANCE RESTRICTION ESTABLISHED BY OR PURSUANT TO THIS SUBSECTION (1)(e). THE FINDING IS SUBJECT TO JUDICIAL REVIEW PURSUANT TO SECTION 12-47-802.

(V) THIS SUBSECTION (1)(e) APPLIES TO:

(A) APPLICATIONS FOR NEW FERMENTED MALT BEVERAGE RETAILER'S LICENSES UNDER SECTION 12-46-107 (1)(a) SUBMITTED ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(e); AND

(B) APPLICATIONS SUBMITTED ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(e) UNDER SECTION 12-47-301 (9) BY FERMENTED MALT BEVERAGE RETAILERS LICENSED UNDER SECTION 12-46-107 (1)(a) TO CHANGE THE PERMANENT LOCATION OF THE FERMENTED MALT BEVERAGE RETAILER'S LICENSED PREMISES.

SECTION 8. In Colorado Revised Statutes, 12-47-407, **amend** (1)(a)(II), (2), and (3) as follows:

12-47-407. Retail liquor store license - rules. (1) (a) (II) On and after July 1, 2016, the state and local licensing authorities shall not issue a new retail liquor store license if the premises for which the retail liquor store license is sought is located:

(A) Within one thousand five hundred feet of another retail liquor store licensed under this section or a liquor-licensed drugstore licensed under section 12-47-408; ~~or~~

(B) For a premises located in a municipality with a population of ten thousand or fewer, within three thousand feet of another retail liquor store licensed under this section or a liquor-licensed drugstore licensed under section 12-47-408; OR

(C) FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER THIS SECTION OR A LIQUOR-LICENSED DRUGSTORE LICENSED UNDER SECTION 12-47-408.

(2) (a) ~~Every~~ A person ~~selling~~ LICENSED UNDER THIS SECTION TO SELL malt, vinous, and spirituous liquors in a retail liquor store:

(I) Shall purchase ~~such~~ THE malt, vinous, and spirituous liquors only from a wholesaler licensed pursuant to this ~~article~~: ARTICLE 47; AND

(II) (A) SHALL NOT SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS TO CONSUMERS AT A PRICE THAT IS BELOW THE RETAIL LIQUOR STORE'S COST, AS LISTED ON THE INVOICE, TO PURCHASE THE MALT, VINOUS, OR SPIRITUOUS LIQUORS, UNLESS THE SALE IS OF DISCONTINUED OR CLOSE-OUT MALT, VINOUS, OR SPIRITUOUS LIQUORS.

(B) THIS SUBSECTION (2)(a)(II) DOES NOT PROHIBIT A RETAIL LIQUOR STORE FROM OPERATING A BONA FIDE LOYALTY OR REWARDS PROGRAM FOR MALT, VINOUS, OR SPIRITUOUS LIQUORS SO LONG AS THE PRICE FOR THE PRODUCT IS NOT BELOW THE RETAIL LIQUOR STORE'S COSTS AS LISTED ON THE INVOICE. THE STATE LICENSING AUTHORITY MAY ADOPT RULES TO IMPLEMENT THIS SUBSECTION (2)(a)(II).

(b) A PERSON LICENSED UNDER THIS SECTION THAT OBTAINS ADDITIONAL RETAIL LIQUOR STORE LICENSES IN ACCORDANCE WITH SUBSECTION (4)(b)(III) OF THIS SECTION MAY OPERATE UNDER A SINGLE OR CONSOLIDATED CORPORATE ENTITY BUT SHALL NOT COMMINGLE PURCHASES OF OR CREDIT EXTENSIONS FOR PURCHASES OF MALT, VINOUS, OR SPIRITUOUS LIQUORS FROM A WHOLESALER LICENSED UNDER THIS ARTICLE 47 FOR MORE

THAN ONE LICENSED PREMISES. A WHOLESALER LICENSED UNDER THIS ARTICLE 47 SHALL NOT BASE THE PRICE FOR THE MALT, VINOUS, OR SPIRITUOUS LIQUORS IT SELLS TO A RETAIL LIQUOR STORE LICENSED UNDER THIS SECTION ON THE TOTAL VOLUME OF MALT, VINOUS, OR SPIRITUOUS LIQUORS THAT THE LICENSEE PURCHASES FOR MULTIPLE LICENSED PREMISES.

(3) (a) A person licensed to sell at retail who complies with this subsection (3) and rules promulgated pursuant ~~thereto~~ TO THIS SUBSECTION (3) may deliver malt, vinous, and spirituous liquors to a person of legal age if: ~~such~~

(I) THE PERSON RECEIVING THE DELIVERY OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IS LOCATED at a place that is not licensed pursuant to this section;

(II) THE DELIVERY IS MADE BY AN EMPLOYEE OF THE LICENSED RETAIL LIQUOR STORE WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS USING A VEHICLE OWNED OR LEASED BY THE LICENSEE TO MAKE THE DELIVERY;

(III) THE PERSON MAKING THE DELIVERY VERIFIES, IN ACCORDANCE WITH SECTION 12-47-901 (10), THAT THE PERSON RECEIVING THE DELIVERY OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IS AT LEAST TWENTY-ONE YEARS OF AGE; AND

(IV) THE RETAIL LIQUOR STORE DERIVES NO MORE THAN FIFTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES OF MALT, VINOUS, AND SPIRITUOUS LIQUORS FROM THE SALE OF MALT, VINOUS, AND SPIRITUOUS LIQUORS THAT THE RETAIL LIQUOR STORE DELIVERS.

(b) The state licensing authority shall promulgate rules as ~~are~~ necessary for the proper delivery of malt, vinous, and spirituous liquors and ~~shall have the authority~~ IS AUTHORIZED to issue a permit to any person who is licensed UNDER THIS SECTION to sell at retail and delivers ~~such~~ THE liquors pursuant to this subsection (3). ~~Such permits shall be~~ A PERMIT ISSUED UNDER THIS SUBSECTION (3) IS subject to the same suspension and revocation provisions as are set forth in section 12-47-601 for other licenses granted pursuant to this ~~article~~ ARTICLE 47.

SECTION 9. In Colorado Revised Statutes, 12-47-408, **amend**

(1)(a)(I), (1)(b)(IV) introductory portion, (1)(b)(IV)(B), (2)(a)(II), (2)(a)(III), (3), and (4)(b)(IV) introductory portion; and **add** (4)(b)(V), (4)(c), and (8) as follows:

12-47-408. Liquor-licensed drugstore license - multiple licenses permitted - requirements - rules. (1) (a) (I) A liquor-licensed drugstore license shall be issued to persons selling malt, vinous, and spirituous liquors in sealed containers not to be consumed at the place where sold. On and after July 1, 2016, except as permitted under ~~paragraph (b) of this subsection~~ ~~(1)~~ SUBSECTION (1)(b) OF THIS SECTION, the state and local licensing authorities shall not issue a new liquor-licensed drugstore license if the licensed premises for which a liquor-licensed drugstore license is sought is located:

(A) Within one thousand five hundred feet of a retail liquor store licensed under section 12-47-407; ~~or~~

(B) For a drugstore premises located in a municipality with a population of ten thousand or fewer, within three thousand feet of a retail liquor store licensed under section 12-47-407; OR

(C) FOR A DRUGSTORE PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407.

(b) (IV) In addition to any other requirements for licensure under this section or ~~article~~ ARTICLE 47, a person applying for a new liquor-licensed drugstore license in accordance with this ~~paragraph (b)~~ SUBSECTION (1)(b) on or after January 1, 2017, or to renew a liquor-licensed drugstore license issued on or after January 1, 2017, under this ~~paragraph (b)~~ SUBSECTION (1)(b) must:

(B) ~~Be~~ MAKE AND KEEP ITS PREMISES open to the public.

(2) (a) A person licensed under this section to sell malt, vinous, and spirituous liquors as provided in this section shall:

(II) (A) Not sell malt, vinous, or spirituous liquors to consumers at a price that is below the liquor-licensed drugstore's cost, AS LISTED ON THE

INVOICE, to purchase the malt, vinous, or spirituous liquors, UNLESS THE SALE IS OF DISCONTINUED OR CLOSE-OUT MALT, VINOUS, OR SPIRITUOUS LIQUORS.

(B) THIS SUBSECTION (2)(a)(II) DOES NOT PROHIBIT A LIQUOR-LICENSED DRUGSTORE FROM OPERATING A BONA FIDE LOYALTY OR REWARDS PROGRAM FOR MALT, VINOUS, OR SPIRITUOUS LIQUORS SO LONG AS THE PRICE FOR THE PRODUCT IS NOT BELOW THE LIQUOR-LICENSED DRUGSTORE'S COSTS AS LISTED ON THE INVOICE. THE STATE LICENSING AUTHORITY MAY ADOPT RULES TO IMPLEMENT THIS SUBSECTION (2)(a)(II).

(III) Not allow consumers to purchase malt, vinous, or spirituous liquors at a self-checkout or other mechanism that allows the consumer to complete the alcohol beverage purchase without assistance from and completion of the ENTIRE transaction by an employee of the liquor-licensed drugstore;

(3) (a) A liquor-licensed drugstore licensee who complies with this subsection (3) and rules promulgated pursuant ~~thereto~~ TO THIS SUBSECTION (3) may deliver malt, vinous, and spirituous liquors to a person of legal age if: ~~such~~

(I) THE person RECEIVING THE DELIVERY OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IS LOCATED at a place that is not licensed pursuant to this section;

(II) THE DELIVERY IS MADE BY AN EMPLOYEE OF THE LIQUOR-LICENSED DRUGSTORE WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS USING A VEHICLE OWNED OR LEASED BY THE LICENSEE TO MAKE THE DELIVERY;

(III) THE PERSON MAKING THE DELIVERY VERIFIES, IN ACCORDANCE WITH SECTION 12-47-901 (10), THAT THE PERSON RECEIVING THE DELIVERY OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IS AT LEAST TWENTY-ONE YEARS OF AGE; AND

(IV) THE LIQUOR-LICENSED DRUGSTORE DERIVES NO MORE THAN FIFTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES OF MALT, VINOUS, AND SPIRITUOUS LIQUORS FROM THE SALE OF MALT, VINOUS, AND SPIRITUOUS LIQUORS THAT THE LIQUOR-LICENSED DRUGSTORE

DELIVERS.

(b) The state licensing authority shall promulgate rules as are necessary for the proper delivery of malt, vinous, and spirituous liquors and ~~shall have the authority~~ IS AUTHORIZED to issue a permit to any liquor-licensed drugstore licensee that will allow ~~such~~ THE licensee to deliver ~~such~~ THE liquors pursuant to ~~such~~ THE rules and this subsection (3). ~~Such permits shall be~~ A PERMIT ISSUED UNDER THIS SUBSECTION (3) IS subject to the same suspension and revocation provisions as are set forth in sections 12-47-306 and 12-47-601 for other licenses granted pursuant to this ~~article~~ ARTICLE 47.

(4) (b) An owner, part owner, shareholder, or person interested directly or indirectly in a liquor-licensed drugstore may have an interest in:

(IV) For a liquor-licensed drugstore licensed on or before January 1, 2016, OR A LIQUOR-LICENSED DRUGSTORE LICENSEE THAT WAS LICENSED AS A LIQUOR-LICENSED DRUGSTORE ON FEBRUARY 21, 2016, THAT CONVERTED ITS LICENSE TO A RETAIL LIQUOR STORE LICENSE AFTER FEBRUARY 21, 2016, AND THAT APPLIED ON OR BEFORE MAY 1, 2017, TO CONVERT ITS RETAIL LIQUOR STORE LICENSE BACK TO A LIQUOR-LICENSED DRUGSTORE LICENSE, additional liquor-licensed drugstore licenses as follows, but only if obtained in accordance with ~~paragraph (b) of subsection (1)~~ SUBSECTION (1)(b) of this section:

(V) FOR A LIQUOR-LICENSED DRUGSTORE THAT SUBMITTED AN APPLICATION FOR A NEW LIQUOR-LICENSED DRUGSTORE LICENSE BEFORE OCTOBER 1, 2016, ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES AS FOLLOWS, BUT ONLY IF OBTAINED IN ACCORDANCE WITH SUBSECTION (1)(b) OF THIS SECTION:

(A) ON OR AFTER JANUARY 1, 2019, AND BEFORE JANUARY 1, 2022, FOUR ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES, FOR A MAXIMUM OF FIVE TOTAL LIQUOR-LICENSED DRUGSTORE LICENSES;

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

(C) ON OR AFTER JANUARY 1, 2027, AND BEFORE JANUARY 1, 2032,

UP TO TWELVE ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES, FOR A MAXIMUM OF THIRTEEN TOTAL LIQUOR-LICENSED DRUGSTORE LICENSES;

(D) ON OR AFTER JANUARY 1, 2032, AND BEFORE JANUARY 1, 2037, UP TO NINETEEN ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES, FOR A MAXIMUM OF TWENTY TOTAL LIQUOR-LICENSED DRUGSTORE LICENSES; AND

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

(c) SUBSECTION (4)(b)(V) OF THIS SECTION DOES NOT APPLY TO A LIQUOR-LICENSED DRUGSTORE LICENSEE THAT WAS LICENSED AS A LIQUOR-LICENSED DRUGSTORE ON FEBRUARY 21, 2016, THAT CONVERTED ITS LICENSE TO A RETAIL LIQUOR STORE LICENSE AFTER FEBRUARY 21, 2016, AND THAT APPLIED ON OR BEFORE MAY 1, 2017, TO CONVERT ITS RETAIL LIQUOR STORE LICENSE BACK TO A LIQUOR-LICENSED DRUGSTORE LICENSE.

(8) A PERSON LICENSED UNDER THIS SECTION THAT OBTAINS ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES IN ACCORDANCE WITH SUBSECTION (4)(b)(IV) OR (4)(b)(V) OF THIS SECTION MAY OPERATE UNDER A SINGLE OR CONSOLIDATED CORPORATE ENTITY BUT SHALL NOT COMMINGLE PURCHASES OF OR CREDIT EXTENSIONS FOR PURCHASES OF MALT, VINOUS, OR SPIRITUOUS LIQUORS FROM A WHOLESALER LICENSED UNDER THIS ARTICLE 47 FOR MORE THAN ONE LICENSED PREMISES. A WHOLESALER LICENSED UNDER THIS ARTICLE 47 SHALL NOT BASE THE PRICE FOR THE MALT, VINOUS, OR SPIRITUOUS LIQUORS IT SELLS TO A LIQUOR-LICENSED DRUGSTORE LICENSED UNDER THIS SECTION ON THE TOTAL VOLUME OF MALT, VINOUS, OR SPIRITUOUS LIQUORS THAT THE LICENSEE PURCHASES FOR MULTIPLE LICENSED PREMISES.

SECTION 10. In Colorado Revised Statutes, 12-47-601, **add** (7.5)(c) as follows:

12-47-601. Suspension - revocation - fines. (7.5) (c) WHEN IMPOSING A SUSPENSION OR FINE AGAINST A RETAIL ESTABLISHMENT LICENSED UNDER SECTION 12-46-107 (1) OR THIS ARTICLE 47 FOR A VIOLATION OF SECTION 12-47-901 (5)(a)(I), THE LICENSING AUTHORITY SHALL NOT TAKE INTO CONSIDERATION ANY VIOLATION OF SECTION 12-47-901 (5)(a)(I) BY THE LICENSEE THAT OCCURRED MORE THAN FIVE

YEARS BEFORE THE DATE ON WHICH THE VIOLATION FOR WHICH THE SUSPENSION OR FINE IS BEING IMPOSED OCCURRED.

SECTION 11. In Colorado Revised Statutes, 12-47-901, **amend** (1) introductory portion, (1)(f), (1)(h)(I), (1)(h)(II), (5)(c), (5)(k), (5)(p)(I)(B), (5)(p)(II), (5)(p)(III), (9)(b), and (10); and **add** (1)(h)(VII) as follows:

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

(f) To sell at retail any malt, vinous, or spirituous liquors in sealed containers without holding a retail liquor store or liquor-licensed drugstore license, except as permitted by section 12-47-301 (6)(b) or any other provision of this ~~article~~ ARTICLE 47, OR TO SELL AT RETAIL ANY FERMENTED MALT BEVERAGES IN SEALED CONTAINERS WITHOUT HOLDING A FERMENTED MALT BEVERAGE RETAILER'S LICENSE UNDER SECTIONS 12-46-104 (1)(c) AND 12-46-107 (1)(a);

(h) (I) To consume ANY FERMENTED MALT BEVERAGE OR malt, vinous, or spirituous liquor:

(A) In any public place except on any licensed premises permitted under this ~~article~~ ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 to sell ~~such liquor~~ ANY FERMENTED MALT BEVERAGES OR MALT, VINOUS, OR SPIRITUOUS LIQUORS by the drink for consumption ~~thereon; to consume any alcohol beverage~~ ON THE LICENSED PREMISES;

(B) Upon any premises licensed to sell ~~liquor~~ ALCOHOL BEVERAGES for consumption on the licensed premises, the sale of which is not authorized by the state licensing authority; ~~to consume alcohol beverages~~

(C) At any time on such premises other than ~~such alcohol beverage~~ as is BEVERAGES purchased from ~~such~~ THE establishment; or ~~to consume alcohol beverages~~

(D) In any public room on ~~such~~ THE LICENSED premises during ~~such~~ hours as DURING WHICH the sale of ~~such~~ THE ALCOHOL beverage is prohibited under this ~~article~~ ARTICLE 47.

(II) Notwithstanding ~~subparagraph (f) of this paragraph (h), it is not~~

~~unlawful for~~ SUBSECTION (1)(h)(I) OF THIS SECTION, a person who is at least twenty-one years of age ~~to~~ MAY consume ~~malt, vinous, or spirituous liquors~~ ALCOHOL BEVERAGES while the person is a passenger aboard a luxury limousine or a charter bus, as those terms are defined in section 40-10.1-301. ~~C.R.S.~~ Nothing in this ~~subparagraph (H)~~ SUBSECTION (1)(h)(II) authorizes an owner or operator of a luxury limousine or charter bus to sell or distribute alcohol beverages without obtaining a public transportation system license pursuant to section 12-47-419.

(VII) NOTWITHSTANDING SUBSECTION (1)(h)(I) OF THIS SECTION, IT IS NOT UNLAWFUL FOR A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE TO CONSUME ANY FERMENTED MALT BEVERAGE OR MALT, VINOUS, OR SPIRITUOUS LIQUOR IN ANY PUBLIC PLACE, OTHER THAN A PUBLIC RIGHT OF WAY, WHERE CONSUMPTION OF THE FERMENTED MALT BEVERAGE OR MALT, VINOUS, OR SPIRITUOUS LIQUOR HAS BEEN SPECIFICALLY AUTHORIZED BY ORDINANCE, RESOLUTION, OR RULE ADOPTED BY A MUNICIPALITY, CITY AND COUNTY, OR COUNTY OR, FOR PURPOSES OF STATE PARKS, STATE WILDLIFE AREAS, OR OTHER PROPERTIES OPEN TO RECREATION THAT ARE UNDER THE SUPERVISION OF THE PARKS AND WILDLIFE COMMISSION CREATED IN ARTICLE 9 OF TITLE 33, BY THE PARKS AND WILDLIFE COMMISSION.

(5) It is unlawful for any person licensed to sell at retail pursuant to this article 47 or article 46 of this title 12:

(c) ~~Except as provided in section 18-13-122, C.R.S.,~~ To sell fermented malt beverages:

(I) To any person under the age of twenty-one years, ~~or~~ EXCEPT AS PROVIDED IN SECTION 18-13-122;

(II) To any person between the hours of 12 midnight and 8 a.m.; OR

(III) IN A SEALED CONTAINER ON CHRISTMAS DAY;

(k) (I) EXCEPT AS PROVIDED IN SUBSECTIONS (5)(k)(II), (5)(k)(IV), AND (5)(k)(V) OF THIS SECTION, to have on the licensed premises, if licensed as a retail liquor store, ~~or~~ liquor-licensed drugstore, OR FERMENTED MALT BEVERAGE RETAILER, any container that shows evidence of having once been opened or that contains a volume of liquor less than that specified on the label of ~~such~~ THE container; ~~except that~~

(II) (A) A person holding a retail liquor store or liquor-licensed drugstore license UNDER THIS ARTICLE 47 may have upon the licensed premises malt, vinous, or spirituous liquors in open containers when the open containers were brought on the licensed premises by and remain solely in the possession of the sales personnel of a person licensed to sell at wholesale pursuant to this ~~article~~ ARTICLE 47 for the purpose of sampling malt, vinous, or spirituous liquors by the retail LIQUOR STORE OR LIQUOR-LICENSED DRUGSTORE licensee only.

(B) A PERSON HOLDING A FERMENTED MALT BEVERAGE RETAILER'S LICENSE UNDER SECTION 12-46-107 (1)(a) MAY HAVE UPON THE LICENSED PREMISES FERMENTED MALT BEVERAGES IN OPEN CONTAINERS WHEN THE OPEN CONTAINERS WERE BROUGHT ONTO THE LICENSED PREMISES BY AND REMAIN SOLELY IN THE POSSESSION OF THE SALES PERSONNEL OF A PERSON LICENSED TO SELL AT WHOLESALE PURSUANT TO ARTICLE 46 OF THIS TITLE 12 FOR THE PURPOSE OF SAMPLING FERMENTED MALT BEVERAGES BY THE FERMENTED MALT BEVERAGE RETAILER LICENSEE ONLY.

(III) Nothing in this ~~paragraph (k)~~ shall apply SUBSECTION (5)(k) APPLIES to any liquor-licensed drugstore where the contents, or a portion ~~thereof~~ OF THE CONTENTS, have been used in compounding prescriptions.

~~(H)~~ (IV) Notwithstanding ~~subparagraph (I) of this paragraph (k)~~, It ~~shall~~ IS not be unlawful for a retail liquor store or liquor-licensed drugstore licensee to allow tastings to be conducted on ~~his or her~~ THE licensed premises if authorization for the tastings has been granted pursuant to section 12-47-301.

(V) A PERSON HOLDING A RETAIL LIQUOR STORE OR LIQUOR-LICENSED DRUGSTORE LICENSE UNDER THIS ARTICLE 47 OR A FERMENTED MALT BEVERAGE RETAILER'S LICENSE UNDER SECTION 12-46-107 (1)(a) MAY HAVE UPON THE LICENSED PREMISES AN OPEN CONTAINER OF AN ALCOHOL BEVERAGE PRODUCT THAT THE LICENSEE DISCOVERS TO BE DAMAGED OR DEFECTIVE SO LONG AS THE LICENSEE MARKS THE PRODUCT AS DAMAGED OR FOR RETURN AND STORES THE OPEN CONTAINER OUTSIDE THE SALES AREA OF THE LICENSED PREMISES UNTIL THE LICENSEE IS ABLE TO RETURN THE PRODUCT TO THE WHOLESALER FROM WHOM THE PRODUCT WAS PURCHASED.

(p) (I) (B) Except as provided in ~~subparagraph (H) of this paragraph~~

~~(p)~~ SUBSECTION (5)(p)(II) OF THIS SECTION, to employ a person who is at least eighteen years of age but under twenty-one years of age to sell or dispense malt, vinous, or spirituous liquors unless the employee is supervised by another person who is on the licensed premises and is at least twenty-one years of age; EXCEPT THAT THIS SUBSECTION (5)(p)(I)(B) DOES NOT APPLY TO A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407 OR A LIQUOR-LICENSED DRUGSTORE LICENSED UNDER SECTION 12-47-408;

(II) If licensed as a tavern under section 12-47-412 that does not regularly serve meals OR a lodging and entertainment facility under section 12-47-426 that does not regularly serve meals, ~~a retail liquor store under section 12-47-407, or a liquor-licensed drugstore under section 12-47-408,~~ to permit an employee who is under twenty-one years of age to sell malt, vinous, or spirituous liquors; or

(III) If licensed as a retail liquor store under section 12-47-407, ~~or~~ a liquor-licensed drugstore under section 12-47-408, OR A FERMENTED MALT BEVERAGE RETAILER UNDER SECTION 12-46-107 (1)(a), to permit an employee who is under twenty-one years of age to deliver ~~or otherwise have any contact with~~ malt, vinous, or spirituous liquors OR FERMENTED MALT BEVERAGES offered for sale on, or sold and removed from, the licensed premises of the retail liquor store, ~~or~~ liquor-licensed drugstore, OR FERMENTED MALT BEVERAGE RETAILER.

(9) (b) This subsection (9) applies to persons licensed or permitted to sell or serve alcohol beverages for consumption on the licensed premises pursuant to section ~~12-46-107 (1)(b)~~, 12-47-403, 12-47-409, 12-47-410, 12-47-411, 12-47-412, 12-47-413, 12-47-414, 12-47-415, 12-47-416, 12-47-417, 12-47-418, 12-47-419, 12-47-420, 12-47-422, 12-47-424, or 12-47-426.

(10) (a) Except as provided in ~~paragraph (b) of this subsection (10), it is unlawful for~~ SUBSECTION (10)(b) OF THIS SECTION, a retail licensee or an employee of a retail licensee ~~to~~ SHALL NOT sell malt, vinous, or spirituous liquors OR FERMENTED MALT BEVERAGES to a consumer for consumption off the licensed premises unless the retail licensee or employee verifies that the consumer is at least twenty-one years of age by requiring the consumer to present a valid identification, as determined by the state licensing authority by rule. The retail licensee or employee shall make a determination from the information presented whether the purchaser is at

least twenty-one years of age.

(b) It is not unlawful for a retail licensee or employee of a retail licensee to sell malt, vinous, or spirituous liquors OR FERMENTED MALT BEVERAGES to a consumer who is or reasonably appears to be over fifty years of age and who failed to present an acceptable form of identification.

(c) As used in this subsection (10), "retail licensee" means a person licensed under section ~~12-46-104 (1)(c)~~ **12-46-107 (1)(a)**, 12-47-407, or 12-47-408.

SECTION 12. Appropriation. (1) For the 2018-19 state fiscal year, \$91,092 is appropriated to the department of revenue. This appropriation is from the liquor enforcement division and state licensing authority cash fund created in section 24-35-401, C.R.S. To implement this act, the department may use this appropriation as follows:

(a) \$65,506 for use by the liquor and tobacco enforcement division for personal services, which amount is based on an assumption that the division will require an additional 1.0 FTE;

(b) \$14,930 for use by the liquor and tobacco enforcement division for operating expenses; and

(c) \$10,656 for the purchase of legal services.

(2) For the 2018-19 state fiscal year, \$10,656 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(c) of this section and is based on an assumption that the department of law will require an additional 0.1 FTE. To implement this act, the department of law may use this appropriation to provide legal services for the department of revenue.

SECTION 13. Effective date. (1) Except as provided in subsections (2) and (3) of this section, this act takes effect upon passage.

(2) Section 3 of this act; section 12-46-107 (4), (5), and (6), as enacted in section 4 of this act; section 12-47-407 (2) and (3), as amended in section 8 of this act; section 12-47-408 (2)(a)(II), (2)(a)(III), and (3), as amended in section 9 of this act; section 12-47-408 (8), as enacted in

section 9 of this act; and section 11 of this act take effect January 1, 2019.

(3) Section 12-47-301 (8), as amended in section 5 of this act, takes effect July 1, 2019.

SECTION 14. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Kevin J. Grantham
PRESIDENT OF
THE SENATE

Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Effie Ameen
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO