

**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 16-197

BY SENATOR(S) Steadman, Baumgardner, Grantham, Heath, Hill, Hodge, Holbert, Martinez Humenik, Ulibarri, Woods, Cadman; also REPRESENTATIVE(S) Williams and Nordberg, Arndt, Becker K., Esgar, Ginal, Joshi, Kraft-Tharp, Navarro, Roupe, Ryden, Thurlow.

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

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

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

**12-47-408. Liquor-licensed drugstore license - multiple licenses permitted - requirements - repeal.** (1) (a) (I) A liquor-licensed drugstore license shall be issued to persons selling malt, vinous, and spirituous

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

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), 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.

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

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

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

(b) (I) ON OR AFTER JANUARY 1, 2017, TO QUALIFY FOR AN ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSE UNDER THIS SECTION, A LIQUOR-LICENSED DRUGSTORE LICENSEE, OR A RETAIL LIQUOR STORE LICENSEE THAT WAS LICENSED AS A LIQUOR-LICENSED DRUGSTORE ON FEBRUARY 21, 2016, MUST APPLY TO THE STATE AND LOCAL LICENSING AUTHORITIES, AS PART OF A SINGLE APPLICATION, FOR A TRANSFER OF OWNERSHIP OF AT LEAST TWO LICENSED RETAIL LIQUOR STORES THAT WERE LICENSED OR HAD APPLIED FOR A LICENSE ON OR BEFORE MAY 1, 2016, A CHANGE OF LOCATION OF ONE OF THE RETAIL LIQUOR STORES, AND A MERGER AND CONVERSION OF THE RETAIL LIQUOR STORE LICENSES INTO A SINGLE LIQUOR-LICENSED DRUGSTORE LICENSE. THE APPLICANT MAY APPLY FOR A TRANSFER, CHANGE OF LOCATION, AND MERGER AND CONVERSION ONLY IF ALL OF THE FOLLOWING REQUIREMENTS ARE MET:

(A) THE RETAIL LIQUOR STORES THAT ARE THE SUBJECT OF THE TRANSFER OF OWNERSHIP ARE LOCATED WITHIN THE SAME LOCAL LICENSING AUTHORITY JURISDICTION AS THE DRUGSTORE PREMISES FOR WHICH THE APPLICANT IS SEEKING A LIQUOR-LICENSED DRUGSTORE LICENSE, AND, IF ANY RETAIL LIQUOR STORES ARE LOCATED WITHIN ONE THOUSAND FIVE HUNDRED FEET OF THE DRUGSTORE PREMISES OR, FOR A DRUGSTORE PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER, WITHIN THREE THOUSAND FEET OF THE DRUGSTORE PREMISES, THE APPLICANT APPLIES TO TRANSFER OWNERSHIP OF ALL RETAIL LIQUOR STORES LOCATED WITHIN THAT DISTANCE. IF THERE ARE NO LICENSED RETAIL LIQUOR STORES OR ONLY ONE LICENSED RETAIL LIQUOR STORE WITHIN THE SAME LOCAL LICENSING AUTHORITY JURISDICTION AS THE DRUGSTORE PREMISES FOR WHICH A LIQUOR-LICENSED DRUGSTORE LICENSE IS SOUGHT, THE APPLICANT SHALL APPLY TO TRANSFER OWNERSHIP OF ONE OR TWO RETAIL LIQUOR STORES, AS NECESSARY, THAT ARE LOCATED IN THE LOCAL LICENSING AUTHORITY JURISDICTION THAT IS NEAREST TO THE JURISDICTION IN WHICH THE DRUGSTORE PREMISES IS LOCATED.

(B) UPON TRANSFER AND CONVERSION OF THE RETAIL LIQUOR STORE LICENSES TO A SINGLE LIQUOR-LICENSED DRUGSTORE LICENSE, THE DRUGSTORE PREMISES FOR WHICH THE LIQUOR-LICENSED DRUGSTORE LICENSE IS SOUGHT WILL BE LOCATED AT LEAST ONE THOUSAND FIVE HUNDRED FEET FROM ALL LICENSED RETAIL LIQUOR STORES THAT ARE WITHIN THE SAME LOCAL LICENSING AUTHORITY JURISDICTION AS THE DRUGSTORE PREMISES OR, FOR A DRUGSTORE PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER, AT LEAST THREE THOUSAND FEET FROM ALL LICENSED RETAIL LIQUOR STORES THAT ARE WITHIN THE SAME LOCAL LICENSING AUTHORITY JURISDICTION AS THE DRUGSTORE PREMISES.

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

(III) IN MAKING ITS DETERMINATION ON THE TRANSFER OF OWNERSHIP, CHANGE OF LOCATION, AND LICENSE MERGER AND

CONVERSION APPLICATION, THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE REASONABLE REQUIREMENTS OF THE NEIGHBORHOOD AND THE DESIRES OF THE ADULT INHABITANTS IN ACCORDANCE WITH SECTION 12-47-312.

(IV) IN ADDITION TO ANY OTHER REQUIREMENTS FOR LICENSURE UNDER THIS SECTION OR ARTICLE, A PERSON APPLYING FOR A NEW LIQUOR-LICENSED DRUGSTORE LICENSE IN ACCORDANCE WITH THIS PARAGRAPH (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) MUST:

(A) PROVIDE EVIDENCE TO THE STATE AND LOCAL LICENSING AUTHORITIES THAT AT LEAST TWENTY PERCENT OF THE LICENSEE'S GROSS ANNUAL INCOME DERIVED FROM TOTAL SALES DURING THE PRIOR TWELVE MONTHS AT THE DRUGSTORE PREMISES FOR WHICH A NEW OR RENEWAL LICENSES IS SOUGHT IS FROM THE SALE OF FOOD ITEMS, AS DEFINED BY THE STATE LICENSING AUTHORITY BY RULE; AND

(B) BE OPEN TO THE PUBLIC.

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

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

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

(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 TRANSACTION BY AN EMPLOYEE OF THE LIQUOR-LICENSED DRUGSTORE;

(IV) REQUIRE, IN ACCORDANCE WITH SECTION 12-47-901 (10), CONSUMERS ATTEMPTING TO PURCHASE MALT, VINOUS, OR SPIRITUOUS

LIQUORS TO PRESENT A VALID IDENTIFICATION, AS DETERMINED BY THE STATE LICENSING AUTHORITY BY RULE; AND

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

(b) A PERSON LICENSED UNDER THIS SECTION ON OR AFTER JANUARY 1, 2017, SHALL NOT PURCHASE MALT, VINOUS, OR SPIRITUOUS LIQUORS FROM A WHOLESALER ON CREDIT AND SHALL EFFECT PAYMENT UPON DELIVERY OF THE ALCOHOL BEVERAGES.

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

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

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

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

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

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

(A) ON OR AFTER JANUARY 1, 2017, 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) HAS NOT BEEN CONVICTED OF ANY FELONY WITHIN THE FIVE

YEARS IMMEDIATELY PRECEDING THE DATE ON WHICH THE APPLICATION IS SUBMITTED; EXCEPT THAT IN CONSIDERING THE CONVICTION OF A FELONY, THE STATE LICENSING AUTHORITY IS GOVERNED BY SECTION 24-5-101, C.R.S.;

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

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

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

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

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

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

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

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

(4) IN RECOGNITION OF THE STATE'S FLOURISHING LOCAL BREWERIES, WINERIES, AND DISTILLERIES THAT LOCALLY PRODUCE HIGH-QUALITY MALT, VINOUS, AND SPIRITUOUS LIQUORS, MANAGERS OF LIQUOR-LICENSED DRUGSTORES ARE ENCOURAGED TO PURCHASE AND PROMOTE LOCALLY-PRODUCED ALCOHOL BEVERAGE PRODUCTS IN THEIR LIQUOR-LICENSED DRUGSTORES.

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



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

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

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

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

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

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

**SECTION 5.** In Colorado Revised Statutes, **add** 12-46-109 as follows:

**12-46-109. Liquor industry working group - creation - duties -**

**report - repeal.** (1) THE STATE LICENSING AUTHORITY SHALL CONVENE A LIQUOR INDUSTRY WORKING GROUP TO DEVELOP AN IMPLEMENTATION PROCESS FOR GROCERY AND CONVENIENCE STORES TO APPLY FOR A LICENSE TO SELL MALT LIQUOR AND FERMENTED MALT BEVERAGES CONTAINING AT LEAST ONE-HALF PERCENT ALCOHOL BY VOLUME STARTING JANUARY 1, 2019. THE WORKING GROUP SHALL ANALYZE THE IMPACT THAT REMOVING THE ALCOHOL CONTENT LIMIT ON FERMENTED MALT BEVERAGES WILL HAVE ON THE ALCOHOL BEVERAGE INDUSTRY AS A WHOLE, AS WELL AS ON CURRENT RETAIL LICENSEES, AND SHALL CONSIDER OTHER LEGISLATIVE, REGULATORY, OR ADMINISTRATIVE CHANGES NECESSARY TO PROMOTE THE THREE-TIERED DISTRIBUTION SYSTEM IN COLORADO. ADDITIONALLY, THE WORKING GROUP SHALL EXAMINE AND MAKE RECOMMENDATIONS REGARDING LAWS GOVERNING TASTINGS CONDUCTED ON RETAIL PREMISES LICENSED UNDER ARTICLE 47 OF THIS TITLE AND THE ABILITY OF RETAIL LIQUOR STORES LICENSED UNDER SECTION 12-47-407 TO SELL GROWLERS CONTAINING MALT LIQUORS.

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

- (a) A MEMBER FROM THE DEPARTMENT OF REVENUE;
- (b) A MEMBER FROM THE LIQUOR ENFORCEMENT DIVISION IN THE DEPARTMENT OF REVENUE;
- (c) A MEMBER FROM THE ATTORNEY GENERAL'S OFFICE;
- (d) A MEMBER REPRESENTING MUNICIPAL GOVERNMENT;
- (e) A MEMBER REPRESENTING COUNTY GOVERNMENT;
- (f) A MEMBER REPRESENTING COMMUNITY PREVENTION;
- (g) A MEMBER REPRESENTING LAW ENFORCEMENT;
- (h) TWO MEMBERS REPRESENTING LARGE BREWERIES;
- (i) TWO MEMBERS REPRESENTING SMALL BREWERIES;

- (j) ONE MEMBER REPRESENTING A NATIONAL DISTILLERY;
  - (k) ONE MEMBER REPRESENTING A COLORADO DISTILLERY;
  - (l) THREE MEMBERS REPRESENTING RETAIL LIQUOR STORE LICENSEES, ONE OF WHICH MUST REPRESENT A SMALL RETAIL LIQUOR STORE LICENSEE;
  - (m) ONE MEMBER REPRESENTING A STATEWIDE OFF-PREMISES RETAIL LICENSEE;
  - (n) TWO MEMBERS REPRESENTING PERSONS LICENSED UNDER SECTION 12-47-411;
  - (o) ONE MEMBER REPRESENTING PERSONS LICENSED UNDER SECTION 12-47-412;
  - (p) TWO MEMBERS REPRESENTING LICENSED WHOLESALERS;
  - (q) ONE MEMBER REPRESENTING A NATIONAL VINOUS LIQUORS MANUFACTURER;
  - (r) ONE MEMBER REPRESENTING A COLORADO VINOUS LIQUORS MANUFACTURER;
  - (s) TWO ATTORNEYS WHO PRACTICE IN THE AREA OF LIQUOR LAW AND REGULATION;
  - (t) ONE MEMBER REPRESENTING MOTHERS AGAINST DRUNK DRIVING OR ITS SUCCESSOR ORGANIZATION;
  - (u) TWO MEMBERS REPRESENTING GROCERY STORES;
  - (v) TWO MEMBERS REPRESENTING CONVENIENCE STORES; AND
  - (w) TWO MEMBERS OF THE PUBLIC.
- (3) THE LIQUOR INDUSTRY WORKING GROUP SHALL CONVENE AS SOON AS PRACTICABLE AFTER THE EFFECTIVE DATE OF THIS SECTION, BUT NO LATER THAN AUGUST 1, 2016, AND BY JANUARY 1, 2018, SHALL REPORT

ITS FINDINGS AND RECOMMENDATIONS FOR AN IMPLEMENTATION PROCESS, INCLUDING ANY LEGISLATIVE OR ADMINISTRATIVE RECOMMENDATIONS, TO THE SENATE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE AND THE HOUSE OF REPRESENTATIVES BUSINESS AFFAIRS AND LABOR COMMITTEE, OR THEIR SUCCESSOR COMMITTEES.

(4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2019.

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

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

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

(31) "Retail liquor store" means an establishment engaged only in the sale of malt, vinous, and spirituous liquors and ~~soft drinks and mixers, all in sealed containers for consumption off the premises; tobaccos, tobacco products, smokers' supplies, and nonfood items related to the consumption of such beverages; and liquor-filled candy and food items approved by the state licensing authority, which are prepackaged, labeled, and directly related to the consumption of such beverages and are sold solely for the purpose of cocktail garnish in containers up to sixteen ounces. Nothing in this section shall be construed to authorize the sale of food items that could constitute a snack, a meal, or portion of a meal~~ NONALCOHOL PRODUCTS, BUT ONLY IF THE ANNUAL GROSS REVENUES FROM THE SALE OF NONALCOHOL PRODUCTS DOES NOT EXCEED TWENTY PERCENT OF THE RETAIL LIQUOR STORE'S TOTAL ANNUAL GROSS REVENUES.

**SECTION 7.** In Colorado Revised Statutes, 12-47-202, **amend** (2) (a) (I) introductory portion; **repeal** (2) (a) (I) (S); and **add** (2) (b) (II.5) as follows:

**12-47-202. Duties of state licensing authority.** (2) (a) (I) Rules

~~made~~ ADOPTED pursuant to paragraph (b) of subsection (1) of this section may cover, ~~but shall not be limited to~~ WITHOUT LIMITATION, the following subjects:

~~(S) The testing of the alcohol content of malt liquor and fermented malt beverage sold by persons licensed pursuant to this article or article 46 of this title. The state licensing authority shall adopt such rules no later than January 1, 2011.~~

(b) (II.5) NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE CONTRARY, A LIQUOR-LICENSED DRUGSTORE LICENSED UNDER SECTION 12-47-408 ON OR AFTER JANUARY 1, 2017, SHALL NOT PURCHASE ALCOHOL BEVERAGES ON CREDIT OR ACCEPT AN OFFER OR EXTENSION OF CREDIT FROM A LICENSEE AND SHALL EFFECT PAYMENT UPON DELIVERY OF THE ALCOHOL BEVERAGES.

**SECTION 8.** In Colorado Revised Statutes, 12-47-301, **amend** (9); and **add** (12) as follows:

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

(II) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS PARAGRAPH (a), 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.

(b) (I) In permitting ~~such~~ A change of location, ~~such~~ THE licensing authorities shall consider the reasonable requirements of the neighborhood to which the applicant seeks to change his or her location, the desires of the adult inhabitants as evidenced by petitions, remonstrances, or otherwise, and all reasonable restrictions that are or may be placed upon the new

district by the council, board of trustees, or licensing authority of the city, town, or city and county or by the board of county commissioners of any county.

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

(12) (a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, ON AND AFTER JULY 1, 2016, THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT ISSUE A NEW LICENSE UNDER THIS ARTICLE 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.

(b) FOR PURPOSES OF THIS SUBSECTION (12), A LICENSE UNDER THIS ARTICLE 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 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) 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 9.** In Colorado Revised Statutes, 12-47-303, **amend** (1) (c) and (2); and **add** (1) (d) as follows:

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

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

(II) A LICENSE MERGER AND CONVERSION AS PROVIDED FOR IN SECTION 12-47-408 (1) (b) INCLUDES A TRANSFER OF OWNERSHIP OF AT LEAST TWO RETAIL LIQUOR STORES, A CHANGE OF LOCATION OF ONE OF THE RETAIL LIQUOR STORES, AND A MERGER AND CONVERSION OF THE RETAIL LIQUOR STORE LICENSES INTO A SINGLE LIQUOR-LICENSED DRUGSTORE LICENSE, ALL AS PART OF A SINGLE TRANSACTION, AND THE LIQUOR-LICENSED DRUGSTORE APPLICANT NEED NOT APPLY SEPARATELY FOR A TRANSFER OF OWNERSHIP UNDER THIS SECTION. THE LIQUOR-LICENSED DRUGSTORE APPLYING FOR A LICENSE MERGER AND CONVERSION PURSUANT TO SECTION 12-47-408 (1) (b) IS INELIGIBLE FOR A TEMPORARY PERMIT PURSUANT TO THIS SECTION. THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE REASONABLE REQUIREMENTS OF THE NEIGHBORHOOD PURSUANT TO SECTION 12-47-312 WHEN MAKING A DETERMINATION ON THE MERGER AND CONVERSION OF THE RETAIL LIQUOR STORE LICENSES INTO A SINGLE LIQUOR-LICENSED DRUGSTORE LICENSE. THE LOCAL LICENSING AUTHORITY MAY HOLD A HEARING ON THE APPLICATION

FOR THE LICENSE MERGER AND CONVERSION AFTER PROVIDING NOTICE IN ACCORDANCE WITH SUBPARAGRAPH (III) OF THIS PARAGRAPH (c).

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

(d) THE STATE OR A LOCAL LICENSING AUTHORITY SHALL NOT APPROVE A TRANSFER OF OWNERSHIP UNDER THIS SUBSECTION (1) UNTIL THE APPLICANT FILES WITH THE LOCAL LICENSING AUTHORITY CONFIRMATION FROM EACH WHOLESALER LICENSED UNDER THIS ARTICLE THAT HAS SOLD ALCOHOL BEVERAGES TO THE TRANSFEROR THAT THE WHOLESALER HAS BEEN PAID IN FULL FOR ALL ALCOHOL BEVERAGES DELIVERED TO THE TRANSFEROR.

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

**SECTION 10.** In Colorado Revised Statutes, 12-47-312, **amend** (2) (a) as follows:

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

(2) (a) Before entering any decision approving or denying the application, the local licensing authority shall consider, except where this article specifically provides otherwise, the facts and evidence adduced as a result of its investigation, as well as any other facts, the reasonable requirements



of the neighborhood for the type of license for which application has been made, the desires of the adult inhabitants, the number, type, and availability of alcohol beverage outlets located in or near the neighborhood under consideration, and any other pertinent matters affecting the qualifications of the applicant for the conduct of the type of business proposed; except that the reasonable requirements of the neighborhood shall not be considered in the issuance of a club liquor license. ~~The reasonable requirements of the neighborhood may, but are not required to, be considered in the conversion or transfer of a liquor-licensed drugstore license to a retail liquor store license~~ FOR THE MERGER AND CONVERSION OF RETAIL LIQUOR STORE LICENSES TO A SINGLE LIQUOR-LICENSED DRUGSTORE LICENSE IN ACCORDANCE WITH SECTION 12-47-408(1)(b), THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE REASONABLE REQUIREMENTS OF THE NEIGHBORHOOD AND THE DESIRES OF THE ADULT INHABITANTS OF THE NEIGHBORHOOD.

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

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

(x) MANAGER'S PERMIT.

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

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

(b) NOTHING IN THIS SECTION PROHIBITS A WHOLESALER FROM

ESTABLISHING REASONABLE ALLOCATION PROCEDURES WHEN THE ANTICIPATED DEMAND FOR A PRODUCT IS GREATER THAN THE SUPPLY OF THE PRODUCT.

**SECTION 13.** In Colorado Revised Statutes, 12-47-407, **amend** (1) and (4); **repeal** (5); and **add** (6) as follows:

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

(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.

(b) In addition, retail liquor stores may sell ~~nonfood items related to the consumption of such liquors, liquor-filled candy, and food items approved by the state licensing authority that are prepackaged, labeled, directly related to the consumption of such liquors, and sold solely for the purpose of cocktail garnish in containers up to sixteen ounces. Nothing in this section shall be construed to authorize the sale of food items that could constitute a snack, a meal, or a portion of a meal~~ ANY NONALCOHOL PRODUCTS, BUT ONLY IF THE ANNUAL GROSS REVENUES FROM THE SALE OF NONALCOHOLIC PRODUCTS DO NOT EXCEED TWENTY PERCENT OF THE RETAIL LIQUOR STORE'S TOTAL ANNUAL GROSS REVENUES.

(c) Nothing in this section or in section 12-47-103 (31) ~~shall be~~

~~construed to prohibit the sale of items by~~ PROHIBITS a LICENSED retail liquor store FROM:

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

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

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

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

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

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

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

(III) FOR A RETAIL LIQUOR STORE LICENSED ON OR BEFORE JANUARY 1, 2016, AND WHOSE LICENSE HOLDER IS A COLORADO RESIDENT,

ADDITIONAL RETAIL LIQUOR STORE LICENSES AS FOLLOWS, BUT ONLY IF THE PREMISES FOR WHICH A LICENSE IS SOUGHT SATISFIES THE DISTANCE REQUIREMENTS SPECIFIED IN SUBPARAGRAPH (II) OF PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION:

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

(B) ON OR AFTER JANUARY 1, 2022, AND BEFORE JANUARY 1, 2027, UP TO TWO ADDITIONAL RETAIL LIQUOR STORE LICENSES, FOR A MAXIMUM OF THREE TOTAL RETAIL LIQUOR STORE LICENSES; AND

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

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

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

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

**SECTION 14.** In Colorado Revised Statutes, 12-47-501, **amend** (2) (a) (XIV); and **add** (1) (u), (2) (a) (XVI), and (2) (a) (XVII) as follows:

**12-47-501. State fees.** (1) The following license and permit fees shall be paid to the department of revenue annually in advance:

(u) FOR EACH MANAGER'S PERMIT, ONE HUNDRED DOLLARS.

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

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

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

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

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

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

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

**SECTION 16.** In Colorado Revised Statutes, 12-47-901, **amend** (5) introductory portion, (5) (a) (I), and (5) (c); **repeal** (8); and **add** (5) (p) and (10) as follows:

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

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

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

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

(B) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (p), 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;

(II) IF LICENSED AS A TAVERN UNDER SECTION 12-47-412, 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,

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 OFFERED FOR SALE ON, OR SOLD AND REMOVED FROM, THE LICENSED PREMISES OF THE RETAIL LIQUOR STORE OR LIQUOR-LICENSED DRUGSTORE.

~~(8) It is unlawful for any manufacturer or wholesaler licensed pursuant to article 46 of this title to sell, deliver, or cause to be delivered to any person licensed pursuant to section 12-47-407 or 12-47-408 any beverage containing alcohol in excess of three and two-tenths percent by weight or four percent by volume, or for any fermented malt beverage retailer licensed pursuant to article 46 of this title to sell, possess, or permit the consumption on the premises of any of the beverages containing alcohol in excess of three and two-tenths percent by weight or four percent by volume, or for any fermented malt beverage retail licensee licensed pursuant to article 46 of this title to hold or operate under any license for the sale of any beverages containing alcohol in excess of three and two-tenths percent by weight or four percent by volume for the same premises. Any violation of this subsection (8) by any fermented malt beverage licensee licensed pursuant to article 46 of this title immediately invalidates the license granted under article 46 of this title.~~

(10) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (10), IT IS UNLAWFUL FOR A RETAIL LICENSEE OR AN EMPLOYEE OF A RETAIL LICENSEE TO SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS 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 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), 12-47-407, OR 12-47-408.

**SECTION 17.** In Colorado Revised Statutes, 12-47-104, **amend** (2) (c) as follows:

**12-47-104. Wine shipments - permits.** (2) A winery direct shipper's permit may be issued to only a person who applies for such permit to the state licensing authority and who:

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

**SECTION 18. Appropriation.** (1) For the 2016-17 state fiscal year, \$398,682 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) \$153,195 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 2.4 FTE;

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

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

(2) For the 2016-17 state fiscal year, \$228,024 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of revenue under paragraph (c) of subsection (1) of this section and is based on an assumption that the department of law will require an additional 1.3 FTE. To implement this act, the department of law may use this appropriation to provide legal services for the department of revenue.

(3) For the 2016-17 state fiscal year, \$2,135 is appropriated to the department of public safety for use by the Colorado bureau of investigation.



This appropriation is from the Colorado bureau of investigation identification unit fund created in section 24-33.5-426, C.R.S. To implement this act, the bureau may use this appropriation for personal services and operating expenses related to identification.

**SECTION 19. Effective date.** This act takes effect July 1, 2016; except that sections 3 and 4 of this act, section 12-47-103 (19), Colorado Revised Statutes, as amended in section 6 of this act, section 12-47-202 (2) (a) (I) (S), Colorado Revised Statutes, as repealed in section 7 of this act, and section 12-47-901 (8), Colorado Revised Statutes, as repealed in section 16 of this act, take effect January 1, 2019.

**SECTION 20. 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.

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Bill L. Cadman  
PRESIDENT OF  
THE SENATE

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Dickey Lee Hullinghorst  
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