



Legislative Council Staff

Research Note

Version: Final

Date: 5/23/2017

Bill Number

Senate Bill 17-199

Sponsors

**Senators Neville T. & Kerr
Representatives Winter & Liston**

Short Title

***Retail Liquor Stores Additional
Licenses***

Research Analyst

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Status

This research note reflects the final version of the bill, which was postponed indefinitely by the Senate Appropriations Committee on April 6, 2017.

Background

Senate Bill 16-197, signed into law June 10, 2016, allowed Colorado retail liquor store licensees to obtain additional retail liquor store licenses based on a phased-in schedule. The schedule permitted retail liquor stores to obtain up to four licenses over a 20-year period. Liquor-licensed drug stores, under the law, would eventually be permitted unlimited licenses over the same time frame.

In addition, the new law made additional changes to retail liquor licensing including:

- establishing radius requirements for any new retail license;
- allowing a liquor-licensed drugstore licensee to obtain additional licenses by purchasing at least two retail liquor stores and converting them to a new liquor-licensed drugstore license, subject to radius requirements;
- prohibiting employees under 21 years of age from selling alcohol;
- requiring that licensees verify that consumers are over 21 years of age and that consumers present a valid identification card in order to purchase alcohol; and
- allowing retail liquor stores to sell additional food and nonalcohol products.

The bill would have made changes to SB 16-197 by, among other things, specifying that the 20 percent limit on nonalcohol product sales excludes ice, non-alcoholic beverages, lottery tickets, and tobacco and nicotine products; prohibiting employees who are under 21 from delivering or having contact with alcohol, and aligning the phased-in licensing schedule to match the

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requirements of liquor-licensed drug stores. The revised licensing requirements further specify that retail licensees must transfer ownership of at least two retail liquor stores and all retail liquor store licenses within the radius restriction, and merge the licenses into a single retail license.

Senate Action

Senate Business, Labor, and Technology Committee (March 14, 2017). At the hearing, representatives from Applejack Liquor, Molly's Spirits, PJ's, and Happy Canyon Liquors spoke in favor of the bill. The Colorado Licensed Beverage Association, Coloradan's for Safety, and several owners of retail liquor stores spoke in opposition to the bill. A representative from the Liquor Enforcement Division within the Department of Regulatory Agencies responded to questions from the committee.

The committee adopted amendments L.001, L.002, and L.007 and referred the bill, as amended, to the Senate Finance Committee. Amendment L.001 changed the date for implementation of the new licensing schedule from July 1, 2017, to January 1, 2022.

Amendment L.002 clarified that, in the event that a retail liquor store moves to a new location, that new location must be outside the established radius restriction.

Amendment L.007 clarified that, to be a retail liquor store, 50 percent of an establishment's annual sales must be from the sale of malt, vinous, and spiritous liquors and that revenue from soft drinks, tobacco products, and nonfood items related to the consumption of alcohol are excluded from the calculations of revenue.

Senate Finance Committee (March 21, 2017). At the hearing, representatives from Applejack Liquor, Molly's Spirits, and Happy Canyon Liquors spoke in favor of the bill. A representative from the Colorado Licensed Beverage Association spoke in opposition to the bill.

The committee referred the bill to the Senate Appropriations Committee.

Senate Appropriations Committee (April 6, 2017). The committee postponed the bill indefinitely.

Relevant Research

Legislative Council Staff, Senate Bill 16-197: Changes to Retail Liquor Sales, Issue Brief, August 2016:
http://leg.colorado.gov/sites/default/files/senate_bill_16-197_changes_to_retail_liquor_sales_16-08_2016.pdf

Legislative Council Staff, Overview of Colorado Liquor Licensing Law, November 2016:
http://leg.colorado.gov/sites/default/files/17correctedmemorandum_providing_overview_of_colorado_liquor_laws_8312016.pdf