A BILL FOR AN ACT

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

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

Under current law, effective January 1, 2019, the limitation on the maximum alcohol content of fermented malt beverages, also referred to as "3.2% beer", is eliminated, thereby allowing grocery stores, convenience stores, and any other person currently licensed or licensed in the future to sell fermented malt beverages for consumption on or off the licensed premises to sell fermented malt beverages containing more
than 3.2% alcohol by weight or 4% alcohol by volume, referred to as "malt liquor".

The bill modifies laws governing the retail sale of fermented malt beverages, which will be synonymous with malt liquor as of January 1, 2019, as follows:

- Effective January 1, 2019, prohibits a fermented malt beverage retailer's employees 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 (sections 3 and 11 of the bill);

- As of the effective date of the bill, 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 on or after that date (sections 2 and 4);

- For fermented malt beverage retailer licenses authorizing the sale of malt liquor for off-premises consumption issued or renewed on or after January 1, 2019, the retailer: Must derive at least 20% of its gross annual sales revenues from the sale of food items and, for an establishment that is less than 10,000 square feet in size, must limit the shelf space dedicated to the sale of malt liquor to 100 linear feet, or, for a licensed premises that is 10,000 square feet or more in size, must limit the shelf space dedicated to the sale of malt liquor to 300 linear feet; cannot sell malt liquor to consumers at a price that is below the retailer's cost to purchase the malt liquor, with limited exceptions; cannot allow customers to use a self-checkout mechanism to purchase malt liquor; and may operate under a single or consolidated corporate entity but cannot commingle purchases for multiple licensed premises to secure a better wholesale price based on total product volume purchased (section 4);

- As of the effective date of the bill, allows a local licensing authority to deny a new fermented malt beverage retailer's license if issuance of the new license would create an undue concentration of licenses that allow the sale of alcohol beverages at retail for off-premises consumption and require additional law enforcement resources (sections 5 and 7);

- As of the effective date of the bill, prohibits the state and local licensing authorities from issuing a new fermented malt beverage retailer's license authorizing the sale of malt
liquor for off-premises consumption or allowing a fermented malt beverage retailer to relocate its licensed premises, if the licensed premises is or will be located within 1,500 feet of a licensed retail liquor store; for a premises located in a municipality with a population of 10,000 or fewer, within 3,000 feet of a licensed retail liquor store; or for a premises located in a municipality with a population of 10,000 or fewer that is contiguous to the city and county of Denver, within 1,500 feet of a licensed retail liquor store (section 5);

As of the effective date of the bill, precludes issuance of a new fermented malt beverage retailer's license or the relocation of an existing fermented malt beverage retail licensed premises if the building in which malt liquor will be sold is located within 500 feet of a school, unless an exception applies or the local licensing authority or local governing body authorizes an exception within its jurisdiction (section 7);

Allows a local licensing authority to adopt a temporary moratorium on the issuance of new fermented malt beverage retailer's licenses between the effective date of the bill and December 31, 2018 (section 7);

Prohibits the sale of malt liquor in a sealed container by a fermented malt beverage retailer on Christmas day (section 11); and

Requires a licensed fermented malt beverage retailer to check the identification of its customers who attempt to purchase malt liquor to verify each customer is at least 21 years of age (section 11).

With regard to the retail sale of malt, vinous, or spirituous liquors by retail liquor stores or liquor-licensed drugstores, the bill:

Modifies requirements pertaining to the delivery of malt, vinous, or spirituous liquors by a retail liquor store or liquor-licensed drugstore to: Require the delivery to be made by a store employee who is at least 21 years of age and is using a store-owned or store-leased vehicle; require the person delivering the product to verify that the person receiving the delivery is at least 21 years of age; restrict the licensee to delivering alcohol beverages and items related to the service or consumption of alcohol beverages only; and limit total sales revenues from delivered alcohol beverage products to 50% of gross annual alcohol beverage sales (sections 8 and 9);

Modifies provisions governing tastings conducted at a retail liquor store or liquor-licensed drugstore, including
allowing tastings to be conducted: Between 11 a.m. and 9 p.m.; on up to 156 days per year; and by a representative of the alcohol beverage supplier (section 5);

! Specifies that if an employee or representative of an alcohol beverage supplier pours or serves the supplier's product during a tasting at a retail establishment, that service does not constitute labor provided by a supplier to a retail licensee (section 6);

! Allows a local licensing authority, when reviewing an application for a new retail liquor store license, to deny the application if issuance of the license would create an undue concentration of licenses that allow the sale of alcohol beverages at retail for off-premises consumption, rather than an undue concentration of the same class of license (sections 5 and 7);

! Applies the 1,500-foot radius restriction, rather than the 3,000-foot restriction, to a retail liquor store or liquor-licensed drugstore premises located in a municipality with a population of 10,000 or fewer that is contiguous to the city and county of Denver (sections 5, 8, and 9);

! Prohibits a retail liquor store from selling alcohol beverages to consumers at a price that is below the retailer's cost to purchase the alcohol beverages, with limited exceptions, and allows the same exceptions to the restriction on below-cost sales applicable to liquor-licensed drugstores under current law (sections 8 and 9);

! Allows retail liquor store and liquor-licensed drugstore licensees with multiple locations to operate under a single or consolidated corporate entity but prohibits commingled purchases for multiple licensed premises to secure a better wholesale price based on total product volume purchased (sections 8 and 9); and

! Allows a liquor-licensed drugstore that applied for its license after July 1, 2016, to obtain additional liquor-licensed drugstore licenses, if obtained in the manner specified in current law for other liquor-licensed drugstores to obtain additional licenses, as follows: a maximum of 2 licenses between January 1, 2019, and January 1, 2022; a maximum of 3 licenses between January 1, 2022, and January 1, 2027; and a maximum of 4 licenses on or after January 1, 2027 (section 9).

Current law prohibits the public consumption of malt, vinous, and spirituous liquors except on a premises licensed to sell alcohol beverages for consumption on the licensed premises. Section 11 includes fermented malt beverages within the prohibition against public consumption and
authorizes a local government, by rule, regulation, ordinance, or resolution, as applicable, and the parks and wildlife commission to authorize public consumption within their respective jurisdictions.

With regard to the enforcement authority of the state and local licensing authorities, section 10:

1. Specifies the fine amount, if a fine is imposed, when a licensed retail establishment sells alcohol beverages to minors or to visibly intoxicated persons; and
2. In determining the suspension or fine to impose for that violation, precludes consideration of violations that occurred more than 5 years before the current violation.

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 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:

(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 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 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 a person who is at least twenty-one years of age;

(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 establishes 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 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 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
(II) Notwithstanding subparagraph (I) of this paragraph (a) 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 forty 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 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 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
(3) (a) (I) It is unlawful for any person licensed to sell at retail pursuant to this article or article 46 of this title 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 located.

(II) This subsection (3) shall 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 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 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 A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE;

(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 47, a person applying for a new liquor-licensed drugstore license in accordance with this 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) 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 a person who is at least
TWENTY-ONE YEARS OF AGE;

(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 necessary for the proper delivery of malt, vinous, and spirituous liquors and shall have the authority to issue a permit to any liquor-licensed drugstore licensee that will allow such licensee to deliver such liquors pursuant to such rules and this subsection.

(3). Such permits shall be 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.

(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)(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 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) 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 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 (I) 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 (II)

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.

(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 WHOLESALE

(p) (I) (B) Except as provided in subparagraph (II) 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 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 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.