

CHAPTER 4

REVENUE - ACTIVITIES REGULATION

SENATE BILL 18-067

BY SENATOR(S) Zenzinger and Priola, Cooke, Coram, Donovan, Fenberg, Garcia, Guzman, Holbert, Jahn, Kefalas, Kerr, Martinez Humenik, Merrifield, Moreno, Smallwood, Tate, Todd, Williams A., Baumgardner, Court, Crowder, Fields, Jones, Lambert, Marble, Neville T., Scott, Sonnenberg, Grantham;
also REPRESENTATIVE(S) Kraft-Tharp and Van Winkle, Becker J., Benavidez, Bridges, Esgar, Garnett, Ginal, Gray, Hooton, Jackson, Kennedy, Lawrence, Leonard, McKean, McLachlan, Michaelson Jenet, Roberts, Sias, Thurlow, Winter, Wist, Becker K., Beckman, Buckner, Coleman, Hansen, Herod, Lebsock, Liston, Melton, Neville P., Reyher, Rosenthal, Valdez, Williams D.

AN ACT

CONCERNING THE ABILITY OF CERTAIN ORGANIZATIONS CONDUCTING A SPECIAL EVENT TO AUCTION ALCOHOL BEVERAGES IN SEALED CONTAINERS FOR FUNDRAISING PURPOSES UNDER SPECIFIED CIRCUMSTANCES.

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

SECTION 1. In Colorado Revised Statutes, **amend** 12-47-107 as follows:

12-47-107. Permitted acts - auctions at special events - definition. (1) Any person who has an interest in a liquor license may also be listed as an officer or director on a license owned by a municipality or governmental entity if such person does not individually manage or receive any direct financial benefit from the operation of such license.

(2) (a) AN ORGANIZATION THAT IS HOLDING A SPECIAL EVENT PURSUANT TO ARTICLE 48 OF THIS TITLE 12 MAY, SUBJECT TO THE REQUIREMENTS OF SUBSECTION (2)(b) OF THIS SECTION:

(I) BRING ONTO AND REMOVE FROM THE LICENSED PREMISES OR UNLICENSED PREMISES WHERE THE SPECIAL EVENT IS HELD ALCOHOL BEVERAGES IN SEALED CONTAINERS THAT WERE DONATED TO OR OTHERWISE LAWFULLY OBTAINED BY THE ORGANIZATION FOR FUNDRAISING PURPOSES; AND

(II) AUCTION THE ALCOHOL BEVERAGES IN SEALED CONTAINERS FOR FUNDRAISING PURPOSES WHILE ON THE LICENSED PREMISES OR UNLICENSED

Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

PREMISES WHERE THE SPECIAL EVENT IS HELD.

(b) (I) AN ORGANIZATION HOLDING A SPECIAL EVENT AND, IF THE SPECIAL EVENT IS HELD ON A LICENSED PREMISES, THE LICENSEE ON WHOSE LICENSED PREMISES THE SPECIAL EVENT IS HELD, OR, IF THE SPECIAL EVENT IS HELD ON UNLICENSED PREMISES, THE PERSON ON WHOSE UNLICENSED PREMISES THE SPECIAL EVENT IS HELD, SHALL ENSURE THAT ANY ALCOHOL BEVERAGES IN SEALED CONTAINERS BROUGHT ONTO, AUCTIONED AT, OR REMOVED FROM THE PREMISES REMAIN SEALED AT ALL TIMES WHILE ON THE PREMISES.

(II) THE LICENSEE ON WHOSE LICENSED PREMISES THE SPECIAL EVENT IS HELD OR THE PERSON ON WHOSE UNLICENSED PREMISES THE SPECIAL EVENT IS HELD, AS APPLICABLE, SHALL NOT REQUIRE OR ACCEPT ANY FEE FOR, PERCENTAGE OR PORTION OF THE PROCEEDS FROM, OR OTHER FINANCIAL BENEFIT SPECIFICALLY RELATED TO THE AUCTION OF ALCOHOL BEVERAGES IN SEALED CONTAINERS ON THE PREMISES.

(c) THE RETAIL VALUE OF ALCOHOL BEVERAGES DONATED TO AN ORGANIZATION PURSUANT TO THIS SECTION BY A RETAILER LICENSED UNDER SECTION 12-46-104 (1)(c), 12-47-407, OR 12-47-408 TO SELL ALCOHOL BEVERAGES AT RETAIL FOR CONSUMPTION OFF THE LICENSED PREMISES DOES NOT COUNT AGAINST THE ANNUAL LIMIT ON PURCHASES FROM THOSE RETAILERS SPECIFIED IN SECTION 12-47-409 (2), 12-47-411 (6)(b), 12-47-412 (2), 12-47-414 (2), 12-47-415 (3), 12-47-416 (2), 12-47-417 (4), 12-47-418 (2), 12-47-420 (3), 12-47-424 (4)(b), OR 12-47-426 (2).

(d) (I) A RETAILER LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 THAT DONATES ALCOHOL BEVERAGES TO AN ORGANIZATION PURSUANT TO THIS SECTION IS NOT LIABLE FOR ANY VIOLATION OF SECTION 12-47-901 COMMITTED BY THE ORGANIZATION OR OTHER PERSON ON THE PREMISES WHERE THE SPECIAL EVENT IS HELD OR INVOLVING THE DONATED ALCOHOL BEVERAGES IF THE LICENSED RETAILER THAT DONATED THE ALCOHOL BEVERAGES WAS NOT INVOLVED IN THE VIOLATION AND DID NOT ENGAGE IN ANY ACT OR OMISSION THAT CONSTITUTES AN UNLAWFUL ACT UNDER SECTION 12-47-901.

(II) THE STATE AND LOCAL LICENSING AUTHORITIES SHALL CONSIDER MITIGATING FACTORS, INCLUDING A LICENSEE'S LACK OF KNOWLEDGE OF A VIOLATION, IN DETERMINING WHETHER TO HOLD A LICENSEE ON WHOSE LICENSED PREMISES THE SPECIAL EVENT WAS HELD RESPONSIBLE FOR ANY VIOLATION OF SECTION 12-47-901 THAT OCCURRED ON THE LICENSED PREMISES AND THAT WAS COMMITTED BY THE ORGANIZATION HOLDING THE SPECIAL EVENT.

(e) AS USED IN THIS SUBSECTION (2), "ORGANIZATION" MEANS AN ORGANIZATION DESCRIBED IN SECTION 12-48-102 (1):

(I) THAT OBTAINS A SPECIAL EVENT PERMIT UNDER ARTICLE 48 OF THIS TITLE 12 TO HOLD A SPECIAL EVENT ON A PREMISES LICENSED UNDER SECTION 12-47-403, 12-47-403.5, 12-47-411 (2.5), 12-47-416, 12-47-417, OR 12-47-422;

(II) THAT IS HOLDING A SPECIAL EVENT AT A RETAIL PREMISES LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES FOR CONSUMPTION ON THE LICENSED PREMISES; OR

(III) THAT IS OTHERWISE EXEMPT FROM ARTICLE 48 OF THIS TITLE 12 PURSUANT TO SECTION 12-48-108.

SECTION 2. In Colorado Revised Statutes, 12-47-407, **amend** (1)(a)(I) 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 OR EXCEPT AS ALLOWED UNDER THIS ARTICLE 47.

SECTION 3. In Colorado Revised Statutes, 12-47-901, **amend** (1) introductory portion, (1)(f), (1)(m), and (5)(e) 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~~ SECTION 12-47-107 (2) OR 12-47-301 (6)(b) or any other provision of this ~~article~~ ARTICLE 47;

(m) To remove an alcohol beverage from a licensed premises where the liquor license for the licensed premises allows only on-premises consumption of alcohol beverages, except as permitted under ~~subparagraph (VI) of paragraph (h) of this subsection~~ (1) SUBSECTION (1)(h)(VI) OF THIS SECTION OR SECTION 12-47-107 (2).

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

(e) EXCEPT AS PROVIDED IN SECTION 12-47-107 (2), to have in possession or upon the licensed premises any alcohol beverage, the sale of which is not permitted by said license;

SECTION 4. 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.

Approved: March 1, 2018