

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 19-0286.01 Yelana Love x2295

SENATE BILL 19-011

SENATE SPONSORSHIP

Williams A. and Tate, Cooke, Priola, Fenberg

HOUSE SPONSORSHIP

Garnett and McKean, Arndt, Hansen, Kraft-Tharp, Roberts, Singer, Soper, Titone, Gray

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CONVERSION OF CERTAIN FERMENTED MALT**
102 **BEVERAGE LICENSES ISSUED UNDER THE "COLORADO BEER**
103 **CODE" TO MALT LIQUOR LICENSES ISSUED UNDER THE**
104 **"COLORADO LIQUOR CODE".**

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>.)

As of January 1, 2019, fermented malt beverages and malt liquors are defined similarly for purposes of the "Colorado Beer Code" (beer code) and the "Colorado Liquor Code" (liquor code). However, a person

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

who manufacturers, sells at wholesale, or imports both fermented malt beverages and malt liquor must obtain a separate license under each code. The bill removes the dual licensing requirement by:

- ! Converting each manufacturer's license issued under the beer code to a manufacturer's license issued under the liquor code;
- ! Converting each wholesaler's license issued under the beer code to a wholesaler's beer license issued under the liquor code;
- ! Converting each nonresident manufacturer's license issued under the beer code to a nonresident manufacturer's license issued under the liquor code;
- ! Converting each importer's license issued under the beer code to a malt liquor importer's license issued under the liquor code; and
- ! Repealing the authority of the state licensing authority to issue new licenses under the beer code, except for licenses authorizing the retail sale of fermented malt beverages.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 44-4-102 as
3 follows:

4 **44-4-102. Legislative declaration.** (1) The general assembly
5 hereby declares that it is in the public interest that fermented malt
6 beverages shall be ~~manufactured, imported, and~~ sold AT RETAIL only by
7 persons licensed as provided in this article 4. ~~and article 3 of this title 44.~~
8 The general assembly further declares that it is lawful to ~~manufacture and~~
9 sell fermented malt beverages AT RETAIL subject to this article 4 and
10 applicable provisions of articles 3 and 5 of this title 44.

11 (2) The general assembly further recognizes that fermented malt
12 beverages and malt liquors are separate and distinct from, and have a
13 unique regulatory history in relation to, vinous and spirituous liquors; ~~and~~
14 ~~as such require the retention of a separate and distinct regulatory~~
15 ~~framework under this article 44~~ HOWEVER, MAINTAINING A SEPARATE

1 REGULATORY FRAMEWORK AND LICENSING STRUCTURE FOR FERMENTED
2 MALT BEVERAGES UNDER THIS ARTICLE 4 IS NO LONGER NECESSARY
3 EXCEPT AT THE RETAIL LEVEL. FURTHERMORE, to aid administrative
4 efficiency, ~~however,~~ article 3 of this title 44 applies to the regulation of
5 fermented malt beverages, except when otherwise expressly provided for
6 in this ~~article 44~~ ARTICLE 4.

7 **SECTION 2.** In Colorado Revised Statutes, 44-4-103, **amend**
8 (1)(a) and (2); and **repeal** (5) as follows:

9 **44-4-103. Definitions.** Definitions applicable to this article 4 also
10 appear in article 3 of this title 44. As used in this article 4, unless the
11 context otherwise requires:

12 (1) (a) "Fermented malt beverage" means ~~beer and any other~~
13 ~~beverage obtained by the fermentation of any infusion or decoction of~~
14 ~~barley, malt, hops, or any similar product or any combination thereof in~~
15 ~~water containing not less than one-half of one percent alcohol by volume~~
16 MALT LIQUORS, WHEN PURCHASED BY A FERMENTED MALT BEVERAGE
17 RETAILER FROM A WHOLESALER LICENSED PURSUANT TO ARTICLE 3 OF
18 THIS TITLE 44; OR WHEN SOLD BY A FERMENTED MALT BEVERAGE
19 RETAILER TO CONSUMERS OR TO PERSONS LICENSED UNDER SECTION
20 44-3-411, 44-3-413, 44-3-414, 44-3-416 TO 44-3-420, 44-3-422, 44-3-426,
21 OR 44-3-428.

22 (2) "License" means a grant to a licensee to ~~manufacture or sell~~
23 fermented malt beverages AT RETAIL as provided by this article 4.

24 (5) ~~"Sell at wholesale" means selling to any other than the~~
25 ~~intended consumer of fermented malt beverages. "Sell at wholesale" shall~~
26 ~~not be construed to prevent a brewer or wholesale beer dealer from selling~~
27 ~~fermented malt beverages to the intended consumer thereof or to prevent~~

1 a licensed manufacturer or importer from selling such beverages to a
2 licensed wholesaler.

3 **SECTION 3.** In Colorado Revised Statutes, 44-4-104, **amend** (1)
4 introductory portion, (1)(c)(I), and (4); **repeal** (1)(a), (1)(b), (1)(d), and
5 (3); and **add** (1)(e) as follows:

6 **44-4-104. Licenses - state license fees - requirements - repeal.**

7 (1) The licenses to be granted and issued by the state licensing authority
8 pursuant to this article 4 for the ~~manufacture, importation, and~~ RETAIL
9 sale of fermented malt beverages are as follows:

10 (a) ~~(I) A manufacturer's license shall be granted and issued to any~~
11 ~~person, partnership, association, organization, or corporation qualifying~~
12 ~~under section 44-3-301 and not prohibited from licensure under section~~
13 ~~44-3-307 to manufacture and sell fermented malt beverages upon the~~
14 ~~payment of an annual license fee of one hundred fifty dollars to the state~~
15 ~~licensing authority. A manufacturer so licensed may have additional~~
16 ~~warehouses in the state upon payment of the wholesaler's license fee as~~
17 ~~provided in this section.~~

18 ~~(II) A manufacturer that has received a license pursuant to this~~
19 ~~subsection (1)(a) shall be authorized to manufacture fermented malt~~
20 ~~beverages upon an alternating proprietor licensed premises, as defined in~~
21 ~~section 44-3-103, as approved by the state licensing authority, but the~~
22 ~~manufacturer shall not conduct retail sales of fermented malt beverages~~
23 ~~from an area licensed or defined as an alternating proprietor licensed~~
24 ~~premises.~~

25 (b) ~~A wholesaler's license shall be granted and issued to any~~
26 ~~person, partnership, association, organization, or corporation qualifying~~
27 ~~under section 44-3-301 and not prohibited from licensure under section~~

1 ~~44-3-307 to sell fermented malt beverages upon the payment of an annual~~
2 ~~license fee of one hundred fifty dollars to the state licensing authority.~~
3 ~~Each wholesaler's license application shall designate the territory within~~
4 ~~which the licensee may sell the designated products of any manufacturer,~~
5 ~~as agreed upon by the licensee and the manufacturer of such products.~~

6 (c) (I) (A) ~~On and after June 4, 2018,~~ A retailer's license shall be
7 granted and issued to any person, partnership, association, organization,
8 or corporation qualifying under section 44-3-301 and not prohibited from
9 licensure under section 44-3-307 to sell at retail fermented malt beverages
10 either for consumption off the licensed premises or on the licensed
11 premises, but not for consumption on and off the licensed premises, upon
12 paying an annual license fee of seventy-five dollars to the state licensing
13 authority.

14 (B) A PERSON LICENSED PURSUANT TO THIS SUBSECTION (1)(c) TO
15 SELL FERMENTED MALT BEVERAGES AT RETAIL SHALL PURCHASE THE
16 FERMENTED MALT BEVERAGES ONLY FROM A WHOLESALER LICENSED
17 PURSUANT TO ARTICLE 3 OF THIS TITLE 44.

18 (d) (I) ~~A nonresident manufacturer's license shall be granted and~~
19 ~~issued to any person manufacturing fermented malt beverages outside of~~
20 ~~the state of Colorado for the sole purposes listed in subsection (1)(d)(III)~~
21 ~~of this section, upon the payment of an annual license fee of one hundred~~
22 ~~fifty dollars to the state licensing authority.~~

23 (II) ~~An importer's license shall be granted and issued to any~~
24 ~~person importing fermented malt beverages into this state for the sole~~
25 ~~purposes listed in subsection (1)(d)(III) of this section, upon the payment~~
26 ~~of an annual license fee of one hundred fifty dollars to the state licensing~~
27 ~~authority.~~

1 ~~(HH) The licenses referred to in subsections (1)(d)(I) and (1)(d)(H)~~
2 ~~of this section shall be issued for the following purposes only:~~

3 ~~(A) To import and sell fermented malt beverages within this state~~
4 ~~to a person licensed as a wholesaler pursuant to this section;~~

5 ~~(B) To maintain stocks of fermented malt beverages and to~~
6 ~~operate fermented malt beverages warehouses by procuring a wholesaler's~~
7 ~~license as provided in this section;~~

8 ~~(C) To solicit orders from retail licensees and fill such orders~~
9 ~~through licensed wholesalers.~~

10 ~~(IV) Each applicant for a license as a manufacturer, nonresident~~
11 ~~manufacturer, or importer of fermented malt beverages shall enter into a~~
12 ~~written contract with each wholesaler with which the applicant intends to~~
13 ~~do business, which contract shall designate the territory within which the~~
14 ~~product of such applicant shall be sold by the respective wholesaler. The~~
15 ~~contract shall be submitted to the state licensing authority with an~~
16 ~~application, and the applicant, if licensed, shall have a continuing duty to~~
17 ~~submit any subsequent revisions, amendments, or superseding contracts~~
18 ~~to the state licensing authority.~~

19 ~~(V) A manufacturer, nonresident manufacturer, or importer~~
20 ~~licensed to sell fermented malt beverages under this article 4 shall not~~
21 ~~contract with more than one wholesaler to sell the products of such~~
22 ~~manufacturer, nonresident manufacturer, or importer in the same territory.~~

23 (e) (I) NOTWITHSTANDING ANY LAW TO THE CONTRARY,
24 BEGINNING ON THE EFFECTIVE DATE OF THIS SUBSECTION (1)(e), THE
25 STATE LICENSING AUTHORITY SHALL NOT ISSUE OR RENEW ANY LICENSES
26 UNDER THIS SECTION EXCEPT FOR LICENSES AUTHORIZED UNDER
27 SUBSECTION (1)(c) OF THIS SECTION.

1 (II) LICENSES ISSUED BY THE STATE LICENSING AUTHORITY UNDER
2 SUBSECTION (1)(a), (1)(b), OR (1)(d) OF THIS SECTION IN EFFECT ON THE
3 EFFECTIVE DATE OF THIS SUBSECTION (1)(e) IMMEDIATELY CONVERT, ON
4 THE EFFECTIVE DATE OF THIS SUBSECTION (1)(e), WITHOUT ANY FURTHER
5 ACT BY THE STATE LICENSING AUTHORITY OR THE LICENSEE, AS FOLLOWS:

6 (A) A MANUFACTURER'S LICENSE THAT WAS ISSUED UNDER
7 SUBSECTION (1)(a) OF THIS SECTION, AS IT EXISTED BEFORE THE EFFECTIVE
8 DATE OF THIS SUBSECTION (1)(e), CONVERTS TO A MANUFACTURER'S
9 LICENSE ISSUED PURSUANT TO SECTION 44-3-402 FOR THE MANUFACTURE
10 OF MALT LIQUORS;

11 (B) A WHOLESALER'S LICENSE THAT WAS ISSUED UNDER
12 SUBSECTION (1)(b) OF THIS SECTION, AS IT EXISTED BEFORE THE EFFECTIVE
13 DATE OF THIS SUBSECTION (1)(e), CONVERTS TO A WHOLESALER'S BEER
14 LICENSE ISSUED PURSUANT TO SECTION 44-3-407 (1)(b);

15 (C) A NONRESIDENT MANUFACTURER'S LICENSE THAT WAS ISSUED
16 UNDER SUBSECTION (1)(d)(I) OF THIS SECTION, AS IT EXISTED BEFORE THE
17 EFFECTIVE DATE OF THIS SUBSECTION (1)(e), CONVERTS TO A
18 NONRESIDENT MANUFACTURER'S LICENSE ISSUED PURSUANT TO SECTION
19 44-3-406 (1); AND

20 (D) AN IMPORTER'S LICENSE THAT WAS ISSUED UNDER SUBSECTION
21 (1)(d)(II) OF THIS SECTION, AS IT EXISTED BEFORE THE EFFECTIVE DATE OF
22 THIS SUBSECTION (1)(e), CONVERTS TO A MALT LIQUOR IMPORTER'S
23 LICENSE ISSUED PURSUANT TO SECTION 44-3-406 (2).

24 (III) THE CONVERSION OF A LICENSE ISSUED UNDER SUBSECTION
25 (1)(a), (1)(b), OR (1)(d) OF THIS SECTION TO A LICENSE ISSUED UNDER
26 ARTICLE 3 OF THIS TITLE 44 PURSUANT TO SUBSECTION (1)(e)(II) OF THIS
27 SECTION IS A CONTINUATION OF THE PRIOR LICENSE ISSUED PURSUANT TO

1 THIS ARTICLE 4 AND DOES NOT AFFECT:

2 (A) ANY PRIOR DISCIPLINE, LIMITATION, OR CONDITION IMPOSED
3 BY THE STATE LICENSING AUTHORITY ON A LICENSEE;

4 (B) THE DEADLINE FOR RENEWAL OF A LICENSE; OR

5 (C) ANY PENDING OR FUTURE INVESTIGATION OR ADMINISTRATIVE
6 PROCEEDING.

7 ~~(3) The manufacturer's or wholesaler's licenses provided by this~~
8 ~~article 4 shall permit the licensee to sell fermented malt beverages in~~
9 ~~sealed containers to retailers and consumers, thereof, as long as the~~
10 ~~beverages have been unloaded and placed in the physical possession of~~
11 ~~a licensed wholesaler at its licensed premises in this state and inventoried~~
12 ~~for purposes of tax collection before being delivered to any such retailer~~
13 ~~or consumer. Wholesalers of fermented malt beverages receiving~~
14 ~~products to be held as required by this subsection (3) shall be liable for~~
15 ~~the payment of any tax due on the products under section 44-3-503.~~

16 (4) ~~It is unlawful for any manufacturer or wholesaler or any~~
17 ~~person, partnership, association, organization, or corporation interested~~
18 ~~financially in or with any of the licensees described in this article 4 to be~~
19 ~~interested financially, directly or indirectly, in the business of any retail~~
20 ~~licensee licensed pursuant to this article 4, or for any retail licensee under~~
21 ~~this article 4 to be interested financially, directly or indirectly, in the~~
22 ~~business of any manufacturer or wholesaler or any person, partnership,~~
23 ~~association, organization, or corporation interested in or with any of the~~
24 ~~manufacturers or wholesalers licensed pursuant to this article 4~~ ARTICLE
25 3 OF THIS TITLE 44.

26 **SECTION 4.** In Colorado Revised Statutes, 44-3-103, **amend** (3),
27 (5), (6), (30), and (40)(b) as follows:

1 **44-3-103. Definitions.** As used in this article 3 and article 4 of
2 this title 44, unless the context otherwise requires:

3 (3) "Alternating proprietor licensed premises" means a distinct
4 and definite area, as specified in an alternating use of premises
5 application, that is owned by or in possession of a person licensed
6 pursuant to section 44-3-402, 44-3-403, OR 44-3-417 ~~or 44-4-104 (1)(a)~~
7 and within which ~~such~~ THE licensee and other persons licensed pursuant
8 to section 44-3-402, 44-3-403, OR 44-3-417 ~~or 44-4-104 (1)(a)~~ are
9 authorized to manufacture and store vinous liquors OR malt liquors ~~or~~
10 ~~fermented malt beverages~~ in accordance with the provisions of this article
11 3. ~~or article 4 of this title 44, as applicable.~~

12 (5) "Brew pub" means a retail establishment that manufactures not
13 more than one million eight hundred sixty thousand gallons of malt liquor
14 ~~and fermented malt beverages~~ on its licensed premises or licensed
15 alternating proprietor licensed premises, combined, each calendar year.

16 (6) "Brewery" means any establishment where malt liquors ~~or~~
17 ~~fermented malt beverages~~ are manufactured, except brew pubs licensed
18 under this article 3.

19 (30) (a) "Malt liquors" includes beer and means any beverage
20 obtained by the alcoholic fermentation of any infusion or decoction of
21 barley, malt, hops, or any other similar product, or any combination
22 thereof, in water containing not less than one-half of one percent alcohol
23 by volume.

24 (b) FOR PURPOSES OF LICENSES DESCRIBED IN SECTION 44-3-401
25 (1)(j) TO (1)(p), (1)(s), (1)(t), (1)(v), AND (1)(w), "MALT LIQUORS"
26 INCLUDES FERMENTED MALT BEVERAGES WHEN PURCHASED FROM A
27 RETAILER LICENSED PURSUANT TO SECTION 44-4-104 (1)(c).

1 (40) "Qualified employee" means an individual who:

2 (b) Is engaged in manufacturing and tasting ~~fermented malt~~
3 ~~beverages or~~ malt liquors for teaching or research purposes; and

4 **SECTION 5.** In Colorado Revised Statutes, 44-3-106, **amend**
5 (2)(a), (2)(b), and (2)(c) as follows:

6 **44-3-106. Exemptions.** (2) (a) Notwithstanding any provision of
7 this article 3 ~~or article 4 of this title 44~~ to the contrary, when permitted by
8 federal law and rules and regulations promulgated pursuant thereto, an
9 adult may produce, for personal use and not for sale, an amount of
10 ~~fermented malt beverage or~~ malt or vinous liquor equal to the amount that
11 is exempt from the federal excise tax on the alcohol beverage when
12 produced by an adult for personal use and not for sale.

13 (b) The production of ~~fermented malt beverages or~~ malt or vinous
14 liquors under the circumstances set forth in this subsection (2) shall be in
15 strict conformity with federal law and rules and regulations issued
16 pursuant thereto.

17 (c) ~~Fermented malt beverages or~~ Malt or vinous liquors produced
18 pursuant to ~~the provisions of~~ this subsection (2) shall be exempt from any
19 tax imposed by this article 3, and the producer shall not be required to
20 obtain any license provided by this article 3. ~~or article 4 of this title 44.~~

21 **SECTION 6.** In Colorado Revised Statutes, 44-3-301, **amend**
22 (3)(a) as follows:

23 **44-3-301. Licensing in general.** (3) (a) Each license issued under
24 this article 3 and article 4 of this title 44 is separate and distinct. It is
25 unlawful for any person to exercise any of the privileges granted under
26 any license other than ~~that which~~ THE LICENSE the person holds or for any
27 licensee to allow any other person to exercise ~~such~~ THE privileges granted

1 under the licensee's license, except as provided in section 44-3-402 (3),
2 44-3-403 (2)(a), 44-3-404, OR 44-3-417 (1)(b). ~~or section 44-4-104 (1)(a).~~
3 A separate license must be issued for each specific business or business
4 entity and each geographic location, and in the license the particular
5 alcohol beverages the applicant is authorized to manufacture or sell must
6 be named and described. For purposes of this section, a resort complex
7 with common ownership, a campus liquor complex, a hotel and restaurant
8 licensee with optional premises, an optional premises licensee for
9 optional premises located on an outdoor sports and recreational facility,
10 and a wine festival at which more than one licensee participates pursuant
11 to a wine festival permit is considered a single business and location.

12 **SECTION 7.** In Colorado Revised Statutes, 44-3-308, **amend**
13 (1)(a)(I) introductory portion, (1)(a)(II)(B), and (5)(b)(II) as follows:

14 **44-3-308. Unlawful financial assistance.** (1) (a) (I) It is unlawful
15 for any person licensed pursuant to this article 3 ~~or article 4 of this title~~
16 ~~44~~ as a manufacturer, limited winery, wholesaler, or importer, or any
17 person, partnership, association, organization, or corporation interested
18 financially in or with any of said licensees, to furnish, supply, or loan, in
19 any manner, directly or indirectly, to any person licensed to sell at retail
20 pursuant to this article 3 or article 4 or 5 of this title 44:

- 21 (II) This subsection (1) does not:
 - 22 (B) Prevent a representative, employee, or agent of a person
23 licensed under this article 3 ~~or article 4 of this title 44~~ as a manufacturer,
24 limited winery, wholesaler, or importer from pouring or serving the
25 licensee's alcohol beverage products as part of a tasting being conducted
26 on the licensed premises of a person licensed under this article 3 to sell
27 alcohol beverages at retail for off-premises consumption, and pouring or

1 serving the licensee's alcohol beverages does not constitute labor
2 provided by a person licensed under this article 3 ~~or article 4 of this title~~
3 ~~44~~ as a manufacturer, limited winery, wholesaler, or importer to a person
4 licensed under this article 3 to sell alcohol beverages at retail.

5 (5) (b) This subsection (5) does not:

6 (II) Prevent a representative, employee, or agent of a person
7 licensed under this article 3 ~~or article 4 of this title 44~~ as a manufacturer,
8 limited winery, wholesaler, or importer from pouring or serving the
9 licensee's alcohol beverage products as part of a tasting being conducted
10 on the licensed premises of a person licensed under this article 3 to sell
11 alcohol beverages at retail for off-premises consumption, and pouring or
12 serving the licensee's alcohol beverages does not constitute labor
13 provided by a person licensed under this article 3 ~~or article 4 of this title~~
14 ~~44~~ as a manufacturer, limited winery, wholesaler, or importer to a person
15 licensed under this article 3 to sell alcohol beverages at retail.

16 **SECTION 8.** In Colorado Revised Statutes, 44-3-402, **amend**
17 (3)(c) and (5)(a) as follows:

18 **44-3-402. Manufacturer's license.** (3) (c) Any winery or
19 brewery that holds a wholesaler's license pursuant to section 44-3-407 ~~or~~
20 ~~44-4-104 (1)(b)~~ may engage in the wholesale sale of alcohol beverages
21 that the licensee manufactured at an alternating proprietor licensed
22 premises from both its licensed premises and the alternating proprietor
23 licensed premises where the alcohol beverages were manufactured.

24 (5) (a) It is unlawful for a manufacturer licensed under this article
25 3 or any person, partnership, association, organization, or corporation
26 interested financially in or with a licensed manufacturer to be interested
27 financially, directly or indirectly, in the business of any person licensed

1 to sell at retail pursuant to this article 3 OR ARTICLE 4 OF THIS TITLE 44.

2 **SECTION 9.** In Colorado Revised Statutes, 44-3-406, **amend**
3 (3)(c) and (6) as follows:

4 **44-3-406. Nonresident manufacturers and importers of malt**
5 **liquor.** (3) The licenses referred to in subsections (1) and (2) of this
6 section shall be issued for the following purposes only:

7 (c) To solicit orders from retail licensees LICENSED UNDER THIS
8 ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44 and fill ~~such~~ THE orders through
9 malt liquor wholesalers.

10 (6) It is unlawful for a nonresident manufacturer licensed under
11 this article 3, or any person, partnership, association, organization, or
12 corporation interested financially in or with ~~such a~~ THE licensee, to be
13 interested financially, directly or indirectly, in the business of any person
14 licensed to sell at retail pursuant to this article 3 OR ARTICLE 4 OF THIS
15 TITLE 44.

16 **SECTION 10.** In Colorado Revised Statutes, 44-3-407, **amend**
17 (1)(b)(I) introductory portion, (1)(b)(I)(B), (1)(d), (2), and (4)(a) as
18 follows:

19 **44-3-407. Wholesaler's license - discrimination in wholesale**
20 **sales prohibited.** (1) (b) (I) A wholesaler's beer license shall be issued
21 to persons ~~selling~~ THAT SELL malt liquors at wholesale ~~who~~ TO RETAILERS
22 LICENSED UNDER THIS ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44 AND THAT
23 designate to the state licensing authority on their application the territory
24 within which the licensee may sell the designated products of any brewer
25 as agreed upon by the licensee and the brewer of ~~such~~ THE products for
26 the following purposes only:

27 (B) To take orders for malt liquors at any place within the territory

1 designated on the license application and deliver malt liquors on orders
2 previously taken to any place within the designated geographical territory,
3 if the licensee has procured a wholesaler's beer license and the place
4 where orders are taken and delivered is a place regularly licensed TO SELL
5 AT RETAIL FOR CONSUMPTION ON OR OFF THE LICENSED PREMISES pursuant
6 to ~~the provisions of~~ this article 3 OR ARTICLE 4 OF THIS TITLE 44.

7 (d) All malt, vinous, and spirituous liquors purchased by any
8 licensee under this section, and all malt, vinous, and spirituous liquors
9 shipped into this state by or to any such licensee, shall be placed in the
10 physical possession of the licensee at the licensee's warehouse facilities
11 prior to delivery to persons holding licenses ~~under~~ PURSUANT TO this
12 article 3 OR ARTICLE 4 OF THIS TITLE 44.

13 (2) It is unlawful for any licensed wholesaler or any person,
14 partnership, association, organization, or corporation interested
15 financially in or with a licensed wholesaler to be interested financially,
16 directly or indirectly, in the business of any person licensed to sell at retail
17 pursuant to this article 3 OR ARTICLE 4 OF THIS TITLE 44.

18 (4) (a) A wholesaler shall make available to all ~~licensed~~ retailers
19 LICENSED PURSUANT TO THIS ARTICLE 3 AND ARTICLE 4 OF THIS TITLE 44
20 in this state without discrimination all malt, vinous, and spirituous liquors
21 offered by the wholesaler for sale at wholesale. A wholesaler shall use its
22 best efforts to make available to licensed retailers each brand of alcohol
23 beverage that the wholesaler has been authorized to distribute.

24 **SECTION 11.** In Colorado Revised Statutes, 44-3-408, **amend**
25 (9)(c) and (9)(g) as follows:

26 **44-3-408. Termination of wholesalers - remedies - definitions.**

27 (9) As used in this section:

1 (c) "Products" means ~~fermented malt beverages and~~ malt liquors.

2 (g) "Wholesaler" means the holder of a Colorado wholesaler's
3 beer license. ~~or wholesaler's license to sell fermented malt beverages.~~

4 **SECTION 12.** In Colorado Revised Statutes, 44-3-411, **amend**
5 (1) and (2) as follows:

6 **44-3-411. Beer and wine license.** (1) A beer and wine license
7 shall be issued to persons selling malt and vinous liquors ~~and fermented~~
8 ~~malt beverages~~ for consumption on the premises. Beer and wine licensees
9 shall have sandwiches and light snacks available for consumption on the
10 premises during business hours, but need not have meals available for
11 consumption.

12 (2) (a) Every person selling malt and vinous liquors ~~and fermented~~
13 ~~malt beverages~~ as provided in this section shall purchase malt and vinous
14 liquors ~~and fermented malt beverages~~ only from a wholesaler licensed
15 pursuant to this article 3; ~~or article 4 of this title 44;~~ except that, during
16 a calendar year, any person selling malt and vinous liquors ~~and fermented~~
17 ~~malt beverages~~ as provided in this section may purchase not more than
18 two thousand dollars' worth of

19 ~~(F)~~ malt and vinous liquors from ~~a retailer~~ RETAILERS licensed
20 pursuant to ~~section~~ SECTIONS 44-3-409, ~~or~~ 44-3-410, and

21 ~~(H)~~ ~~Fermented malt beverages from a retailer licensed pursuant to~~
22 ~~section~~ 44-4-104 (1)(c).

23 (b) A beer and wine licensee shall retain evidence of each
24 purchase of malt and vinous liquors from a retailer licensed pursuant to
25 section 44-3-409, ~~or~~ 44-3-410, ~~and each purchase of fermented malt~~
26 ~~beverages from a retailer licensed pursuant to section~~ OR 44-4-104 (1)(c),
27 in the form of a purchase receipt showing the name of the licensed

1 retailer, the date of purchase, a description of the malt or vinous liquor ~~or~~
2 ~~fermented malt beverages~~ purchased, and the price paid for the purchase.
3 The beer and wine licensee shall retain the receipt and shall make it
4 available to the state and local licensing authorities at all times during
5 business hours.

6 **SECTION 13.** In Colorado Revised Statutes, 44-3-413, **amend**
7 (7) as follows:

8 **44-3-413. Hotel and restaurant license - definitions - rules.**

9 (7) (a) Except as provided in subsection (7)(b) of this section, every
10 person selling alcohol beverages as provided in this section shall purchase
11 alcohol beverages only from a wholesaler licensed pursuant to this article
12 3. ~~or article 4 of this title 44.~~

13 (b) (I) During a calendar year, a person selling alcohol beverages
14 as provided in this section may purchase not more than two thousand
15 dollars' worth of

16 ~~(A) malt, vinous, and spirituous liquors from a retailer~~ RETAILERS
17 licensed pursuant to ~~section~~ SECTIONS 44-3-409, ~~or~~ 44-3-410, and

18 ~~(B) Fermented malt beverages from a retailer licensed pursuant to~~
19 ~~section~~ 44-4-104 (1)(c).

20 (II) A hotel and restaurant licensee shall retain evidence of each
21 purchase of malt, vinous, or spirituous liquors from a retailer licensed
22 pursuant to section 44-3-409, ~~or~~ 44-3-410, ~~and each purchase of~~
23 ~~fermented malt beverages from a retailer licensed pursuant to section~~ OR
24 44-4-104 (1)(c), in the form of a purchase receipt showing the name of
25 the licensed retailer, the date of purchase, a description of the alcohol
26 beverages purchased, and the price paid for the alcohol beverages. The
27 licensee shall retain the receipt and make it available to the state and local

1 licensing authorities at all times during business hours.

2 **SECTION 14.** In Colorado Revised Statutes, 44-3-414, **amend**
3 (2) as follows:

4 **44-3-414. Tavern license.** (2) (a) Every person selling alcohol
5 beverages as provided in this section shall purchase alcohol beverages
6 only from a wholesaler licensed pursuant to this article 3; ~~or article 4 of~~
7 ~~this title 44;~~ except that, during a calendar year, a person selling alcohol
8 beverages as provided in this section may purchase not more than two
9 thousand dollars' worth of

10 ~~(F) malt, vinous, and spirituous liquors from a retailer~~ RETAILERS
11 licensed pursuant to ~~section~~ SECTIONS 44-3-409, ~~or~~ 44-3-410, and

12 ~~(H) Fermented malt beverages from a retailer licensed pursuant to~~
13 ~~section~~ 44-4-104 (1)(c).

14 (b) A tavern licensee shall retain evidence of each purchase of
15 malt, vinous, or spirituous liquors from a retailer licensed pursuant to
16 section 44-3-409, ~~or~~ 44-3-410, ~~and each purchase of fermented malt~~
17 ~~beverages from a retailer licensed pursuant to section~~ OR 44-4-104 (1)(c),
18 in the form of a purchase receipt showing the name of the licensed
19 retailer, the date of purchase, a description of the alcohol beverages
20 purchased, and the price paid for the alcohol beverages. The tavern
21 licensee shall retain the receipt and make it available to the state and local
22 licensing authorities at all times during business hours.

23 **SECTION 15.** In Colorado Revised Statutes, 44-3-416, **amend**
24 (2) as follows:

25 **44-3-416. Retail gaming tavern license.** (2) (a) Every person
26 selling alcohol beverages as described in this section shall purchase the
27 alcohol beverages only from a wholesaler licensed pursuant to this article

1 3; ~~or article 4 of this title 44;~~ except that, during a calendar year, a person
2 selling alcohol beverages as provided in this section may purchase not
3 more than two thousand dollars' worth of

4 ~~(F) malt, vinous, or spirituous liquors from a retailer~~ RETAILERS
5 licensed pursuant to ~~section~~ SECTIONS 44-3-409, ~~or~~ 44-3-410, and

6 ~~(H) Fermented malt beverages from a retailer licensed pursuant to~~
7 ~~section~~ 44-4-104 (1)(c).

8 (b) A retail gaming tavern licensee shall retain evidence of each
9 purchase of malt, vinous, or spirituous liquors from a retailer licensed
10 pursuant to section 44-3-409, ~~or~~ 44-3-410, ~~and each purchase of~~
11 ~~fermented malt beverages from a retailer licensed pursuant to section~~ OR
12 44-4-104 (1)(c), in the form of a purchase receipt showing the name of
13 the licensed retailer, the date of purchase, a description of the alcohol
14 beverages purchased, and the price paid for the alcohol beverages. The
15 licensee shall retain the receipt and make it available to the state and local
16 licensing authorities at all times during business hours.

17 **SECTION 16.** In Colorado Revised Statutes, 44-3-417, **amend**
18 (1)(b), (2)(a) introductory portion, (2)(a)(III), (2)(b), and (3) as follows:

19 **44-3-417. Brew pub license - definition.** (1) (b) A brew pub
20 licensed pursuant to this section to manufacture malt liquors ~~or fermented~~
21 ~~malt beverages~~ upon its licensed premises may, upon approval of the state
22 licensing authority, manufacture malt liquors ~~or fermented malt beverages~~
23 upon alternating proprietor licensed premises within the restrictions
24 specified in section 44-3-103 (5).

25 (2) (a) Except as provided in subsection (2)(b) of this section,
26 during the hours established in section 44-3-901 (6)(b), malt liquors ~~or~~
27 ~~fermented malt beverages~~ manufactured by a brew pub licensee on the

1 licensed premises or alternating proprietor licensed premises may be:

2 (III) Sold to the public in sealed containers for off-premises
3 consumption. Only malt liquors ~~or fermented malt beverages~~
4 manufactured and packaged on the licensed premises or alternating
5 proprietor licensed premises by the licensee shall be sold in sealed
6 containers.

7 (b) A brew pub authorized to manufacture malt liquors ~~or~~
8 ~~fermented malt beverages~~ upon alternating proprietor licensed premises
9 shall not conduct retail sales of malt liquors ~~or fermented malt beverages~~
10 from an area licensed or defined as an alternating proprietor licensed
11 premises.

12 (3) (a) Every person selling alcohol beverages pursuant to this
13 section shall purchase alcohol beverages, other than those that are
14 manufactured at the licensed brew pub, from a wholesaler licensed
15 pursuant to this article 3; ~~or article 4 of this title 44;~~ except that, during
16 a calendar year, a person selling alcohol beverages as provided in this
17 section may purchase not more than two thousand dollars' worth of

18 ~~(F) malt, vinous, and spirituous liquors from a retailer~~ RETAILERS
19 licensed pursuant to ~~section~~ SECTIONS 44-3-409, ~~or~~ 44-3-410, and

20 ~~(H) Fermented malt beverages from a retailer licensed pursuant to~~
21 ~~section~~ 44-4-104 (1)(c).

22 (b) The brew pub licensee shall retain evidence of each purchase
23 of malt, vinous, and spirituous liquors from a retailer licensed pursuant
24 to section 44-3-409, ~~or~~ 44-3-410, ~~and each purchase of fermented malt~~
25 ~~beverages from a retailer licensed pursuant to section~~ OR 44-4-104 (1)(c),
26 in the form of a purchase receipt showing the name of the licensed
27 retailer, the date of purchase, a description of the alcohol beverages

1 purchased, and the price paid for the alcohol beverages. The licensee shall
2 retain the receipt and make it available to state and local licensing
3 authorities at all times during business hours.

4 **SECTION 17.** In Colorado Revised Statutes, 44-3-418, **amend**
5 (2) as follows:

6 **44-3-418. Club license - legislative declaration.** (2) (a) Every
7 person selling alcohol beverages as provided in this section shall purchase
8 the alcohol beverages only from a wholesaler licensed pursuant to this
9 article 3; ~~or article 4 of this title 44;~~ except that, during a calendar year,
10 a person selling alcohol beverages as provided in this section may
11 purchase not more than two thousand dollars' worth of

12 ~~(F) malt, vinous, and spirituous liquors from a retailer~~ RETAILERS
13 licensed pursuant to ~~section~~ SECTIONS 44-3-409, ~~or~~ 44-3-410, and

14 ~~(H) Fermented malt beverages from a retailer licensed pursuant to~~
15 ~~section~~ 44-4-104 (1)(c).

16 (b) The club licensee shall retain evidence of each purchase of
17 malt, vinous, or spirituous liquors from a retailer licensed pursuant to
18 section 44-3-409, ~~or~~ 44-3-410, ~~and each purchase of fermented malt~~
19 ~~beverages from a retailer licensed pursuant to section~~ OR 44-4-104 (1)(c),
20 in the form of a purchase receipt showing the name of the licensed
21 retailer, the date of purchase, a description of the alcohol beverages
22 purchased, and the price paid for the alcohol beverages. The licensee shall
23 retain the receipt and make it available to the state and local licensing
24 authorities at all times during business hours.

25 **SECTION 18.** In Colorado Revised Statutes, 44-3-419, **amend**
26 (4) as follows:

27 **44-3-419. Arts license - definition.** (4) (a) Every person selling

1 alcohol beverages as provided in this section shall purchase the alcohol
2 beverages only from a wholesaler licensed pursuant to this article 3; ~~or~~
3 ~~article 4 of this title 44~~; except that, during a calendar year, a person
4 selling alcohol beverages as provided in this section may purchase not
5 more than two thousand dollars' worth of

6 ~~(F)~~ malt, vinous, and spirituous liquors from ~~a retailer~~ RETAILERS
7 licensed pursuant to ~~section~~ SECTIONS 44-3-409, ~~or~~ 44-3-410, and

8 ~~(H)~~ Fermented malt beverages from a retailer licensed pursuant to
9 ~~section~~ 44-4-104 (1)(c).

10 (b) An arts licensee shall retain evidence of each purchase of malt,
11 vinous, or spirituous liquors from a retailer licensed pursuant to section
12 44-3-409, ~~or~~ 44-3-410, ~~and each purchase of fermented malt beverages~~
13 ~~from a retailer licensed pursuant to section~~ OR 44-4-104 (1)(c), in the
14 form of a purchase receipt showing the name of the licensed retailer, the
15 date of purchase, a description of the alcohol beverages purchased, and
16 the price paid for the alcohol beverages. The licensee shall retain the
17 receipt and make it available to the state and local licensing authorities at
18 all times during business hours.

19 **SECTION 19.** In Colorado Revised Statutes, 44-3-420, **amend**
20 (2) as follows:

21 **44-3-420. Racetrack license.** (2) (a) Every person selling alcohol
22 beverages as provided in this section shall purchase the alcohol beverages
23 only from a wholesaler licensed pursuant to this article 3; ~~or article 4 of~~
24 ~~this title 44~~; except that, during a calendar year, a person selling alcohol
25 beverages as provided in this section may purchase not more than two
26 thousand dollars' worth of

27 ~~(F)~~ malt, vinous, and spirituous liquors from ~~a retailer~~ RETAILERS

1 licensed pursuant to ~~section~~ SECTIONS 44-3-409, ~~or~~ 44-3-410, and
2 ~~(H) Fermented malt beverages from a retailer licensed pursuant to~~
3 ~~section 44-4-104 (1)(c).~~

4 (b) A racetrack licensee shall retain evidence of each purchase of
5 malt, vinous, or spirituous liquors from a retailer licensed pursuant to
6 section 44-3-409, ~~or~~ 44-3-410, ~~and each purchase of fermented malt~~
7 ~~beverages from a retailer licensed pursuant to section~~ OR 44-4-104 (1)(c),
8 in the form of a purchase receipt showing the name of the licensed
9 retailer, the date of purchase, a description of the alcohol beverages
10 purchased, and the price paid for the alcohol beverages. The licensee shall
11 retain the receipt and make it available to the state and local licensing
12 authorities at all times during business hours.

13 **SECTION 20.** In Colorado Revised Statutes, 44-3-422, **amend**
14 (3) as follows:

15 **44-3-422. Vintner's restaurant license.** (3) (a) Every person
16 selling alcohol beverages pursuant to this section shall purchase the
17 alcohol beverages, other than those that are manufactured at the licensed
18 vintner's restaurant, from a wholesaler licensed pursuant to this article 3;
19 ~~or article 4 of this title 44;~~ except that, during a calendar year, a person
20 may purchase not more than two thousand dollars' worth of

21 ~~(H) malt, vinous, and spirituous liquors from a retailer~~ RETAILERS
22 licensed pursuant to ~~section~~ SECTIONS 44-3-409, ~~or~~ 44-3-410, and

23 ~~(H) Fermented malt beverages from a retailer licensed pursuant to~~
24 ~~section 44-4-104 (1)(c).~~

25 (b) The vintner's restaurant licensee shall retain evidence of each
26 purchase of malt, vinous, and spirituous liquors from a retailer licensed
27 pursuant to section 44-3-409, ~~or~~ 44-3-410, ~~and each purchase of~~

1 ~~fermented malt beverages from a retailer licensed pursuant to section~~ OR
2 44-4-104 (1)(c), in the form of a purchase receipt showing the name of
3 the licensed retailer, the date of purchase, a description of the alcohol
4 beverages purchased, and the price paid for the alcohol beverages. The
5 licensee shall retain the receipt and make it available to state and local
6 licensing authorities at all times during business hours.

7 **SECTION 21.** In Colorado Revised Statutes, 44-3-426, **amend**
8 (4) as follows:

9 **44-3-426. Distillery pub license - legislative declaration -**
10 **definition.** (4) (a) Except as provided in subsection (4)(b) of this section,
11 every person selling alcohol beverages pursuant to this section must
12 purchase alcohol beverages, other than those that are fermented and
13 distilled at the licensed distillery pub, from a wholesaler licensed pursuant
14 to this article 3. ~~or article 4 of this title 44.~~

15 (b) (I) During a calendar year, a person selling alcohol beverages
16 as provided in this section may purchase not more than two thousand
17 dollars' worth of

18 ~~(A) malt, vinous, and spirituous liquors from a retailer~~ RETAILERS
19 licensed pursuant to ~~section~~ SECTIONS 44-3-409, ~~or~~ 44-3-410, and

20 ~~(B) Fermented malt beverages from a retailer licensed pursuant to~~
21 ~~section~~ 44-4-104 (1)(c).

22 (II) The distillery pub licensee shall retain evidence of each
23 purchase of malt, vinous, and spirituous liquors from a retailer licensed
24 pursuant to section 44-3-409, ~~or~~ 44-3-410, ~~and each purchase of~~
25 ~~fermented malt beverages from a retailer licensed pursuant to section~~ OR
26 44-4-104 (1)(c), in the form of a purchase receipt showing the name of
27 the licensed retailer, the date of purchase, a description of the alcohol

1 beverages purchased, and the price paid for the alcohol beverages. The
2 licensee shall retain the receipt and make it available to state and local
3 licensing authorities at all times during business hours.

4 **SECTION 22.** In Colorado Revised Statutes, 44-3-428, **amend**
5 (2) as follows:

6 **44-3-428. Lodging and entertainment license.** (2) (a) A lodging
7 and entertainment facility licensed to sell alcohol beverages as provided
8 in this section shall purchase alcohol beverages only from a wholesaler
9 licensed pursuant to this article 3; ~~or article 4 of this title 44~~, except that,
10 during a calendar year, a lodging and entertainment facility licensed to
11 sell alcohol beverages as provided in this section may purchase not more
12 than two thousand dollars' worth of

13 ~~(F) malt, vinous, and spirituous liquors from a retailer~~ RETAILERS
14 licensed pursuant to ~~section~~ SECTIONS 44-3-409, ~~or~~ 44-3-410, and

15 ~~(H) Fermented malt beverages from a retailer licensed pursuant to~~
16 ~~section~~ 44-4-104 (1)(c).

17 (b) A lodging and entertainment facility licensee shall retain
18 evidence of each purchase of malt, vinous, or spirituous liquors from a
19 retailer licensed pursuant to section 44-3-409, ~~or~~ 44-3-410, ~~and each~~
20 ~~purchase of fermented malt beverages from a retailer licensed pursuant~~
21 ~~to section~~ OR 44-4-104 (1)(c), in the form of a purchase receipt showing
22 the name of the licensed retailer, the date of purchase, a description of the
23 alcohol beverages purchased, and the price paid for the alcohol
24 beverages. The lodging and entertainment facility licensee shall retain the
25 receipt and make it available to the state and local licensing authorities at
26 all times during business hours.

27 **SECTION 23.** In Colorado Revised Statutes, 44-3-501, **amend**

1 (3)(a)(V) as follows:

2 **44-3-501. State fees.** (3) (a) The state licensing authority shall
3 establish fees for processing the following types of applications, notices,
4 or reports required to be submitted to the state licensing authority:

5 (V) Applications for alternating use of premises pursuant to
6 section 44-3-402 (3), 44-3-403 (2)(a), OR 44-3-417 (1)(b) ~~or 44-4-104~~
7 ~~(1)(a)~~, and rules adopted pursuant to those sections;

8 **SECTION 24.** In Colorado Revised Statutes, 44-3-503, **amend**
9 (1)(a) and (4)(g) as follows:

10 **44-3-503. Excise tax - records - rules - definition.** (1) (a) An
11 excise tax at the rate of 8.0 cents per gallon, or the same per unit volume
12 tax applied to metric measure, on all malt liquors ~~fermented malt~~
13 ~~beverages~~, and hard cider, 7.33 cents per liter on all vinous liquors except
14 hard cider, and 60.26 cents per liter on all spirituous liquors is imposed,
15 and the taxes shall be collected on all such respective beverages, not
16 otherwise exempt from the tax, sold, offered for sale, or used in this state;
17 except that, upon the same beverages, only one such tax shall be paid in
18 this state. The manufacturer, thereof, the holder of a winery direct
19 shipper's permit, or the first licensee receiving alcohol beverages in this
20 state if shipped from without the state, shall be primarily liable for the
21 payment of any tax or tax surcharge imposed pursuant to this section; but,
22 if the beverage is transported by a manufacturer or wholesaler to a point
23 outside of the state and disposed of there, then the manufacturer or
24 wholesaler, upon the filing with the state licensing authority of a duplicate
25 bill of lading, invoice, or affidavit showing such transaction, shall not be
26 subject to the tax provided in this section on such beverages, and, if such
27 tax has already been paid, it shall be refunded to said manufacturer or

1 wholesaler. For purposes of this section, "manufacturer" includes brew
2 pub, distillery pub, and vintner's restaurant licensees.

3 (4) Each licensed manufacturer and wholesaler of alcohol
4 beverages within this state shall file, on or before the twentieth day of
5 each month, an exact, verified return with the state licensing authority
6 showing for the preceding calendar month the quantities of alcohol
7 beverages:

8 (g) For persons licensed pursuant to section 44-3-402 (3),
9 44-3-403 (2)(a), OR 44-3-417 (1)(b), ~~or 44-4-104 (1)(a)~~, a separate report
10 of vinous liquors, OR malt liquors, ~~or fermented malt beverages~~, as
11 applicable, that were manufactured or inventoried in, or transferred from,
12 an alternating proprietor licensed premises.

13 **SECTION 25.** In Colorado Revised Statutes, 44-3-901, **amend**
14 (1)(i)(I) introductory portion, (1)(i)(I)(A), (1)(i)(VII), (3), (5) introductory
15 portion, (5)(b), and (7) as follows:

16 **44-3-901. Unlawful acts - exceptions - definitions - repeal.**

17 (1) Except as provided in section 18-13-122, it is unlawful for any
18 person:

19 (i) (I) To consume any ~~fermented malt beverage or malt, vinous,~~
20 ~~or spirituous liquor~~ ALCOHOL BEVERAGES:

21 (A) In any public place except on any licensed premises permitted
22 under this article 3 or article 4 of this title 44 to sell any ~~fermented malt~~
23 ~~beverages or malt, vinous, or spirituous liquors~~ ALCOHOL BEVERAGES by
24 the drink for consumption on the licensed premises;

25 (VII) Notwithstanding subsection (1)(i)(I) of this section, it is not
26 unlawful for a person who is at least twenty-one years of age to consume
27 any ~~fermented malt beverage or malt, vinous, or spirituous liquor~~

1 ALCOHOL BEVERAGES in any public place, other than a public right of
2 way, where consumption of ~~the fermented malt beverage or malt, vinous,~~
3 ~~or spirituous liquor~~ ALCOHOL BEVERAGES has been specifically authorized
4 by ordinance, resolution, or rule adopted by a municipality, city and
5 county, or county or, for purposes of state parks, state wildlife areas, or
6 other properties open to recreation that are under the supervision of the
7 parks and wildlife commission created in article 9 of title 33, by the parks
8 and wildlife commission.

9 (3) It is unlawful for any person licensed as a manufacturer,
10 limited winery, brew pub, or distillery pub pursuant to this article 3 ~~or~~
11 ~~article 4 of this title 44~~ to manufacture alcohol beverages in any location
12 other than the permanent location specifically designated in the license
13 for manufacturing, except as allowed pursuant to section 44-3-402 (3),
14 44-3-403 (2)(a), OR 44-3-417 (1)(b). ~~or 44-4-104 (1)(a).~~

15 (5) It is unlawful for any person licensed to sell at wholesale
16 pursuant to this article 3: ~~or article 4 of this title 44.~~

17 (b) To deliver ~~fermented malt beverages or malt liquors~~ to any
18 retail licensee located outside the geographic territory designated on the
19 license application filed with the state licensing authority if the person
20 holds a wholesaler's beer license;

21 (7) It is unlawful for any importer, manufacturer, or brewer to sell
22 or to bring into this state for purposes of sale any ~~fermented malt~~
23 ~~beverage or any~~ malt liquor without causing the same to be unloaded and
24 placed in the physical possession of a licensed wholesaler at the
25 wholesaler's licensed premises in this state and to be inventoried for
26 purposes of tax collection prior to delivery to a retailer or consumer.

27 **SECTION 26.** In Colorado Revised Statutes, 44-4-105, **amend**

1 (1)(a) as follows:

2 **44-4-105. Fees and taxes - allocation.** (1) (a) The state licensing
3 authority shall establish fees for processing the following types of
4 applications, notices, or reports required to be submitted to the state
5 licensing authority: Applications for new fermented malt beverage
6 licenses pursuant to section 44-3-301 and rules thereunder; applications
7 for change of location pursuant to section 44-3-301 and rules thereunder;
8 applications for changing, altering, or modifying licensed premises
9 pursuant to section 44-3-301 and rules thereunder; ~~applications for~~
10 ~~warehouse or branch house permits pursuant to section 44-4-104 and~~
11 ~~rules thereunder~~; applications for duplicate licenses; and notices of
12 change of name or trade name pursuant to section 44-3-301 and rules
13 thereunder. The amounts of such fees, when added to the other fees and
14 taxes transferred to the liquor enforcement division and state licensing
15 authority cash fund pursuant to subsection (2) of this section and section
16 44-3-502 (1), shall reflect the direct and indirect costs of the liquor
17 enforcement division and the state licensing authority in the
18 administration and enforcement of this article 4 and articles 3 and 5 of
19 this title 44. At least annually, the amounts of the fees shall be reviewed
20 and, if necessary, adjusted to reflect such direct and indirect costs.

21 **SECTION 27.** In Colorado Revised Statutes, 44-4-107, **amend**
22 (5) as follows:

23 **44-4-107. Local licensing authority - application - fees -**
24 **definition - rules - repeal.** (5) A person licensed under subsection (1)(a)
25 of this section that holds multiple fermented malt beverage retailer's
26 licenses for multiple licensed premises may operate under a single or
27 consolidated corporate entity but shall not commingle purchases of or

1 credit extensions for purchases of ~~fermented malt beverages~~ ALCOHOL
2 BEVERAGE PRODUCT from a wholesaler licensed under ~~this article 4 or~~
3 article 3 of this title 44 for more than one licensed premises. A wholesaler
4 licensed under ~~this article 4 or~~ article 3 of this title 44 shall not base the
5 price for the ~~fermented malt beverages~~ ALCOHOL BEVERAGE PRODUCT it
6 sells to a fermented malt beverage retailer licensed under subsection
7 (1)(a) of this section on the total volume of ~~fermented malt beverages~~
8 ALCOHOL BEVERAGE PRODUCT that the retailer purchases for multiple
9 licensed premises.

10 **SECTION 28.** In Colorado Revised Statutes, **repeal** 44-4-108 as
11 follows:

12 **44-4-108. Exemption.** ~~This article 4 does not apply to a state~~
13 ~~institution of higher education when the institution is engaged in the~~
14 ~~manufacture and tasting, at the place of manufacture or at a licensed~~
15 ~~premises, of fermented malt beverages for teaching or research purposes,~~
16 ~~so long as the fermented malt beverages are not sold or offered for sale~~
17 ~~and are only tasted by a qualified employee, qualified student, or expert~~
18 ~~taster. Any unused fermented malt beverage product that is produced by~~
19 ~~a state institution of higher education in accordance with this section must~~
20 ~~be removed from a licensed premises at the end of an event if the event~~
21 ~~is held at a licensed premises located off campus.~~

22 **SECTION 29. Applicability.** This act applies to conduct
23 occurring on or after the effective date of this act.

24 **SECTION 30. Safety clause.** The general assembly hereby finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, and safety.