A BILL FOR AN ACT

CONCERNING FINES LEVIED BY A LICENSING AUTHORITY FOR VIOLATIONS OF LAWS RELATED TO 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.)

Currently, the state or local licensing authority may suspend or revoke a licensee's license or permit for the licensee's violation of a law related to the regulation of alcohol beverages. The licensee may choose to pay a fine instead of the revocation or suspension.

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

SECTION 1. In Colorado Revised Statutes, 44-3-601, amend (1) and (3)(b); repeal (3)(c); and add (3.5) as follows:

44-3-601. Suspension - revocation - fines - rules. (1) (a) Subject to subsection (8) of this section, in addition to any other penalties prescribed by this article 3 or article 4 or 5 of this title 44, the state or any local licensing authority has the power, on its own motion or on complaint, after investigation and public hearing at which the licensee shall be afforded an opportunity to be heard, to FINE A LICENSEE OR TO suspend or revoke, in whole or in part, any license or permit issued by such authority for any violation by the licensee or by any of the agents, servants, or employees of the licensee of this article 3; any rules authorized by this article 3; or any of the terms, conditions, or provisions of the license or permit issued by such authority. A LICENSING AUTHORITY MAY IMPOSE A FINE PURSUANT TO THIS SUBSECTION (1) REGARDLESS OF WHETHER A LICENSEE HAS PETITIONED THE LICENSING AUTHORITY PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION FOR PERMISSION TO PAY A FINE IN LIEU OF LICENSE OR PERMIT SUSPENSION, AND THE LICENSING AUTHORITY NEED NOT MAKE THE FINDINGS SPECIFIED IN SUBSECTIONS (3)(a)(I) AND (3)(a)(II) OF THIS SECTION.

(b) Any licensing authority has the power to administer oaths and
issue subpoenas to require the presence of persons and the production of papers, books, and records necessary to the determination of any hearing that the licensing authority is authorized to conduct.

(c) For the purposes of imposing a fine, the state licensing authority shall adopt rules establishing categories of violations by level of severity and associated ranges of penalties for state and local licensing authorities, including aggravating and mitigating factors to be considered in determining penalties. A fine imposed pursuant to this subsection (1) must be between five hundred and one hundred thousand dollars; except that penalties for a first violation that is in the least severe level of license violations established pursuant to this subsection (1)(c) must not exceed five thousand dollars.

(3) (b) Subject to subsection (8) of this section, the fine accepted by the licensee pursuant to subsection (3)(a) of this section shall be the equivalent to twenty percent of the licensee's estimated gross revenues from sales of alcohol beverages during the period of the proposed suspension; except that the fine must be between two five hundred and five one hundred thousand dollars.

(c) Payment of any fine pursuant to the provisions of this subsection (3) shall be in the form of cash or in the form of a certified check or cashier's check made payable to the state or local licensing authority, whichever is appropriate.

(3.5) The method of payment of any fine pursuant to subsection (1) or (3) of this section:

(a) To a local licensing authority shall be in the form of cash or in the form of a certified check or cashier's check made
PAYABLE TO THE LOCAL LICENSING AUTHORITY;

(b) TO THE STATE LICENSING AUTHORITY SHALL BE IN THE FORM DETERMINED BY THE STATE LICENSING AUTHORITY BY RULE.

SECTION 2. Appropriation. For the 2020-21 state fiscal year, $45,838 is appropriated to the department of revenue. This appropriation is from the liquor enforcement division and state licensing authority cash fund created in section 44-6-101, C.R.S. To implement this act, the department may use this appropriation for legal services.

SECTION 3. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a referendum petition is filed pursuant to section 1(3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to conduct occurring on or after the applicable effective date of this act.