SENATE BILL 21-134

CONCERNING THE ABILITY OF A RETAIL LIQUOR STORE LICENSEE TO OBTAIN ADDITIONAL RETAIL LIQUOR STORE LICENSES.

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, a retail liquor store licensee that was licensed on or before January 1, 2016, and is a Colorado resident is permitted to obtain one additional retail liquor store license on or after January 1, 2017; 2 additional retail liquor store licenses on or after January 1, 2022; and 3 additional retail liquor store licenses on or after January 1, 2027.

The bill modifies the provisions governing the ability of a retail
liquor store to obtain additional retail liquor store licenses as follows:
- Retains the ability of a retail liquor store owner that applied for a license on or before January 1, 2016, to obtain one additional retail liquor store license on or after January 1, 2017, but removes the requirement that the licensee be a Colorado resident;
- On or after the effective date of the bill, mirrors the multiple license provisions applicable to liquor-licensed drugstore licenses by allowing a retail liquor store owner to obtain: A maximum of 5 total retail liquor store licenses between the effective date of the bill and December 31, 2021; a maximum of 8 total retail liquor store licenses between January 1, 2022, and December 31, 2026; a maximum of 13 total retail liquor store licenses between January 1, 2027, and December 31, 2031; a maximum of 20 total retail liquor store licenses between January 1, 2032, and December 31, 2036; and an unlimited number of retail liquor store licenses on or after January 1, 2037; and
- For additional licenses obtained on or after the effective date of the bill, requires a person seeking additional licenses to apply to transfer ownership of, change location of, and merge at least 2 retail liquor store licenses located within the same local licensing authority jurisdiction as the applicant's premises into a single retail liquor store license.

Additionally, the bill prohibits a retail liquor store from allowing customers to use a self-checkout to complete an alcohol beverage purchase and requires a retail liquor store to:
- Verify the age of a customer attempting to purchase an alcohol beverage by examining the customer's valid identification; and
- Maintain certification as a responsible alcohol beverage vendor.

The bill sets state and local application fees for a retail liquor store licensee applying for a transfer of ownership, change of location, and merger of 2 retail liquor store licenses.

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

SECTION 1. In Colorado Revised Statutes, 44-3-303, amend (1)(c)(II) and (2) as follows:

44-3-303. Transfer of ownership and temporary permits.

(1) (c) (II) (A) A LICENSE TRANSFER AND MERGER AS PROVIDED FOR IN
SECTION 44-3-409 (1)(d) INCLUDES A TRANSFER OF OWNERSHIP OF AT LEAST TWO RETAIL LIQUOR STORES, A CHANGE OF LOCATION OF ALL BUT ONE OF THE RETAIL LIQUOR STORES, AND A MERGER OF THE RETAIL LIQUOR STORE LICENSES INTO A SINGLE RETAIL LIQUOR STORE LICENSE, ALL AS PART OF A SINGLE TRANSACTION. A license merger and conversion as provided for in section 44-3-410 (1)(b) includes a transfer of ownership of at least two retail liquor stores, a change of location of ALL BUT one of the retail liquor stores, and a merger and conversion of the retail liquor store licenses into a single liquor-licensed drugstore license, all as part of a single transaction. The RETAIL LIQUOR STORE OR liquor-licensed drugstore applicant need not apply separately for a transfer of ownership under this section. The

(B) NEITHER A RETAIL LIQUOR STORE APPLYING FOR A LICENSE TRANSFER AND MERGER PURSUANT TO SECTION 44-3-409 (1)(d) NOR A liquor-licensed drugstore applying for a license merger and conversion pursuant to section 44-3-410 (1)(b) is ineligible for a temporary permit pursuant to this section.

(C) The local licensing authority shall consider the reasonable requirements of the neighborhood pursuant to section 44-3-312 when making a determination on the TRANSFER AND MERGER OF RETAIL LIQUOR STORE LICENSES INTO A SINGLE RETAIL LIQUOR STORE LICENSE OR THE merger and conversion of the retail liquor store licenses into a single liquor-licensed drugstore license, AS APPLICABLE. The local licensing authority may hold a hearing on the application for the license TRANSFER AND MERGER OR merger and conversion after providing notice in accordance with subsection (1)(c)(III) of this section.

(2) Notwithstanding any provision of this article 3 to the contrary,
a local licensing authority may issue a temporary permit to a transferee of any retail class of alcohol beverage license issued by the local licensing authority pursuant to this article 3 or article 4 of this title 44; except that a local licensing authority shall not issue a temporary permit to a RETAIL LIQUOR STORE OR liquor-licensed drugstore that has acquired ownership of licensed retail liquor stores in accordance with section 44-3-410(1)(b) SECTION 44-3-409 (1)(d) OR 44-3-410 (1)(b), RESPECTIVELY. A temporary permit authorizes a transferee to continue selling alcohol beverages as permitted under the permanent license during the period in which an application to transfer the ownership of the license is pending.

SECTION 2. In Colorado Revised Statutes, 44-3-312, amend (2)(a) as follows:

44-3-312. Results of investigation - decision of authorities. (2)(a) Before entering any decision approving or denying the application, the local licensing authority shall consider, except where this article 3 specifically provides otherwise, the facts and evidence adduced as a result of its investigation, as well as any other facts; the reasonable requirements of the neighborhood for the type of license for which application has been made; the desires of the adult inhabitants; the number, type, and availability of alcohol beverage outlets located in or near the neighborhood under consideration; and any other pertinent matters affecting the qualifications of the applicant for the conduct of the type of business proposed; except that the reasonable requirements of the neighborhood shall not be considered in the issuance of a club liquor license. FOR THE TRANSFER AND MERGER OF RETAIL LIQUOR STORE LICENSES TO A SINGLE RETAIL LIQUOR STORE LICENSE IN ACCORDANCE WITH SECTION 44-3-409 (1)(d) OR FOR THE merger and conversion of retail
liquor store licenses to a single liquor-licensed drugstore license in accordance with section 44-3-410 (1)(b), the local licensing authority shall consider the reasonable requirements of the neighborhood and the desires of the adult inhabitants of the neighborhood.

SECTION 3. In Colorado Revised Statutes, 44-3-409, **amend** (2)(a)(I), (2)(b), and (4)(b)(III); and **add** (1)(d), (2)(a)(III), (2)(a)(IV), (4)(b)(III.5), and (6) as follows:

**44-3-409. Retail liquor store license - rules.** (1) (d) (I) **ON AND** AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(d), TO QUALIFY FOR AN ADDITIONAL RETAIL LIQUOR STORE LICENSE UNDER SUBSECTION (4)(b)(III.5) OF THIS SECTION, THE RETAIL LIQUOR STORE LICENSEE MUST APPLY TO THE STATE AND LOCAL LICENSING AUTHORITIES, AS PART OF A SINGLE APPLICATION, FOR A TRANSFER OF OWNERSHIP OF AT LEAST TWO RETAIL LIQUOR STORES THAT WERE LICENSED OR HAD APPLIED FOR A LICENSE ON OR BEFORE MAY 1, 2016, A CHANGE OF LOCATION OF ALL BUT ONE OF THE RETAIL LIQUOR STORES, AND A MERGER OF THE RETAIL LIQUOR STORE LICENSES INTO A SINGLE RETAIL LIQUOR STORE LICENSE. THE APPLICANT MAY APPLY FOR A TRANSFER, CHANGE OF LOCATION, AND MERGER ONLY IF ALL OF THE FOLLOWING REQUIREMENTS ARE MET:

(A) **THE RETAIL LIQUOR STORES THAT ARE THE SUBJECT OF THE TRANSFER OF OWNERSHIP ARE LOCATED WITHIN THE SAME LOCAL LICENSING AUTHORITY JURISDICTION AS THE PREMISES FOR WHICH THE APPLICANT IS SEEKING A RETAIL LIQUOR STORE LICENSE, AND, IF ANY RETAIL LIQUOR STORES ARE LOCATED WITHIN ONE THOUSAND FIVE HUNDRED FEET OF THE PREMISES OR, FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER, WITHIN THREE THOUSAND FEET OF THE PREMISES, THE APPLICANT APPLIES TO
TRANSFER OWNERSHIP OF ALL RETAIL LIQUOR STORES LOCATED WITHIN THAT DISTANCE. IF THERE ARE NO LICENSED RETAIL LIQUOR STORES OR ONLY ONE LICENSED RETAIL LIQUOR STORE WITHIN THE SAME LOCAL LICENSING AUTHORITY JURISDICTION AS THE PREMISES FOR WHICH THE APPLICANT SEeks A RETAIL LIQUOR STORE LICENSE, THE APPLICANT MUST APPLY TO TRANSFER OWNERSHIP OF ONE OR TWO RETAIL LIQUOR STORES, AS NECESSARY, THAT ARE LOCATED IN THE LOCAL LICENSING AUTHORITY JURISDICTION THAT IS NEAREST TO THE JURISDICTION IN WHICH THE PREMISES IS LOCATED.

(B) UPON TRANSFER AND MERGER OF THE RETAIL LIQUOR STORE LICENSES TO A SINGLE RETAIL LIQUOR STORE LICENSE, THE PREMISES FOR WHICH THE NEW RETAIL LIQUOR STORE LICENSE IS SOUGHT WILL BE LOCATED AT LEAST ONE THOUSAND FIVE HUNDRED FEET FROM ALL LICENSED RETAIL LIQUOR STORES THAT ARE WITHIN THE SAME LOCAL LICENSING AUTHORITY JURISDICTION AS THE PREMISES FOR WHICH THE NEW RETAIL LIQUOR STORE LICENSE IS SOUGHT OR, FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER, AT LEAST THREE THOUSAND FEET FROM ALL LICENSED RETAIL LIQUOR STORES THAT ARE WITHIN THE SAME LOCAL LICENSING AUTHORITY JURISDICTION AS THE PREMISES FOR WHICH THE NEW RETAIL LIQUOR STORE LICENSE IS SOUGHT.

(III) IN MAKING ITS DETERMINATION ON THE TRANSFER OF
OWNERSHIP, CHANGE OF LOCATION, AND LICENSE MERGER APPLICATION,
THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE REASONABLE
REQUIREMENTS OF THE NEIGHBORHOOD AND THE DESIRES OF THE ADULT
INHABITANTS IN ACCORDANCE WITH SECTION 44-3-312.

(2) (a) A person licensed under this section to sell malt, vinous,
and spirituous liquors in a retail liquor store:

(I) Shall purchase the malt, vinous, and spirituous liquors only
from a wholesaler licensed pursuant to this article 3; and

(III) SHALL 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
TRANSACTION BY, AN EMPLOYEE OF THE RETAIL LIQUOR STORE; AND

(IV) SHALL REQUIRE, IN ACCORDANCE WITH SECTION 44-3-901
(11), CONSUMERS ATTEMPTING TO PURCHASE MALT, VINOUS, OR
SPIRITUOUS LIQUORS TO PRESENT A VALID IDENTIFICATION, AS
DETERMINED BY THE STATE LICENSING AUTHORITY BY RULE.

(b) A person licensed under this section that obtains additional
retail liquor store licenses in accordance with subsection (4)(b)(III)
SUBSECTION (4)(b)(III) OR (4)(b)(III.5) 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 3 for more
than one licensed premises. A wholesaler licensed under this article 3
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.

(4) (b) An owner, part owner, shareholder, or person interested directly or indirectly in a retail liquor store may have an interest in:

(III) ON OR AFTER JANUARY 1, 2017, for a retail liquor store licensed on or before January 1, 2016, and whose license holder is a Colorado resident, ONE additional retail liquor store licenses as follows

LICENSE, but only if the premises for which a license is sought satisfies the distance requirements specified in subsection (1)(a)(II) of this section;

(A) On or after January 1, 2017, and before January 1, 2022, one additional retail liquor store license, for a maximum of up to two total retail liquor store licenses;

(B) On or after January 1, 2022, and before January 1, 2027, up to two additional retail liquor store licenses, for a maximum of three total retail liquor store licenses; and

(C) On or after January 1, 2027, up to three additional retail liquor store licenses, for a maximum of four total retail liquor store licenses; or

(III.5) FOR A RETAIL LIQUOR STORE THAT APPLIED FOR A LICENSE ON OR BEFORE JANUARY 1, 2016, ADDITIONAL RETAIL LIQUOR STORE LICENSES AS FOLLOWS, BUT ONLY IF THE PREMISES FOR WHICH AN ADDITIONAL RETAIL LIQUOR STORE LICENSE IS SOUGHT SATISFIES THE DISTANCE REQUIREMENTS SPECIFIED IN SUBSECTION (1)(a)(II) OF THIS SECTION AND THE RETAIL LIQUOR STORE LICENSEE APPLYING FOR AN ADDITIONAL LICENSE OBTAINS THE ADDITIONAL RETAIL LIQUOR STORE LICENSE IN ACCORDANCE WITH THE REQUIREMENTS OF SUBSECTION (1)(d) OF THIS SECTION:

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(A) On or after the effective date of this subsection
(4)(b)(III.5) and before January 1, 2022, a maximum of five total
retail liquor store licenses, including the initial retail liquor
store license applied for on or before January 1, 2016, and any
additional retail liquor store license obtained under subsection
(4)(b)(III) of this section;

(B) On or after January 1, 2022, and before January 1,
2027, a maximum of eight total retail liquor store licenses,
including the initial retail liquor store license applied for on or
before January 1, 2016, and any additional retail liquor store
licenses obtained under subsection (4)(b)(III) or (4)(b)(III.5)(A) of
this section;

(C) On or after January 1, 2027, and before January 1,
2032, a maximum of thirteen total retail liquor store licenses,
including the initial retail liquor store license applied for on or
before January 1, 2016, and any additional retail liquor store
licenses obtained under subsection (4)(b)(III), (4)(b)(III.5)(A), or
(4)(b)(III.5)(B) of this section;

(D) On or after January 1, 2032, and before January 1,
2037, a maximum of twenty total retail liquor store licenses,
including the initial retail liquor store license applied for on or
before January 1, 2016, and any additional retail liquor store
licenses obtained under subsection (4)(b)(III), (4)(b)(III.5)(A),
(4)(b)(III.5)(B), or (4)(b)(III.5)(C) of this section; and

(E) On or after January 1, 2037, an unlimited number of
retail liquor store licenses; or

(6) A retail liquor store must obtain and maintain a
CERTIFICATION AS A RESPONSIBLE ALCOHOL BEVERAGE VENDOR IN
ACCORDANCE WITH PART 10 OF THIS ARTICLE 3.

SECTION 4. In Colorado Revised Statutes, 44-3-501, amend
(3)(a)(XVII) and (3)(a)(XVIII); and add (3)(a)(XIX) as follows:

44-3-501. State fees - rules - one-time fee waiver - repeal.
(3) (a) The state licensing authority shall establish fees for processing the
following types of applications, notices, or reports required to be
submitted to the state licensing authority:
(XVII) Applications for manager's permits pursuant to section
44-3-427; and
(XVIII) Applications for the renewal of a license or permit issued
in accordance with this article 3; AND
(XIX) APPLICATIONS FOR TRANSFER OF OWNERSHIP, CHANGE OF
LOCATION, AND LICENSE MERGER PURSUANT TO SECTION 44-3-409 (1)(d).

SECTION 5. In Colorado Revised Statutes, 44-3-505, add
(4)(a)(VI) as follows:

44-3-505. Local license fees. (4) (a) Each application for a
license provided for in this article 3 and article 4 of this title 44 filed with
a local licensing authority must be accompanied by an application fee in
an amount determined by the local licensing authority to cover actual and
necessary expenses, subject to the following limitations:
(VI) FOR A TRANSFER OF OWNERSHIP, CHANGE OF LOCATION, AND
LICENSE MERGER PURSUANT TO SECTION 44-3-409 (1)(d), NOT TO EXCEED
ONE THOUSAND DOLLARS.

SECTION 6. Act subject to petition - effective date. 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; 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 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.