

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

INTRODUCED

LLS NO. 25-0138.01 Brita Darling x2241

SENATE BILL 25-033

SENATE SPONSORSHIP

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Ricks and Weinberg, Bacon, Bird, Boesenecker, Brown, Clifford, Mabrey, McCluskie,
McCormick

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING LIMITATIONS ON LIQUOR-LICENSED DRUGSTORE**
102 **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>.)

On and after the effective date of the bill, the bill prohibits the state and local licensing authorities (licensing authorities) from issuing a new liquor-licensed drugstore license (license). Licensing authorities may continue to renew existing licenses.

A person holding a license (licensee) is prohibited from changing the location of, merging, selling, converting, or transferring a license;

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

except that a licensee that holds a license that was issued to an independent pharmacy before January 1, 2025, shall not, on or after the effective date of the bill, change the location of or merge or convert the license but may sell or transfer the license to another licensee that is an independent pharmacy that holds a license or to a person that does not already have a license.

The bill prohibits an owner, part owner, shareholder, or person interested directly or indirectly in a liquor-licensed drugstore from having an interest in more than 8 licenses.

Sections 3 through 7 of the bill make conforming amendments to account for the new restrictions on the license.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-3-103, **add** (21.3)
3 as follows:

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

6 (21.3) "INDEPENDENT PHARMACY" MEANS A PRESCRIPTION DRUG
7 OUTLET PRIVATELY OWNED BY AT LEAST ONE LICENSED PHARMACIST WITH
8 NO OWNERSHIP INTEREST BY OR AFFILIATION WITH A CHAIN OR PUBLICLY
9 OWNED PHARMACY.

10 **SECTION 2.** In Colorado Revised Statutes, 44-3-410, **amend**
11 (1)(a) and (7); **repeal** (1)(b), (4)(b)(IV), (4)(b)(V), and (4)(c); and **add**
12 (4)(b)(VI) and (8) as follows:

13 **44-3-410. Liquor-licensed drugstore license - multiple licenses**
14 **permitted - license renewals - independent pharmacies -**
15 **requirements - rules.** (1) (a) ~~(f)~~ A liquor-licensed drugstore license ~~shall~~
16 ~~be~~ IS issued to persons selling malt, vinous, and spirituous liquors in
17 sealed containers not to be consumed at the place where sold. On and
18 after July 1, 2016, ~~except as permitted under subsection (1)(b) of this~~
19 ~~section~~ THE EFFECTIVE DATE OF THIS SECTION, AS AMENDED, the state and

1 local licensing authorities shall not issue a ANY new liquor-licensed
2 drugstore license if the licensed premises for which a liquor-licensed
3 drugstore license is sought is located: LICENSES.

4 (A) ~~Within one thousand five hundred feet of a retail liquor store~~
5 ~~licensed under section 44-3-409;~~

6 (B) ~~For a drugstore premises located in a municipality with a~~
7 ~~population of ten thousand or fewer, within three thousand feet of a retail~~
8 ~~liquor store licensed under section 44-3-409; or~~

9 (C) ~~For a drugstore premises located in a municipality with a~~
10 ~~population of ten thousand or fewer that is contiguous to the city and~~
11 ~~county of Denver, within one thousand five hundred feet of a retail liquor~~
12 ~~store licensed under section 44-3-409.~~

13 (H) ~~Nothing in this subsection (1) prohibits:~~

14 (A) ~~The renewal or transfer of ownership of a liquor-licensed~~
15 ~~drugstore license initially issued prior to July 1, 2016.~~

16 (B) ~~A liquor-licensed drugstore licensee from allowing tastings on~~
17 ~~the licensed premises if the applicable local licensing authority has~~
18 ~~authorized the liquor-licensed drugstore to conduct tastings on its licensed~~
19 ~~premises in accordance with section 44-3-301 (10).~~

20 (b) (f) ~~On or after January 1, 2017, to qualify for an additional~~
21 ~~liquor-licensed drugstore license under this section, a liquor-licensed~~
22 ~~drugstore licensee, or a retail liquor store licensee that was licensed as a~~
23 ~~liquor-licensed drugstore on February 21, 2016, must apply to the state~~
24 ~~and local licensing authorities, as part of a single application, for a~~
25 ~~transfer of ownership of at least two licensed retail liquor stores that were~~
26 ~~licensed or had applied for a license on or before May 1, 2016, a change~~
27 ~~of location of one of the retail liquor stores, and a merger and conversion~~

1 of the retail liquor store licenses into a single liquor-licensed drugstore
2 license. The applicant may apply for a transfer, change of location, and
3 merger and conversion only if all of the following requirements are met:

4 (A) The retail liquor stores that are the subject of the transfer of
5 ownership are located within the same local licensing authority
6 jurisdiction as the drugstore premises for which the applicant is seeking
7 a liquor-licensed drugstore license, and, if any retail liquor stores are
8 located within one thousand five hundred feet of the drugstore premises
9 or, for a drugstore premises located in a municipality with a population
10 of ten thousand or fewer, within three thousand feet of the drugstore
11 premises, the applicant applies to transfer ownership of all retail liquor
12 stores located within that distance. If there are no licensed retail liquor
13 stores or only one licensed retail liquor store within the same local
14 licensing authority jurisdiction as the drugstore premises for which a
15 liquor-licensed drugstore license is sought, the applicant shall apply to
16 transfer ownership of one or two retail liquor stores, as necessary, that are
17 located in the local licensing authority jurisdiction that is nearest to the
18 jurisdiction in which the drugstore premises is located.

19 (B) Upon transfer and conversion of the retail liquor store licenses
20 to a single liquor-licensed drugstore license, the drugstore premises for
21 which the liquor-licensed drugstore license is sought will be located at
22 least one thousand five hundred feet from all licensed retail liquor stores
23 that are within the same local licensing authority jurisdiction as the
24 drugstore premises or, for a drugstore premises located in a municipality
25 with a population of ten thousand or fewer, at least three thousand feet
26 from all licensed retail liquor stores that are within the same local
27 licensing authority jurisdiction as the drugstore premises.

1 ~~(H) For purposes of determining whether the distance~~
2 ~~requirements specified in subsection (1)(b)(I) of this section are satisfied,~~
3 ~~the distance shall be determined by a radius measurement that begins at~~
4 ~~the principal doorway of the drugstore premises for which the application~~
5 ~~is made and ends at the principal doorway of the licensed retail liquor~~
6 ~~store.~~

7 ~~(HH) In making its determination on the transfer of ownership,~~
8 ~~change of location, and license merger and conversion application, the~~
9 ~~local licensing authority shall consider the reasonable requirements of the~~
10 ~~neighborhood and the desires of the adult inhabitants in accordance with~~
11 ~~section 44-3-312.~~

12 ~~(IV) In addition to any other requirements for licensure under this~~
13 ~~section or this article 3, a person applying for a new liquor-licensed~~
14 ~~drugstore license in accordance with this subsection (1)(b) on or after~~
15 ~~January 1, 2017, or to renew a liquor-licensed drugstore license issued on~~
16 ~~or after January 1, 2017, under this subsection (1)(b) must:~~

17 ~~(A) Provide evidence to the state and local licensing authorities~~
18 ~~that at least twenty percent of the licensee's gross annual income derived~~
19 ~~from total sales during the prior twelve months at the drugstore premises~~
20 ~~for which a new or renewal licenses is sought is from the sale of food~~
21 ~~items, as defined by the state licensing authority by rule; and~~

22 ~~(B) Make and keep its premises open to the public.~~

23 ~~(4) (b) An owner, part owner, shareholder, or person interested~~
24 ~~directly or indirectly in a liquor-licensed drugstore may have an interest~~
25 ~~in:~~

26 ~~(IV) For a liquor-licensed drugstore licensed on or before January~~
27 ~~1, 2016, or a liquor-licensed drugstore licensee that was licensed as a~~

1 ~~liquor-licensed drugstore on February 21, 2016, that converted its license~~
2 ~~to a retail liquor store license after February 21, 2016, and that applied on~~
3 ~~or before May 1, 2017, to convert its retail liquor store license back to a~~
4 ~~liquor-licensed drugstore license, additional liquor-licensed drugstore~~
5 ~~licenses as follows, but only if obtained in accordance with subsection~~
6 ~~(1)(b) of this section:~~

7 ~~(A) On or after January 1, 2017, and before January 1, 2022, four~~
8 ~~additional liquor-licensed drugstore licenses, for a maximum of five total~~
9 ~~liquor-licensed drugstore licenses;~~

10 ~~(B) On or after January 1, 2022, and before January 1, 2027, up~~
11 ~~to seven additional liquor-licensed drugstore licenses, for a maximum of~~
12 ~~eight total liquor-licensed drugstore licenses;~~

13 ~~(C) On or after January 1, 2027, and before January 1, 2032, up~~
14 ~~to twelve additional liquor-licensed drugstore licenses, for a maximum of~~
15 ~~thirteen total liquor-licensed drugstore licenses;~~

16 ~~(D) On or after January 1, 2032, and before January 1, 2037, up~~
17 ~~to nineteen additional liquor-licensed drugstore licenses, for a maximum~~
18 ~~of twenty total liquor-licensed drugstore licenses; and~~

19 ~~(E) On or after January 1, 2037, an unlimited number of additional~~
20 ~~liquor-licensed drugstore licenses.~~

21 ~~(V) For a liquor-licensed drugstore that submitted an application~~
22 ~~for a new liquor-licensed drugstore license before October 1, 2016,~~
23 ~~additional liquor-licensed drugstore licenses as follows, but only if~~
24 ~~obtained in accordance with subsection (1)(b) of this section:~~

25 ~~(A) On or after January 1, 2019, and before January 1, 2022, four~~
26 ~~additional liquor-licensed drugstore licenses, for a maximum of five total~~
27 ~~liquor-licensed drugstore licenses;~~

1 ~~(B) On or after January 1, 2022, and before January 1, 2027, up~~
2 ~~to seven additional liquor-licensed drugstore licenses, for a maximum of~~
3 ~~eight total liquor-licensed drugstore licenses;~~

4 ~~(C) On or after January 1, 2027, and before January 1, 2032, up~~
5 ~~to twelve additional liquor-licensed drugstore licenses, for a maximum of~~
6 ~~thirteen total liquor-licensed drugstore licenses;~~

7 ~~(D) On or after January 1, 2032, and before January 1, 2037, up~~
8 ~~to nineteen additional liquor-licensed drugstore licenses, for a maximum~~
9 ~~of twenty total liquor-licensed drugstore licenses; and~~

10 ~~(E) On or after January 1, 2037, an unlimited number of additional~~
11 ~~liquor-licensed drugstore licenses.~~

12 (VI) NO MORE THAN EIGHT LIQUOR-LICENSED DRUGSTORE
13 LICENSES.

14 ~~(c) Subsection (4)(b)(V) of this section does not apply to a~~
15 ~~liquor-licensed drugstore licensee that was licensed as a liquor-licensed~~
16 ~~drugstore on February 21, 2016, that converted its license to a retail liquor~~
17 ~~store license after February 21, 2016, and that applied on or before May~~
18 ~~1, 2017, to convert its retail liquor store license back to a liquor-licensed~~
19 ~~drugstore license.~~

20 (7) A person licensed under this section that ~~obtains~~ OBTAINED
21 additional liquor-licensed drugstore licenses ~~in accordance with~~
22 ~~subsection (4)(b)(IV) or (4)(b)(V) of this section~~ may operate under a
23 single or consolidated corporate entity but shall not commingle purchases
24 of or credit extensions for purchases of malt, vinous, or spirituous liquors
25 from a wholesaler licensed under this article 3 for more than one licensed
26 premises. A wholesaler licensed under this article 3 shall not base the
27 price for the malt, vinous, or spirituous liquors it sells to a liquor-licensed

1 drugstore licensed under this section on the total volume of malt, vinous,
2 or spirituous liquors that the licensee purchases for multiple licensed
3 premises.

4 (8) (a) THE STATE OR A LOCAL LICENSING AUTHORITY MAY RENEW
5 A LIQUOR-LICENSED DRUGSTORE LICENSE PURSUANT TO SECTION
6 44-3-302. IN ADDITION TO ANY OTHER REQUIREMENTS FOR RENEWAL, A
7 PERSON APPLYING TO RENEW A LIQUOR-LICENSED DRUGSTORE LICENSE
8 ISSUED ON OR AFTER JANUARY 1, 2017, BUT ISSUED BEFORE THE
9 EFFECTIVE DATE OF THIS SECTION, AS AMENDED, SHALL:

10 (I) PROVIDE EVIDENCE TO THE STATE AND LOCAL LICENSING
11 AUTHORITIES THAT, WITH RESPECT TO THE TOTAL SALES MADE DURING
12 THE PRIOR TWELVE MONTHS AT THE DRUGSTORE PREMISES FOR WHICH THE
13 RENEWAL LICENSE IS SOUGHT, AT LEAST TWENTY PERCENT OF THE
14 LICENSEE'S GROSS ANNUAL INCOME IS DERIVED FROM THE SALE OF FOOD
15 ITEMS, AS DEFINED BY THE STATE LICENSING AUTHORITY BY RULE; AND

16 (II) MAKE AND KEEP THE LICENSEE'S PREMISES OPEN TO THE
17 PUBLIC.

18 (b) (I) ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, AS
19 AMENDED, A LIQUOR-LICENSED DRUGSTORE LICENSEE SHALL NOT MERGE,
20 SELL, TRANSFER, CONVERT, OR CHANGE THE LOCATION OF A
21 LIQUOR-LICENSED DRUGSTORE LICENSE.

22 (II) NOTWITHSTANDING SUBSECTION (8)(b)(I) OF THIS SECTION, A
23 LIQUOR-LICENSED DRUGSTORE LICENSEE THAT HOLDS A LIQUOR-LICENSED
24 DRUGSTORE LICENSE THAT WAS ISSUED TO AN INDEPENDENT PHARMACY
25 BEFORE JANUARY 1, 2025, SHALL NOT, ON OR AFTER THE EFFECTIVE DATE
26 OF THIS SECTION, AS AMENDED, CHANGE THE LOCATION OF OR MERGE OR
27 CONVERT THE LICENSE, BUT THE LICENSEE MAY SELL OR TRANSFER THE

1 LICENSE TO ANOTHER INDEPENDENT PHARMACY THAT HOLDS A
2 LIQUOR-LICENSED DRUGSTORE LICENSE OR TO A PERSON THAT DOES NOT
3 ALREADY HOLD OR HAVE AN INTEREST IN A LIQUOR-LICENSED DRUGSTORE
4 LICENSE.

5 **SECTION 3.** In Colorado Revised Statutes, 44-3-303, **amend**
6 (1)(c)(I) and (2); and **repeal** (1)(c)(II) as follows:

7 **44-3-303. Transfer of ownership and temporary permits.**

8 (1) (c) (I) ~~Except as provided in subsection (1)(c)(II) of this section, for~~
9 ~~any other~~ FOR ANY transfer of ownership, application must be made to the
10 state and local licensing authorities on forms prepared and furnished by
11 the state licensing authority. In determining whether to permit a transfer
12 of ownership, the licensing authorities shall consider only the
13 requirements of section 44-3-307 and 1 CCR 203-2, rule 47-302, entitled
14 "Changing, Altering, or Modifying Licensed Premises", or any analogous
15 successor rule. The local licensing authority may conduct a hearing on the
16 application for transfer of ownership after providing notice in accordance
17 with subsection (1)(c)(III) of this section. ~~Any~~ A transfer of ownership
18 hearing by the state licensing authority ~~must~~ SHALL be held in accordance
19 with section 44-3-305 (2).

20 (II) ~~A license merger and conversion as provided for in section~~
21 ~~44-3-410 (1)(b) includes a transfer of ownership of at least two retail~~
22 ~~liquor stores, a change of location of one of the retail liquor stores, and~~
23 ~~a merger and conversion of the retail liquor store licenses into a single~~
24 ~~liquor-licensed drugstore license, all as part of a single transaction, and~~
25 ~~the liquor-licensed drugstore applicant need not apply separately for a~~
26 ~~transfer of ownership under this section. The liquor-licensed drugstore~~
27 ~~applying for a license merger and conversion pursuant to section~~

1 ~~44-3-410 (1)(b) is ineligible for a temporary permit pursuant to this~~
2 ~~section. The local licensing authority shall consider the reasonable~~
3 ~~requirements of the neighborhood pursuant to section 44-3-312 when~~
4 ~~making a determination on the merger and conversion of the retail liquor~~
5 ~~store licenses into a single liquor-licensed drugstore license. The local~~
6 ~~licensing authority may hold a hearing on the application for the license~~
7 ~~merger and conversion after providing notice in accordance with~~
8 ~~subsection (1)(c)(III) of this section.~~

9 (2) Notwithstanding any provision of this article 3 to the contrary,
10 a local licensing authority may issue a temporary permit to a transferee of
11 any retail class of alcohol beverage license issued by the local licensing
12 authority pursuant to this article 3 or article 4 of this title 44. ~~except that~~
13 ~~a local licensing authority shall not issue a temporary permit to a~~
14 ~~liquor-licensed drugstore that has acquired ownership of licensed retail~~
15 ~~liquor stores in accordance with section 44-3-410 (1)(b).~~ A temporary
16 permit authorizes a transferee to continue selling alcohol beverages as
17 permitted under the permanent license during the period in which an
18 application to transfer the ownership of the license is pending.

19 **SECTION 4.** In Colorado Revised Statutes, 44-3-312, **amend**
20 (2)(a) as follows:

21 **44-3-312. Results of investigation - decision of authorities.**

22 (2) (a) Before entering ~~any~~ A decision approving or denying ~~the~~ AN
23 application, ~~the~~ A local licensing authority shall consider, except where
24 this article 3 specifically provides otherwise, the facts and evidence
25 adduced as a result of its investigation, as well as any other facts; the
26 reasonable requirements of the neighborhood for the type of license for
27 which application has been made; the desires of the adult inhabitants; the

1 number, type, and availability of alcohol beverage outlets located in or
2 near the neighborhood under consideration; and any other pertinent
3 matters affecting the qualifications of the applicant for the conduct of the
4 type of business proposed; except that the reasonable requirements of the
5 neighborhood shall not be considered in the issuance of a club liquor
6 license. ~~For the merger and conversion of retail liquor store licenses to a~~
7 ~~single liquor-licensed drugstore license in accordance with section~~
8 ~~44-3-410(1)(b), the local licensing authority shall consider the reasonable~~
9 ~~requirements of the neighborhood and the desires of the adult inhabitants~~
10 ~~of the neighborhood.~~

11 **SECTION 5.** In Colorado Revised Statutes, 44-3-409, **repeal** (5)
12 as follows:

13 **44-3-409. Retail liquor store license - rules - definitions.** (5) ~~A~~
14 ~~liquor-licensed drugstore may apply to the state and local licensing~~
15 ~~authorities, as part of a single application, for a merger and conversion of~~
16 ~~retail liquor store licenses to a single liquor-licensed drugstore license as~~
17 ~~provided in section 44-3-410 (1)(b).~~

18 **SECTION 6.** In Colorado Revised Statutes, 44-3-501, **repeal**
19 (3)(a)(XVI) as follows:

20 **44-3-501. State fees - rules.** (3) (a) The state licensing authority
21 shall establish fees for processing the following types of applications,
22 notices, or reports required to be submitted to the state licensing
23 authority:

24 (XVI) ~~Applications for transfer of ownership, change of location,~~
25 ~~and license merger and conversion pursuant to section 44-3-410 (1)(b);~~

26 **SECTION 7.** In Colorado Revised Statutes, 44-3-505, **repeal**
27 (4)(a)(V) as follows:

1 **44-3-505. Local license fees.** (4) (a) Each application for a
2 license provided for in this article 3 and article 4 of this title 44 filed with
3 a local licensing authority must be accompanied by an application fee in
4 an amount determined by the local licensing authority to cover actual and
5 necessary expenses, subject to the following limitations:

6 (V) ~~For a transfer of ownership, change of location, and license~~
7 ~~merger and conversion pursuant to section 44-3-410 (1)(b), not to exceed~~
8 ~~one thousand dollars.~~

9 **SECTION 8. Safety clause.** The general assembly finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, or safety or for appropriations for
12 the support and maintenance of the departments of the state and state
13 institutions.