

Proposition 126: Third-Party Delivery of Alcohol Beverages

Placed on the ballot by citizen initiative • Passes with a majority vote

1 **Proposition 126 proposes amending the Colorado statutes to:**

- 2 • allow third-party companies to deliver alcohol directly to customers on behalf of
3 grocery stores, convenience stores, liquor stores, bars, restaurants, and other liquor-
4 licensed businesses; and
- 5 • permanently allow takeout and delivery of alcohol from bars and restaurants, which
6 is currently scheduled to repeal in 2025.

7 **What Your Vote Means**

YES

8 A “yes” vote on
9 Proposition 126 allows

10 third-party companies to deliver alcohol
11 from grocery stores, convenience stores,
12 liquor stores, bars, restaurants, and other
13 liquor-licensed businesses, and makes
14 takeout and delivery of alcohol from bars
15 and restaurants permanently available.

NO

A “no” vote on Proposition 126
maintains current law, which
requires businesses to use their own
employees to deliver alcohol. Bars and
restaurants may offer takeout and delivery
of alcohol until July 2025.

1 **Summary and Analysis for Proposition 126**

2 **What are current policies related to alcohol delivery?**

3 Current Colorado law permits grocery stores, convenience stores, liquor stores,
4 bars, restaurants, and other liquor-licensed businesses to deliver alcohol to
5 customers, but they must use their own employees who are 21 years of age or
6 older and follow other restrictions depending on their license type. Alcohol
7 delivery by liquor stores has been allowed since 1994, by wineries since 1997, by
8 grocery and convenience stores since 2019, and by bars and restaurants since
9 2020. Alcohol takeout and delivery by bars and restaurants is scheduled to
10 repeal in July 2025.

11 **What does the measure do?**

12 Under Proposition 126, grocery stores, convenience stores, liquor stores, bars,
13 restaurants, and other liquor-licensed businesses will be allowed to contract with
14 third-party companies, such as grocery and meal delivery services, to deliver
15 alcohol to customers beginning March 1, 2023. The measure also changes
16 current law to permanently allow alcohol takeout and delivery by bars and
17 restaurants.

18 The measure outlines requirements for third-party alcohol delivery companies,
19 including the requirement that companies obtain a delivery permit, follow various
20 safety provisions, and submit proof of liability insurance. All individuals who
21 deliver alcohol through a third-party delivery company are required to be
22 21 years of age or older, complete a certification program, verify the recipient's
23 legal age at the time of delivery, and refuse delivery to anyone who fails to
24 provide proof of age or appears intoxicated. The measure also makes third-party
25 delivery companies and workers liable for alcohol delivery violations and
26 removes retail liquor licensees' liability once alcohol is transferred to the third-
27 party.

28 Retail alcohol stores and bars and restaurants are currently limited in the amount
29 of revenue they may earn from alcohol delivery. The measure removes those
30 restrictions. Limits on the amount of alcohol that may be offered for delivery or
31 takeout from bars and restaurants remain in law, which are approximately
32 equivalent to 2 bottles of wine, 12 cans of beer, and 1 liter of spirits per order.

For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

33 **Argument For Proposition 126**

34 1) The delivery of groceries and restaurant meals has become a convenience
35 that Coloradans expect and continue to use. Allowing third-party delivery
36 services to deliver alcohol will let many more stores and restaurants utilize
37 delivery without having to devote the resources to meet burdensome

1 requirements in current law. As a result, Coloradans will have more options
2 available when supporting stores and restaurants from the comfort of home.

3 **Argument Against Proposition 126**

4 1) The measure expands alcohol delivery options without the safeguards
5 available in a physical store or restaurant that ensure alcohol is not sold to
6 minors. Currently, retail liquor licensees make deliveries using their own
7 trained employees and are liable for any violation. Under this measure,
8 retailers are not liable once alcohol leaves their premises, and enforcement of
9 third-party alcohol delivery laws is expected to be more difficult as a result.

10 **Fiscal Impact for Proposition 126**

11 **State revenue and spending.** The measure increases costs in the Department
12 of Revenue by an estimated \$120,000 and 1.2 FTE per year, paid for by
13 equivalent revenue from delivery permit fees. The department requires
14 additional administrative and enforcement staff to process applications and
15 conduct delivery compliance checks. Exact licensing fee revenue to the state will
16 depend on the number of applicants and the fee schedule set by the department.

17 **Local government.** Any impact to local liquor licensing authorities is expected
18 to be minimal, as the third-party delivery permitting will be administered by the
19 state licensing authority. To the extent that local jurisdictions increase
20 enforcement, workload and costs will increase.