

Initiative 135: Additional Local Approval of Expanded Liquor Licenses and Renewals

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

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

- 2 • prohibit any retail liquor license change or modification without local
3 government review and public hearing; and
4 • require additional local government review and a public hearing for the
5 renewal of any store’s liquor license.

6 **What Your Vote Means**

YES

7 A “yes” vote on
8 Proposition ? requires

9 local governments to review and either
10 approve or reject any retail liquor licensing
11 changes or modifications and renewals,
12 following a public hearing.

13

NO

A “no” vote on Proposition ?
means that liquor license
changes or modifications authorized by
state law may happen without local
government review, while local
governments will retain their authority to
review liquor license renewals.

1 **Summary and Analysis for Proposition ?**

2 **What does this measure do?**

3 This measure prohibits any retail liquor license change or modification, including
4 an automatic conversion or change in the type of alcohol sold, without local
5 government review and public hearing. The measure also requires a public
6 hearing and additional review by a local government before a store's liquor
7 license can be renewed.

8 **What is the current liquor licensing process?**

9 Under current law, retail stores that sell alcohol, including liquor stores, grocery
10 stores, and convenience stores, must be licensed by both state and local
11 governments. Before approving an application for an initial liquor license,
12 licensing authorities must consider the needs and desires of the neighborhood
13 following a public hearing. Liquor licenses must be renewed annually. A local
14 government may hold a public hearing on a renewal application and may refuse
15 to renew any license for good cause.

16 **How does the measure impact liquor license modifications?**

17 This measure requires a local government to hold a public hearing and review
18 any liquor license changes or modifications, including automatic expansions in
19 the types of alcohol being sold. In order for the liquor license change or
20 modification to be granted, the measure requires that a local government find
21 that the change will meet the needs and desires of the neighborhood and that the
22 location meets applicable distance requirements from schools, daycare centers,
23 churches, and other retail stores that sell alcohol.

24 For example, in 2019, grocery and convenience stores that were licensed to sell
25 3.2 beer were automatically permitted to begin selling full-strength beer without
26 any state or local government approval or action. If this measure had been in
27 place at that time, these conversions would not have been automatic and would
28 have required review and approval by the local government. On the 2022 ballot,
29 Initiative 121 proposes to automatically allow these same stores to also begin
30 selling wine without any state or local government approval or action. This
31 measure would require the relevant local government to hold a public hearing
32 and review these conversions prior to approval.

33 **How does the measure impact liquor license renewals?**

34 This measure would require a local government to hold a public hearing and
35 determine that a store's liquor license renewal would serve the public interest
36 based on the store's operating history.

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>

1 **Argument For Proposition ?**

2 1) This measure gives local neighborhoods a voice in the process of expanding
3 the types of alcohol that are sold at nearby stores. This measure ensures
4 that liquor licensees continue to be accountable through a transparent public
5 process.

6 **Argument Against Proposition ?**

7 1) This measure adds unnecessary bureaucracy that will burden local
8 governments and slow down the liquor licensing process. Further, upon
9 renewal of a liquor license, local governments already have the discretion to
10 hold hearings when warranted, and do not need this state-mandated
11 requirement.

12 **Fiscal Impact for Proposition ?**

13 **State revenue and expenditures.** Because the measure modifies only the local
14 licensing process, it is not expected to affect the revenue or expenditures of the
15 Liquor Enforcement Division in the Department of Revenue. However, to the
16 extent the measure's requirements delay the local process or limit the state's
17 time with an application, workload may increase, and to the extent the measure's
18 requirements reduce the number of overall licensees in the state, revenue and
19 workload may decrease. These impacts will depend on a variety of factors and
20 cannot be estimated.

21 **Local government.** The measure will increase workload for local licensing
22 authorities to comply with the hearings and affirmative finding requirements.
23 Similar to the state, if the measure results in nonrenewal of liquor licenses, fee
24 revenue to and workload for local licensing authorities will be reduced; however,
25 this impact cannot be estimated.