

# Proposition ? : Increase Allowable Liquor Store Locations

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

- 1 **Proposition ? proposes amending the Colorado statutes to:**
- 2     • allow retail liquor stores to apply to state and local governments to open
- 3     additional locations on a phased-in schedule, with no limit on the number of
- 4     permissible locations after 2037.

## 5 **What Your Vote Means**

**YES**   6 A “yes” vote on  
           7 Proposition ? allows retail  
 8 liquor stores to apply for and, if approved,  
 9 gradually obtain additional locations over  
 10 time, with no limit on the number of  
 11 locations after 2037.

**NO**     A “no” vote on Proposition ?  
           retains current law that limits  
 retail liquor stores to a total of three  
 locations in the state through 2026, and a  
 total of four locations thereafter.

1 **Summary and Analysis for Proposition ?**

2 Currently, retail liquor stores are limited to three locations per licensee, with four  
3 locations allowed beginning in 2027. Under this measure, retail liquor stores  
4 would be allowed to apply for the same number of locations as liquor-licensed  
5 drugstores (grocery stores with a pharmacy that sell beer, wine, and spirits), as  
6 follows:

- 7 • 8 total locations beginning upon passage of the measure;
- 8 • 13 total locations beginning in 2027;
- 9 • 20 total locations beginning in 2032; and
- 10 • an unlimited number of locations beginning in 2037.

11 In order to open additional retail liquor store locations, licensees will follow the  
12 current state and local government licensing protocols related to background  
13 checks, documentation, and a public hearing on the needs and desires of the  
14 neighborhood.

15 This measure does not impact grocery and convenience stores that currently sell  
16 only beer, which are allowed to have an unlimited number of locations.  
17 Additional information about retail liquor stores can be found in the summary and  
18 analysis for Initiative 121 on page ?.

*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>

19 **Argument For Proposition ?**

- 20 1) This measure brings parity to retail liquor stores that have been  
21 disadvantaged by the limited number of allowed locations. Currently, grocery  
22 store chains that are licensed to sell beer, wine, and spirits are permitted  
23 many more locations than retail liquor stores, with unlimited locations  
24 beginning in 2037. Meanwhile, retail liquor stores are limited to four total  
25 locations in perpetuity. Proposition ? addresses a long-term competitive  
26 disadvantage for retail liquor stores relative to large grocery store chains.

27 **Argument Against Proposition ?**

- 28 1) Proposition ? creates a disadvantage for locally owned liquor stores that do  
29 not have the capacity to easily expand like large liquor store chains. The  
30 measure upends current law designed to ensure that neighborhood liquor  
31 stores can continue to compete with other retail liquor stores. Many of these  
32 small businesses are owned by minorities and women, who may lose  
33 customers as a result of increased competition from large liquor store chains.

1 **Fiscal Impact for Proposition ?**

2 **State revenue.** The measure may increase state revenue from new retail liquor  
3 store licenses and ongoing renewals; however, the net impact of the change is  
4 assumed to be less than \$10,000 per year. Revenue is from state and local  
5 liquor licensing fees and is split between state cash funds and the General Fund.

6 **State spending.** The measure minimally increases workload for the Liquor  
7 Enforcement Division in the Department of Revenue to perform rulemaking,  
8 process applications for new retail liquor stores, and conduct enforcement.

9 **Local government.** The measure will minimally increase workload for local  
10 licensing authorities to process applications for new retail liquor stores and  
11 revenue from local application and licensing fees.