

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

April 4, 2024
Date

Committee on Business Affairs & Labor.

After consideration on the merits, the Committee recommends the following:

HB24-1373 be amended as follows, and as so amended, be referred to the Committee on Finance with favorable recommendation:

1 Amend printed bill, page 2, strike line 2.

2 Page 3, strike lines 1 through 6 and substitute:

3 **"SECTION 1.** In Colorado Revised Statutes, 44-3-103, **amend**
4 (26); and **add** (21.5) as follows:

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

7 (21.5) "INDEPENDENT PHARMACY" HAS THE SAME MEANING AS IN
8 SECTION 25-4-2404 (1)(a).

9 (26) "Liquor-licensed drugstore" means any ~~drugstore~~
10 INDEPENDENT PHARMACY licensed by the state board of pharmacy that has
11 also applied for and has been granted a license by the state licensing
12 authority to sell malt, vinous, and spirituous liquors in original sealed
13 containers for consumption off the premises.

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

17 **44-3-410. Liquor-licensed drugstore license - multiple licenses**
18 **permitted - requirements - rules.** (1) (a) (I) A liquor-licensed drugstore
19 license shall be issued to persons selling malt, vinous, and spirituous
20 liquors in sealed containers not to be consumed at the place where sold.
21 On and after July 1, 2016, ~~except as permitted under subsection (1)(b) of~~
22 ~~this section~~, JANUARY 1, 2025, the state and local licensing authorities
23 shall not issue a ANY new liquor-licensed drugstore license if the licensed
24 premises for which a liquor-licensed drugstore license is sought is
25 ~~located~~: LICENSES.

26 (A) ~~Within one thousand five hundred feet of a retail liquor store~~

1 licensed under section 44-3-409;

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

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

9 (b) ~~(f) On or after January 1, 2017, to qualify for an additional~~
10 ~~liquor-licensed drugstore license under this section, a liquor-licensed~~
11 ~~drugstore licensee, or a retail liquor store licensee that was licensed as a~~
12 ~~liquor-licensed drugstore on February 21, 2016, must apply to the state~~
13 ~~and local licensing authorities, as part of a single application, for a~~
14 ~~transfer of ownership of at least two licensed retail liquor stores that were~~
15 ~~licensed or had applied for a license on or before May 1, 2016, a change~~
16 ~~of location of one of the retail liquor stores, and a merger and conversion~~
17 ~~of the retail liquor store licenses into a single liquor-licensed drugstore~~
18 ~~license. The applicant may apply for a transfer, change of location, and~~
19 ~~merger and conversion only if all of the following requirements are met:~~

20 ~~(A) The retail liquor stores that are the subject of the transfer of~~
21 ~~ownership are located within the same local licensing authority~~
22 ~~jurisdiction as the drugstore premises for which the applicant is seeking~~
23 ~~a liquor-licensed drugstore license, and, if any retail liquor stores are~~
24 ~~located within one thousand five hundred feet of the drugstore premises~~
25 ~~or, for a drugstore premises located in a municipality with a population~~
26 ~~of ten thousand or fewer, within three thousand feet of the drugstore~~
27 ~~premises, the applicant applies to transfer ownership of all retail liquor~~
28 ~~stores located within that distance. If there are no licensed retail liquor~~
29 ~~stores or only one licensed retail liquor store within the same local~~
30 ~~licensing authority jurisdiction as the drugstore premises for which a~~
31 ~~liquor-licensed drugstore license is sought, the applicant shall apply to~~
32 ~~transfer ownership of one or two retail liquor stores, as necessary, that are~~
33 ~~located in the local licensing authority jurisdiction that is nearest to the~~
34 ~~jurisdiction in which the drugstore premises is located.~~

35 ~~(B) Upon transfer and conversion of the retail liquor store licenses~~
36 ~~to a single liquor-licensed drugstore license, the drugstore premises for~~
37 ~~which the liquor-licensed drugstore license is sought will be located at~~
38 ~~least one thousand five hundred feet from all licensed retail liquor stores~~
39 ~~that are within the same local licensing authority jurisdiction as the~~
40 ~~drugstore premises or, for a drugstore premises located in a municipality~~
41 ~~with a population of ten thousand or fewer, at least three thousand feet~~
42 ~~from all licensed retail liquor stores that are within the same local~~
43 ~~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 (2) (a) A person licensed under this section to sell malt, vinous,
24 and spirituous liquors as provided in this section shall:

25 (I) Purchase malt, vinous, and spirituous liquors only from a
26 wholesaler licensed under this article 3 OR FROM A RETAILER LICENSED
27 PURSUANT TO SECTION 44-3-409;

28 (b) A person licensed under this section on or after January 1,
29 2017, shall not purchase malt, vinous, or spirituous liquors from a
30 wholesaler OR RETAILER on credit and shall effect payment upon delivery
31 of the alcohol beverages.

32 (4) (b) An owner, part owner, shareholder, or person interested
33 directly or indirectly in a liquor-licensed drugstore may have an interest
34 in:

35 ~~(IV) For a liquor-licensed drugstore licensed on or before January~~
36 ~~1, 2016, or a liquor-licensed drugstore licensee that was licensed as a~~
37 ~~liquor-licensed drugstore on February 21, 2016, that converted its license~~
38 ~~to a retail liquor store license after February 21, 2016, and that applied on~~
39 ~~or before May 1, 2017, to convert its retail liquor store license back to a~~
40 ~~liquor-licensed drugstore license, additional liquor-licensed drugstore~~
41 ~~licenses as follows, but only if obtained in accordance with subsection~~
42 ~~(1)(b) of this section:~~

43 ~~(A) On or after January 1, 2017, and before January 1, 2022, four~~

1 additional liquor-licensed drugstore licenses, for a maximum of five total
2 liquor-licensed drugstore licenses;

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

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

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

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

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

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

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

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

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

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

32 ~~(c) Subsection (4)(b)(V) of this section does not apply to a~~
33 ~~liquor-licensed drugstore licensee that was licensed as a liquor-licensed~~
34 ~~drugstore on February 21, 2016, that converted its license to a retail liquor~~
35 ~~store license after February 21, 2016, and that applied on or before May~~
36 ~~1, 2017, to convert its retail liquor store license back to a liquor-licensed~~
37 ~~drugstore license.~~

38 ~~(7) A person licensed under this section that obtains additional~~
39 ~~liquor-licensed drugstore licenses in accordance with subsection~~
40 ~~(4)(b)(IV) or (4)(b)(V) of this section may operate under a single or~~
41 ~~consolidated corporate entity but shall not commingle purchases of or~~
42 ~~credit extensions for purchases of malt, vinous, or spirituous liquors from~~
43 ~~a wholesaler licensed under this article 3 for more than one licensed~~

1 ~~premises. A wholesaler licensed under this article 3 shall not base the~~
2 ~~price for the malt, vinous, or spirituous liquors it sells to a liquor-licensed~~
3 ~~drugstore licensed under this section on the total volume of malt, vinous,~~
4 ~~or spirituous liquors that the licensee purchases for multiple licensed~~
5 ~~premises.~~

6 (8) (a) ON AND AFTER JANUARY".

7 Page 3, strike line 8 and substitute "ANY NEW LIQUOR-LICENSED
8 DRUGSTORE LICENSES. ON AND AFTER JANUARY 1, 2025, THE STATE OR
9 LOCAL LICENSING AUTHORITY MAY RENEW A LIQUOR-LICENSED
10 DRUGSTORE LICENSE ONLY IF THE LICENSEE IS AN INDEPENDENT
11 PHARMACY."

12 Page 3, line 11, after "LICENSE" insert "BY A DRUGSTORE THAT IS NOT AN
13 INDEPENDENT PHARMACY".

14 Page 3, strike lines 15 through 17 and substitute:

15 "(c) ON JANUARY 1, 2025, EVERY LIQUOR-LICENSED DRUGSTORE
16 LICENSE THAT WAS IN EFFECT ON DECEMBER 31, 2024, AND THAT WAS
17 ISSUED TO A LICENSEE THAT WAS NOT AN INDEPENDENT PHARMACY,
18 AUTOMATICALLY".

19 Page 3, strike lines 21 through 26.

20 Page 4, strike line 9.

21 Page 4, lines 10 and 11, strike "(5) and (6)" and substitute "(5), (6), and
22 (7)".

23 Page 4, strike lines 15 through 18 and substitute "SHALL NOT PLACE ANY
24 TEMPORARY DISPLAYS OF ALCOHOL BEVERAGES:

25 (a) IMMEDIATELY ADJACENT TO NONALCOHOLIC SOFT DRINKS,
26 FRUIT JUICES, BOTTLED WATER, CANDY, OR TOYS;

27 (b) NEAR AN ENTRY OR EXIT OF THE LICENSED PREMISES; OR

28 (c) OUTSIDE OF THE AREA APPROVED BY THE LOCAL LICENSING
29 AUTHORITY FOR THE DISPLAY OF ALCOHOL BEVERAGES."

30 Page 4, line 19, strike "(1)(a)" and substitute "(1)(c)".

31 Page 4, strike lines 20 and 21 and substitute "SECTION SHALL NOT SELL:

32 (a) A FERMENTED MALT BEVERAGE THAT IS GREATER THAN
33 FOURTEEN PERCENT ALCOHOL BY VOLUME; OR

1 (b) WINE THAT IS GREATER THAN SEVENTEEN PERCENT ALCOHOL
2 BY VOLUME."

3 Page 4, after line 21 insert:

4 "(7) EXCEPT AS PROVIDED IN SECTION 44-3-407 (5), A PERSON
5 LICENSED PURSUANT TO SUBSECTION (1)(c) OF THIS SECTION SHALL
6 ENSURE THAT ALL WORK PERFORMED ON THE LICENSED PREMISES IN
7 CONNECTION WITH THE HANDLING, SALE, AND DELIVERY OF FERMENTED
8 MALT BEVERAGES AND WINE IS PERFORMED BY AN EMPLOYEE OF THE
9 LICENSEE."

10 Page 5, strike lines 6 through 9 and substitute "SECTION SHALL NOT PLACE
11 ANY TEMPORARY DISPLAYS OF ALCOHOL BEVERAGES:

- 12 (a) IMMEDIATELY ADJACENT TO NONALCOHOLIC SOFT DRINKS,
13 FRUIT JUICES, BOTTLED WATER, CANDY, OR TOYS;
14 (b) NEAR AN ENTRY OR EXIT OF THE LICENSED PREMISES; OR
15 (c) OUTSIDE OF THE AREA APPROVED BY THE LOCAL LICENSING
16 AUTHORITY FOR THE DISPLAY OF ALCOHOL BEVERAGES."

17 Page 5, strike lines 11 and 12 and substitute "SECTION SHALL NOT SELL:

- 18 (a) A FERMENTED MALT BEVERAGE THAT IS GREATER THAN
19 FOURTEEN PERCENT ALCOHOL BY VOLUME; OR
20 (b) WINE THAT IS GREATER THAN SEVENTEEN PERCENT ALCOHOL
21 BY VOLUME."

22 Page 5, strike lines 22 through 27 and substitute "been authorized to
23 distribute. A WHOLESALER MAY OFFER VARIABLE PRICING BASED ON
24 QUANTITIES ORDERED BY A LICENSED RETAILER ON A
25 PER-LICENSED-LOCATION BASIS, INCLUDING MULTIPLE CASE DISCOUNTS.
26 A WHOLESALER SHALL NOT OTHERWISE OFFER MORE FAVORABLE PRICING
27 TO ANY LICENSED RETAILER THAT IS NOT ALSO OFFERED TO EVERY RETAIL
28 LIQUOR STORE LICENSEE. A WHOLESALER SHALL NOT OFFER MORE
29 FAVORABLE PRODUCT AVAILABILITY; RELEVANT INFORMATION
30 REGARDING PRODUCTS THE WHOLESALER OFFERS FOR SALE, INCLUDING
31 VINTAGES AND QUANTITIES ON HAND; DEAL QUANTITIES, FEE STRUCTURES,
32 DISCOUNTS, REBATES, CREDITS, OR ACCESS TO SUPPLIER COUPONS; OR
33 OTHER TERMS OR CONDITIONS OF SALE TO A LICENSED RETAILER THAT ARE
34 NOT ALSO OFFERED TO EVERY RETAIL LIQUOR STORE LICENSEE."

35 Page 7, line 1, after "RETAILER" insert "LICENSED TO SELL FOR
36 CONSUMPTION OFF THE LICENSED PREMISES".

- 1 Page 8, lines 2 and 3, strike "(2); and **add (2.5)**" and substitute "(2)".
- 2 Page 8, line 4, strike "**license - repeal.**" and substitute "**license.**".
- 3 Page 8, strike lines 20 through 27.
- 4 Page 9, strike lines 1 through 11.
- 5 Page 9, lines 12 and 13, strike "(7); and **add (7.5)**" and substitute "(7)".
- 6 Page 9, lines 14 and 15, strike "**rules - repeal.**" and substitute "**rules.**".
- 7 Page 10, strike lines 5 through 26.
- 8 Page 10, line 27, strike "(2);".
- 9 Page 11, line 1, strike "and **add (2.5)**" and substitute "(2)".
- 10 Page 11, line 2, strike "**license - repeal.**" and substitute "**license.**".
- 11 Page 11, strike lines 18 through 27.
- 12 Page 12, strike lines 1 through 10.
- 13 Page 12, strike line 12 and substitute "(2) as follows:".
- 14 Page 12, line 13, strike "**license - repeal.**" and substitute "**license.**".
- 15 Page 13, strike lines 3 through 22.
- 16 Page 13, strike line 24 and substitute "(3) as follows:".
- 17 Page 14, strike lines 16 through 27.
- 18 Page 15, strike lines 1 through 9.
- 19 Page 15, strike line 11 and substitute "(2) as follows:".
- 20 Page 15, line 12, strike "**declaration - repeal.**" and substitute
21 "**declaration.**".
- 22 Page 16, strike lines 2 through 21.

- 1 Page 16, strike line 23 and substitute "(4) as follows:".
- 2 Page 16, line 24, strike "**definition - repeal.**" and substitute "**definition.**".
- 3 Page 17, strike lines 13 through 27.
- 4 Page 18, strike line 1 through 5.
- 5 Page 18, strike line 7 and substitute "(2) as follows:".
- 6 Page 18, line 8, strike "**license - repeal.**" and substitute "**license.**".
- 7 Page 18, strike lines 24 through 27.
- 8 Page 19, strike lines 1 through 16.
- 9 Page 19, strike line 18 and substitute "(3) as follows:".
- 10 Page 19, line 19, strike "**license - repeal.**" and substitute "**license.**".
- 11 Page 20, strike lines 9 through 27.
- 12 Page 21, strike line 1.
- 13 Page 21, strike line 3 and substitute "(4) as follows:".
- 14 Page 21, line 5, strike "**definition - repeal.**" and substitute "**definition.**".
- 15 Page 21, strike lines 23 through 27.
- 16 Page 22, strike lines 1 through 16.
- 17 Page 22, strike line 18 and substitute "(2) as follows:".
- 18 Page 22, line 19, strike "**license - repeal.**" and substitute "**license.**".
- 19 Page 23, strike lines 11 through 27.
- 20 Page 24, strike lines 1 through 4.
- 21 Page 24, lines 18 and 19, strike "~~liquor-licensed drugstores under section~~
22 ~~44-3-410~~" and substitute "liquor-licensed drugstores under section
23 44-3-410 OR".

1 Page 24, strike line 21 and substitute:

2 "(h)(I) ~~On or before January 1, 2016,~~ The department of revenue".

3 Page 25, lines 1 and 2, strike "~~liquor-licensed drugstores under section~~
4 ~~44-3-410~~" and substitute "liquor-licensed drugstores under section
5 44-3-410 AND".

6 Page 25, strike lines 4 through 27.

7 Page 26, strike lines 1 through 8.

8 Renumber succeeding sections accordingly.

9 Page 26, line 10, strike "(1)(b) and (1)(c)(I);" and substitute "(1)(b),
10 (1)(c)(I), and (2);".

11 Page 27, after line 17 insert:

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

22 Page 28, line 11, strike "(1)(a) and".

23 Page 28 strike lines 12 through 27.

24 Page 29, strike lines 1 through 6 and substitute:

25 "**44-3-409. Retail liquor store license - rules.** (2) (a) A person
26 licensed under this section to sell malt, vinous,".

27 Page 29, strike lines 20 through 27.

28 Page 30, strike lines 1 through 4.

- 1 Renumber succeeding sections accordingly.
- 2 Page 30, strike lines 6 through 12 and substitute "(3)(a)(XVI) as follows:
3 **44-3-501. State fees - rules.** (3) (a) The state licensing authority
4 shall establish fees for".
- 5 Page 30, strike lines 17 and 18.
- 6 Page 30, line 20, strike "(1)(b) and".
- 7 Page 30, strike lines 25 through 27.
- 8 Page 31, strike lines 1 through 3.
- 9 Page 31, strike lines 13 and 14 and substitute "(1)(g), (6)(k)(I), and
10 (6)(k)(V) as follows:".
- 11 Page 31, lines 18 and 19, strike "~~or liquor-licensed drugstore~~" and
12 substitute "or liquor-licensed drugstore".
- 13 Page 31, strike lines 26 and 27.
- 14 Page 32, strike lines 1 through 5.
- 15 Page 32, strike lines 8 through 13.
- 16 Page 32, line 16, strike "~~store liquor-licensed drugstore,~~" and substitute
17 "store, liquor-licensed drugstore,".
- 18 Page 32, strike lines 20 through 27.
- 19 Page 33, strike lines 1 through 16.
- 20 Page 33, lines 17 and 18, strike "~~or liquor-licensed drugstore~~" and
21 substitute "or liquor-licensed drugstore".
- 22 Page 33, strike lines 26 and 27.
- 23 Page 34, strike lines 1 through 23.
- 24 Page 1, strike lines 102 and 103 and substitute "IN CONNECTION
25 THEREWITH, CONVERTING CERTAIN LIQUOR-LICENSED DRUGSTORE
26 LICENSES TO FERMENTED MALT BEVERAGE AND WINE RETAILER

1 **LICENSES, UPDATING THE".**

2 Page 1, line 106, strike "**REQUIRING**" and substitute "**PROHIBITING**".

3 Page 1, line 107, strike "**TO DISPLAY**" and substitute "**FROM**
4 **DISPLAYING**".

5 Page 1, line 108, strike "**A SINGLE LOCATION**" and substitute "**CERTAIN**
6 **LOCATIONS**".

7 Page 1, line 112, strike "**ALCOHOL**" and substitute "**WINE WITH GREATER**
8 **THAN SEVENTEEN PERCENT ALCOHOL BY VOLUME OR FERMENTED**
9 **MALT**".

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