

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 18-0537.01 Christy Chase x2008

HOUSE BILL 18-1025

HOUSE SPONSORSHIP

Herod,

SENATE SPONSORSHIP

Cooke and Gardner,

House Committees

Judiciary
Appropriations

Senate Committees

Judiciary

A BILL FOR AN ACT

101 **CONCERNING THE NONSUBSTANTIVE RELOCATION OF LAWS RELATED**
102 **TO THE REGULATION OF ALCOHOL BEVERAGES FROM TITLE 12,**
103 **COLORADO REVISED STATUTES, TO A NEW TITLE 44 AS PART OF**
104 **THE ORGANIZATIONAL RECODIFICATION OF TITLE 12, AND, IN**
105 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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/>.)

Committee on Legal Services. Current law directs the office of legislative legal services to study the organizational recodification of title 12 of the Colorado Revised Statutes, which relates to professions and

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

SENATE
3rd Reading Unamended
March 20, 2018

SENATE
2nd Reading Unamended
March 19, 2018

HOUSE
3rd Reading Unamended
February 27, 2018

HOUSE
Amended 2nd Reading
February 26, 2018

occupations. One recommendation of the study is to relocate laws located in title 12 that are administered by the department of revenue to a new title 44, which will consist solely of laws administered by the department of revenue that regulate a variety of activities.

To implement this recommendation, **section 1** of the bill creates title 44, **section 2** relocates laws related to the regulation of alcohol beverages from title 12 to the new title, and **section 3** repeals the relocated laws from their current location. **Sections 4 through 25** make conforming amendments.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** title 44 as
3 follows:

4 **TITLE 44**

5 **ACTIVITIES REGULATED BY THE**
6 **DEPARTMENT OF REVENUE**

7 **ARTICLE 1**

8 **Common Provisions**

9 **44-1-101. Short title.** THE SHORT TITLE OF THIS TITLE 44 IS THE
10 "DEPARTMENT OF REVENUE ACTIVITIES REGULATION ACT".

11 **44-1-102. Legislative declaration.** (1) THE GENERAL ASSEMBLY
12 HEREBY FINDS AND DECLARES THAT:

13 (a) BEFORE THE ENACTMENT OF THIS TITLE 44, LAWS
14 ADMINISTERED BY THE DEPARTMENT OF REVENUE THAT REGULATE A
15 VARIETY OF ACTIVITIES WERE CODIFIED IN TWO TITLES OF THE COLORADO
16 REVISED STATUTES, MOST PROMINENTLY IN TITLE 12, WHICH GOVERNS
17 PROFESSIONS AND OCCUPATIONS;

18 (b) MOST PROFESSIONS AND OCCUPATIONS ARE REGULATED BY
19 THE DEPARTMENT OF REGULATORY AGENCIES PURSUANT TO TITLE 12, BUT
20 PRIOR TO THE 2017 LEGISLATIVE SESSION, TITLE 12 CONTAINED NUMEROUS

1 LAWS THAT DID NOT PERTAIN TO THE REGULATION OF PROFESSIONS AND
2 OCCUPATIONS AND WERE NOT ADMINISTERED BY THE DEPARTMENT OF
3 REGULATORY AGENCIES;

4 (c) WITH THE ENACTMENT OF SECTION 2-3-510 IN 2016, THE
5 GENERAL ASSEMBLY DIRECTED THE OFFICE OF LEGISLATIVE LEGAL
6 SERVICES TO STUDY AN ORGANIZATIONAL RECODIFICATION OF TITLE 12 OF
7 THE COLORADO REVISED STATUTES, INCLUDING RELOCATING LAWS THAT
8 DO NOT PERTAIN TO PROFESSIONS AND OCCUPATIONS AND ARE NOT
9 ADMINISTERED BY THE DEPARTMENT OF REGULATORY AGENCIES;

10 (d) BASED ON RECOMMENDATIONS FROM THE TITLE 12
11 RECODIFICATION STUDY, THE GENERAL ASSEMBLY ENACTED SEVERAL
12 BILLS IN THE 2017 LEGISLATIVE SESSION TO RELOCATE OUT OF TITLE 12
13 MANY LAWS THAT ARE ADMINISTERED BY ENTITIES OTHER THAN THE
14 DEPARTMENT OF REGULATORY AGENCIES;

15 (e) THE STUDY ALSO RECOMMENDED CREATING A NEW TITLE 44
16 FOR PURPOSES OF CONSOLIDATING LAWS ADMINISTERED BY THE
17 DEPARTMENT OF REVENUE THAT REGULATE ACTIVITIES INTO A SINGLE
18 TITLE IN ORDER TO FACILITATE BOTH:

19 (I) THE PUBLIC'S AND REGULATED ENTITIES' UNDERSTANDING OF
20 THE LAWS THAT APPLY TO THEM; AND

21 (II) THE DEPARTMENT OF REVENUE'S ADMINISTRATION OF THESE
22 LAWS; AND

23 (f) CREATING A NEW TITLE 44 CONSISTING OF LAWS ADMINISTERED
24 BY THE DEPARTMENT OF REVENUE THAT REGULATE VARIOUS ACTIVITIES
25 IS NECESSARY TO IMPLEMENT THE RECOMMENDATIONS OF THE TITLE 12
26 RECODIFICATION STUDY AND FACILITATE THE REORGANIZATION OF TITLE
27 12 PERTAINING TO THE REGULATION OF PROFESSIONS AND OCCUPATIONS.

1 **44-1-103. Definitions.** AS USED IN THIS TITLE 44, UNLESS THE
2 CONTEXT OTHERWISE REQUIRES:

3 (1) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE
4 CREATED IN SECTION 24-1-117.

5 (2) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
6 THE DEPARTMENT.

7 **SECTION 2.** In Colorado Revised Statutes, **add with amended**
8 **and relocated provisions** articles 3, 4, and 5 to title 44 as follows:

9 **ARTICLE 3**

10 **Alcohol Beverages**

11 PART 1

12 GENERAL PROVISIONS

13 **44-3-101. [Formerly 12-47-101] Short title.** ~~This article shall be~~
14 ~~known and may be cited as~~ THE SHORT TITLE OF THIS ARTICLE 3 IS THE
15 "Colorado Liquor Code".

16 **44-3-102. [Formerly 12-47-102] Legislative declaration.**

17 (1) The general assembly hereby declares that this article shall be deemed
18 an exercise of the police powers of the state for the protection of the
19 economic and social welfare and the health, peace, and morals of the
20 people of this state and that no provisions of this ~~article~~ ARTICLE 3 shall
21 ever be construed so as to authorize the establishment or maintenance of
22 any saloon.

23 (2) The general assembly further declares that it is lawful to
24 manufacture and sell for beverages or medicinal purposes alcohol
25 beverages, subject to the terms, conditions, limitations, and restrictions
26 in this ~~article~~ ARTICLE 3.

27 **44-3-103. [Formerly 12-47-103] Definitions.** As used in this

1 ~~article 47 and article 46 of this title 12~~ ARTICLE 3 AND ARTICLE 4 OF THIS
2 TITLE 44, unless the context otherwise requires:

3 (1) "Adult" means a person lawfully permitted to purchase alcohol
4 beverages.

5 (2) "Alcohol beverage" means fermented malt beverage or malt,
6 vinous, or spirituous liquors; except that "alcohol beverage" shall not
7 include confectionery containing alcohol within the limits prescribed by
8 section 25-5-410 (1)(i)(II). ~~C.R.S.~~

9 ~~(2.5)~~ (3) "Alternating proprietor licensed premises" means a
10 distinct and definite area, as specified in an alternating use of premises
11 application, that is owned by or in possession of a person licensed
12 pursuant to ~~section 12-46-104 (1)(a), 12-47-402, 12-47-403, or 12-47-415~~
13 SECTION 44-3-402, 44-3-403, 44-3-417, OR 44-4-104 (1)(a) and within
14 which such licensee and other persons licensed pursuant to ~~section~~
15 ~~12-46-104 (1)(a), 12-47-402, 12-47-403, or 12-47-415~~ SECTION 44-3-402,
16 44-3-403, 44-3-417, OR 44-4-104 (1)(a) are authorized to manufacture and
17 store vinous liquors, malt liquors, or fermented malt beverages in
18 accordance with the provisions of this ~~article or article 46 of this title~~
19 ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44, as applicable.

20 ~~(3)~~ (4) "Bed and breakfast" means an overnight lodging
21 establishment that provides at least one meal per day at no charge other
22 than a charge for overnight lodging and does not sell alcohol beverages
23 by the drink.

24 ~~(4)~~ (5) "Brew pub" means a retail establishment that manufactures
25 not more than one million eight hundred sixty thousand gallons of malt
26 liquor and fermented malt beverages on its licensed premises or licensed
27 alternating proprietor licensed premises, combined, each calendar year.

1 ~~(5)~~ (6) "Brewery" means any establishment where malt liquors or
2 fermented malt beverages are manufactured, except brew pubs licensed
3 under this ~~article~~ ARTICLE 3.

4 ~~(5.4)~~ (7) "Campus" means property owned or used by an
5 institution of higher education to regularly provide students with
6 education, housing, or college activities.

7 ~~(5.6)~~ (8) "Campus liquor complex" means an area within a campus
8 that is licensed to serve alcohol under ~~section 12-47-411 (2.5)~~ SECTION
9 44-3-413 (3).

10 ~~(6)~~ (9) "Club" means:

11 (a) A corporation that:

12 (I) Has been incorporated for not less than three years; and

13 (II) Has a membership that has paid dues for a period of at least
14 three years; and

15 (III) Has a membership that for three years has been the owner,
16 lessee, or occupant of an establishment operated solely for objects of a
17 national, social, fraternal, patriotic, political, or athletic nature, but not for
18 pecuniary gain, and the property as well as the advantages of which
19 belong to the members;

20 (b) A corporation that is a regularly chartered branch, or lodge, or
21 chapter of a national organization that is operated solely for the objects
22 of a patriotic or fraternal organization or society, but not for pecuniary
23 gain.

24 ~~(6.5)~~ (10) "Colorado grown" means wine produced from one
25 hundred percent Colorado-grown grapes, other fruits, or other agricultural
26 products containing natural sugar, including honey, manufactured by a
27 winery that is located in Colorado and licensed pursuant to part 3 of this

1 ~~article~~ ARTICLE 3.

2 ~~(6.6)~~ (11) "Common consumption area" means an area designed
3 as a common area in an entertainment district approved by the local
4 licensing authority that uses physical barriers to close the area to motor
5 vehicle traffic and limit pedestrian access.

6 ~~(6.9)~~ (12) "Distill" or "distillation" means the process by which
7 alcohol that is created by fermentation is separated from the portion of the
8 liquid that has no alcohol content.

9 ~~(7)~~ (13) "Distillery" means any establishment where spirituous
10 liquors are manufactured.

11 ~~(7.3)~~ (14) "Distillery pub" means a retail establishment:

12 (a) Whose primary purpose is selling and serving food and alcohol
13 beverages for on-premises consumption; and

14 (b) That ferments and distills not more than forty-five thousand
15 liters of spirituous liquor on its licensed premises each calendar year.

16 ~~(7.5)~~ (15) "Entertainment district" means an area that:

17 (a) Is located within a municipality and is designated in
18 accordance with ~~section 12-47-301 (11)(b)~~ SECTION 44-3-301 (11)(b) as
19 an entertainment district;

20 (b) Comprises no more than one hundred acres; and

21 (c) Contains at least twenty thousand square feet of premises that,
22 at the time the district is created, is licensed pursuant to this ~~article~~

23 ARTICLE 3 as a:

24 (I) Tavern;

25 (II) Hotel and restaurant;

26 (III) Brew pub;

27 (IV) Distillery pub;

- 1 (V) Retail gaming tavern;
- 2 (VI) Vintner's restaurant;
- 3 (VII) Beer and wine licensee;
- 4 (VIII) Manufacturer that operates a sales room pursuant to ~~section~~
5 ~~12-47-402 (2) or (6)~~ SECTION 44-3-402 (2) OR (7);
- 6 (IX) Beer wholesaler that operates a sales room pursuant to
7 ~~section 12-47-406 (1)(b)(I)~~ SECTION 44-3-407 (1)(b)(I);
- 8 (X) Limited winery; or
- 9 (XI) Lodging and entertainment facility licensee.

10 ~~(7.6)~~ (16) "Expert taster" means an individual, other than a
11 qualified student or qualified employee, who is at least twenty-one years
12 of age and who is employed in the brewing industry or has demonstrated
13 expertise or experience in brewing.

14 ~~(7.7)~~ (17) "Ferment" or "fermentation" means the chemical
15 process by which sugar is converted into alcohol.

16 ~~(8)~~ (18) "Fermented malt beverage" has the same meaning as
17 provided in ~~section 12-46-103 (1)~~ SECTION 44-4-103 (1).

18 ~~(9)~~ (19) "Good cause", for the purpose of refusing or denying a
19 license renewal or initial license issuance, means:

20 (a) The licensee or applicant has violated, does not meet, or has
21 failed to comply with any of the terms, conditions, or provisions of this
22 ~~article~~ ARTICLE 3 or any rules ~~and regulations~~ promulgated pursuant to
23 this ~~article~~ ARTICLE 3;

24 (b) The licensee or applicant has failed to comply with any special
25 terms or conditions that were placed on its license in prior disciplinary
26 proceedings or arose in the context of potential disciplinary proceedings;

27 (c) In the case of a new license, the applicant has not established

1 the reasonable requirements of the neighborhood or the desires of its adult
2 inhabitants as provided in ~~section 12-47-301(2)~~ SECTION 44-3-301 (2); or

3 (d) Evidence that the licensed premises have been operated in a
4 manner that adversely affects the public health, welfare, or safety of the
5 immediate neighborhood in which the establishment is located, which
6 evidence must include a continuing pattern of fights, violent activity, or
7 disorderly conduct. For purposes of this ~~paragraph (d)~~ SUBSECTION
8 (19)(d), "disorderly conduct" has the meaning as provided for in section
9 18-9-106. ~~C.R.S.~~

10 ~~(10)~~ (20) "Hard cider" means an alcohol beverage containing at
11 least one-half of one percent and less than seven percent alcohol by
12 volume that is made by fermentation of the natural juice of apples or
13 pears, including but not limited to flavored hard cider and hard cider
14 containing not more than 0.392 gram of carbon dioxide per hundred
15 milliliters. For the purpose of simplicity of administration of this ~~article~~
16 ARTICLE 3, hard cider shall in all respects be treated as a vinous liquor
17 except where expressly provided otherwise.

18 ~~(11)~~ (21) "Hotel" means any establishment with sleeping rooms
19 for the accommodation of guests and having restaurant facilities.

20 ~~(12)~~ (22) "Inhabitant", with respect to cities or towns having less
21 than forty thousand population, means an individual who resides in a
22 given neighborhood or community for more than six months each year.

23 ~~(13)~~ (23) "License" means a grant to a licensee to manufacture or
24 sell alcohol beverages as provided by this ~~article~~ ARTICLE 3.

25 ~~(14)~~ (24) "Licensed premises" means the premises specified in an
26 application for a license under this ~~article~~ ARTICLE 3 that are owned or in
27 possession of the licensee within which the licensee is authorized to sell,

1 dispense, or serve alcohol beverages in accordance with this ~~article~~
2 ARTICLE 3.

3 ~~(15)~~ (25) "Limited winery" means any establishment
4 manufacturing not more than one hundred thousand gallons, or the metric
5 equivalent thereof, of vinous liquors annually within Colorado.

6 ~~(16)~~ (26) "Liquor-licensed drugstore" means any drugstore
7 licensed by the state board of pharmacy that has also applied for and has
8 been granted a license by the state licensing authority to sell malt, vinous,
9 and spirituous liquors in original sealed containers for consumption off
10 the premises.

11 ~~(17)~~ (27) "Local licensing authority" means the governing body
12 of a municipality or city and county, the board of county commissioners
13 of a county, or any authority designated by municipal or county charter,
14 municipal ordinance, or county resolution.

15 ~~(18)~~ (28) "Location" means a particular parcel of land that may be
16 identified by an address or by other descriptive means.

17 ~~(18.5)~~ (29) "Lodging and entertainment facility" means an
18 establishment that:

19 (a) Is either:

20 (I) A lodging facility, the primary business of which is to provide
21 the public with sleeping rooms and meeting facilities; or

22 (II) An entertainment facility, the primary business of which is to
23 provide the public with sports or entertainment activities within its
24 licensed premises; and

25 (b) Incidental to its primary business, sells and serves alcohol
26 beverages at retail for consumption on the premises and has sandwiches
27 and light snacks available for consumption on the premises.

1 ~~(19)~~ (30) [*Editor's note: This version of subsection (30) is*
2 *effective until January 1, 2019.*] "Malt liquors" includes beer and shall
3 be construed to mean any beverage obtained by the alcoholic fermentation
4 of any infusion or decoction of barley, malt, hops, or any other similar
5 product, or any combination thereof, in water containing more than three
6 and two-tenths percent of alcohol by weight or four percent alcohol by
7 volume.

8 ~~(19)~~ (30) [*Editor's note: This version of subsection (30) is*
9 *effective January 1, 2019.*] "Malt liquors" includes beer and means any
10 beverage obtained by the alcoholic fermentation of any infusion or
11 decoction of barley, malt, hops, or any other similar product, or any
12 combination thereof, in water containing not less than one-half of one
13 percent alcohol by volume.

14 ~~(20)~~ (31) "Meal" means a quantity of food of such nature as is
15 ordinarily consumed by an individual at regular intervals for the purpose
16 of sustenance.

17 ~~(21)~~ (32) "Medicinal spirituous liquors" means any alcohol
18 beverage, excepting beer and wine, that has been aged in wood for four
19 years and bonded by the United States government and is at least one
20 hundred proof.

21 ~~(22)~~ (33) (a) "Optional premises" means:

22 (I) The premises specified in an application for a hotel and
23 restaurant license under this ~~article~~ ARTICLE 3 with related outdoor sports
24 and recreational facilities for the convenience of its guests or the general
25 public located on or adjacent to the hotel or restaurant within which the
26 licensee is authorized to sell or serve alcohol beverages in accordance
27 with this ~~article~~ ARTICLE 3 and at the discretion of the state and local

1 licensing authorities; or

2 (II) The premises specified in an application for an optional
3 premises license located on an applicant's outdoor sports and recreational
4 facility.

5 (b) For purposes of this ~~subsection (22)~~ SUBSECTION (33),
6 "outdoor sports and recreational facility" means a facility that charges a
7 fee for the use of such facility.

8 ~~(22.5)~~ (34) "Package", "packaged", or "packaging" means the
9 process by which wine is bottled, canned, kegged, or otherwise packed
10 into a sealed container.

11 ~~(23)~~ (35) "Person" means a natural person, partnership,
12 association, company, corporation, or organization or a manager, agent,
13 servant, officer, or employee thereof.

14 ~~(23.5)~~ (36) "Personal consumer" means an individual who is at
15 least twenty-one years of age, does not hold an alcohol beverage license
16 issued in this state, and intends to use wine purchased under ~~section~~
17 ~~12-47-104~~ SECTION 44-3-104 for personal consumption only and not for
18 resale or other commercial purposes.

19 ~~(23.7)~~ (37) "Powdered alcohol" means alcohol that is prepared or
20 sold in a powder or crystalline form for either direct use or reconstitution.

21 ~~(24)~~ (38) "Premises" means a distinct and definite location, which
22 may include a building, a part of a building, a room, or any other definite
23 contiguous area.

24 ~~(24.5)~~ (39) "Promotional association" means an association that
25 is incorporated within Colorado, organizes and promotes entertainment
26 activities within a common consumption area, and is organized or
27 authorized by two or more people who own or lease property within an

1 entertainment district.

2 ~~(24.7)~~ (40) "Qualified employee" means an individual who:

3 (a) Is employed by a state institution of higher education;

4 (b) Is engaged in manufacturing and tasting fermented malt
5 beverages or malt liquors for teaching or research purposes; and

6 (c) Is at least twenty-one years of age.

7 ~~(24.8)~~ (41) "Qualified student" means a student who:

8 (a) Is enrolled in a brewing class or program offered at or by a
9 state institution of higher education; and

10 (b) Is at least twenty-one years of age.

11 ~~(25)~~ (42) "Racetrack" means any premises where race meets or
12 simulcast races with pari-mutuel wagering are held in accordance with the
13 provisions of article 60 of ~~this title~~ TITLE 12.

14 ~~(26)~~ (43) "Rectify" means to blend spirituous liquor with neutral
15 spirits or other spirituous liquors of different age.

16 ~~(27)~~ (44) "Rectifying plant" means any establishment where
17 spirituous liquors are blended with neutral spirits or other spirituous
18 liquors of different age.

19 ~~(28)~~ (45) "Resort complex" means a hotel with at least fifty
20 sleeping rooms and that has related sports and recreational facilities for
21 the convenience of its guests or the general public located contiguous or
22 adjacent to the hotel. For purposes of a resort complex only, "contiguous
23 or adjacent" means within the overall boundaries or scheme of
24 development or regularly accessible from the hotel by its members and
25 guests.

26 ~~(29)~~ (46) "Resort hotel" means a hotel, as defined in ~~subsection~~
27 ~~(11)~~ SUBSECTION (21) of this section, with well-defined occupancy

1 seasons.

2 ~~(30)~~ (47) "Restaurant" means an establishment, which is not a
3 hotel as defined in ~~subsection (11)~~ SUBSECTION (21) of this section,
4 provided with special space, sanitary kitchen and dining room equipment,
5 and persons to prepare, cook, and serve meals, where, in consideration of
6 payment, meals, drinks, tobaccos, and candies are furnished to guests and
7 in which nothing is sold excepting food, drinks, tobaccos, candies, and
8 items of souvenir merchandise depicting the theme of the restaurant or the
9 geographical or historic subjects of the nearby area. Any establishment
10 connected with any business wherein any business is conducted,
11 excepting hotel business, limited gaming conducted pursuant to article
12 47.1 of ~~this title~~ TITLE 12, or the sale of food, drinks, tobaccos, candies,
13 or such items of souvenir merchandise, is declared not to be a restaurant.
14 Nothing in this ~~subsection (30)~~ SUBSECTION (47) shall be construed to
15 prohibit the use in a restaurant of orchestras, singers, floor shows,
16 coin-operated music machines, amusement devices that pay nothing of
17 value and cannot by adjustment be made to pay anything of value, or
18 other forms of entertainment commonly provided in restaurants.

19 ~~(31)~~ (48) "Retail liquor store" means an establishment engaged
20 only in the sale of malt, vinous, and spirituous liquors in sealed containers
21 for consumption off the premises and nonalcohol products, but only if the
22 annual gross revenues from the sale of nonalcohol products do not exceed
23 twenty percent of the retail liquor store establishment's total annual gross
24 sales revenues, as determined in accordance with ~~section 12-47-407(1)(b)~~
25 SECTION 44-3-409 (1)(b).

26 ~~(31.5)~~ (49) "Sales room" means an area in which a licensed
27 winery, pursuant to ~~section 12-47-402(2)~~, SECTION 44-3-402 (2); limited

1 winery, pursuant to ~~section 12-47-403 (2)(e)~~, SECTION 44-3-403 (2)(e);
2 distillery, pursuant to ~~section 12-47-402 (6)~~, SECTION 44-3-402 (7); or
3 beer wholesaler, pursuant to ~~section 12-47-406 (1)(b)~~ SECTION 44-3-407
4 (1)(b), sells and serves alcohol beverages for consumption on the licensed
5 premises, sells alcohol beverages in sealed containers for consumption off
6 the licensed premises, or both.

7 ~~(32)~~ (50) "School" means a public, parochial, or nonpublic school
8 that provides a basic academic education in compliance with school
9 attendance laws for students in grades one to twelve. "Basic academic
10 education" has the same meaning as set forth in section 22-33-104 (2)(b).

11 ~~C.R.S.~~

12 ~~(33)~~ (51) "Sealed containers" means any container or receptacle
13 used for holding an alcohol beverage, which container or receptacle is
14 corked or sealed with any stub, stopper, or cap.

15 ~~(34)~~ (52) "Sell" or "sale" means any of the following: To
16 exchange, barter, or traffic in; to solicit or receive an order for except
17 through a licensee licensed under this ~~article or article 46 or 48 of this~~
18 ~~title~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF THIS TITLE 44; to keep or expose for
19 sale; to serve with meals; to deliver for value or in any way other than
20 gratuitously; to peddle or to possess with intent to sell; to possess or
21 transport in contravention of this ~~article~~ ARTICLE 3; to traffic in for any
22 consideration promised or obtained, directly or indirectly.

23 ~~(35)~~ (53) "Sell at wholesale" means selling to any other than the
24 intended consumer of malt, vinous, or spirituous liquors. "Sell at
25 wholesale" shall not be construed to prevent a brewer or wholesale beer
26 dealer from selling malt liquors to the intended consumer, thereof, or to
27 prevent a licensed manufacturer or importer from selling malt, vinous, or

1 spirituous liquors to a licensed wholesaler.

2 ~~(36)~~ (54) "Spirituous liquors" means any alcohol beverage
3 obtained by distillation, mixed with water and other substances in
4 solution, and includes among other things brandy, rum, whiskey, gin,
5 powdered alcohol, and every liquid or solid, patented or not, containing
6 at least one-half of one percent alcohol by volume and which is fit for use
7 for beverage purposes. Any liquid or solid containing beer or wine in
8 combination with any other liquor, except as provided in ~~subsections (19)~~
9 ~~and (39)~~ SUBSECTIONS (30) AND (59) of this section, shall not be
10 construed to be fermented malt or malt or vinous liquor but shall be
11 construed to be spirituous liquor.

12 ~~(37)~~ (55) "State licensing authority" means the executive director
13 of the department of revenue or the deputy director of the department of
14 revenue if the executive director so designates.

15 ~~(37.5)~~ (56) "Tastings" means the sampling of malt, vinous, or
16 spiritous liquors that may occur on the premises of a retail liquor store
17 licensee or liquor-licensed drugstore licensee by adult patrons of the
18 licensee pursuant to the provisions of ~~section 12-47-301 (10)~~ SECTION
19 44-3-301 (10).

20 ~~(38)~~ (57) "Tavern" means an establishment serving alcohol
21 beverages in which the principal business is the sale of alcohol beverages
22 at retail for consumption on the premises and where sandwiches and light
23 snacks are available for consumption on the premises.

24 ~~(38.5)~~ (58) "Tax-paid wine" means vinous liquors on which
25 federal excise taxes have been paid.

26 ~~(39)~~ (59) "Vinous liquors" means wine and fortified wines that
27 contain not less than one-half of one percent and not more than

1 twenty-one percent alcohol by volume and shall be construed to mean an
2 alcohol beverage obtained by the fermentation of the natural sugar
3 contents of fruits or other agricultural products containing sugar.

4 ~~(39.5)~~(60) "Vintner's restaurant" means a retail establishment that
5 sells food for consumption on the premises and that manufactures not
6 more than two hundred fifty thousand gallons of wine on its premises
7 each year.

8 ~~(40)~~(61) "Winery" means any establishment where vinous liquors
9 are manufactured; except that the term does not include a vintner's
10 restaurant licensed pursuant to ~~section 12-47-420~~ SECTION 44-3-422.

11 **44-3-104. [Formerly 12-47-104] Wine shipments - permits.**

12 (1)(a) The holder of a winery direct shipper's permit may sell and deliver
13 wine that is produced or bottled by the permittee to a personal consumer
14 located in Colorado.

15 (b) The holder of a winery direct shipper's permit may not sell or
16 ship wine to a minor, as defined in section 2-4-401 (6). ~~C.R.S.~~

17 (2) A winery direct shipper's permit may be issued to only a
18 person who applies for such permit to the state licensing authority and
19 who:

20 (a) Operates a winery located in the United States and holds all
21 state and federal licenses, permits, or both, necessary to operate the
22 winery, including the federal winemaker's and blender's basic permit;

23 (b) Expressly submits to personal jurisdiction in Colorado state
24 and federal courts for civil, criminal, and administrative proceedings and
25 expressly submits to venue in the city and county of Denver, Colorado,
26 as proper venue for any proceedings that may be initiated by or against
27 the state licensing authority; and

1 (c) Except as provided in ~~sections 12-47-402 (1) and 12-47-406~~
2 ~~(3)~~ SECTIONS 44-3-402 (1) AND 44-3-407 (3), does not directly or
3 indirectly have any financial interest in a Colorado wholesaler or retailer
4 licensed pursuant to ~~section 12-47-406, 12-47-407, or 12-47-408~~ SECTION
5 44-3-407, 44-3-409, OR 44-3-410.

6 (3) (a) All wine sold or shipped by the holder of a winery direct
7 shipper's permit shall be in a package that is clearly and conspicuously
8 labeled, showing that:

9 (I) The package contains wine; and

10 (II) The package may be delivered only to a person who is
11 twenty-one years of age or older.

12 (b) Wine sold or shipped by a holder of a winery direct shipper's
13 permit may not be delivered to any person other than:

14 (I) The person who purchased the wine;

15 (II) A recipient designated in advance by such purchaser; or

16 (III) A person who is twenty-one years of age or older.

17 (c) Wine may be delivered only to a person who is twenty-one
18 years of age or older after the person accepting the package:

19 (I) Presents valid proof of identity and age; and

20 (II) Personally signs a receipt acknowledging delivery of the
21 package.

22 (4) The holder of a winery direct shipper's permit shall maintain
23 records of all sales and deliveries made under the permit in accordance
24 with ~~section 12-47-701~~ SECTION 44-3-701.

25 (5) A personal consumer purchasing wine from the holder of a
26 winery direct shipper's permit may not resell the wine.

27 (6) The state licensing authority may adopt rules and forms

1 necessary to implement this section.

2 **44-3-105. [Formerly 12-47-105] Local option.** The operation of
3 this ~~article~~ ARTICLE 3 shall be statewide unless any municipality or city
4 and county, by a majority of the registered electors of any municipality or
5 city and county, voting at any regular election or special election called
6 for that purpose in accordance with the election laws of this state, decides
7 against the right to sell alcohol beverages or to limit the sale of alcohol
8 beverages to any one or more of the classes of licenses as provided by this
9 ~~article~~ ARTICLE 3 within their respective limits. ~~Said~~ THE local option
10 question shall be submitted only upon a petition signed by not less than
11 fifteen percent of the registered electors in the municipality or city and
12 county; otherwise, the procedure with reference to the calling and holding
13 of the elections shall be substantially in accordance with the election laws
14 of the state. The expenses of the election shall be borne by the
15 municipality or city and county in which the elections are held. The
16 question of prohibition of sale of alcohol beverages or the limitation of
17 sales to any one or more of the classes of licenses provided in this ~~article~~
18 ARTICLE 3 shall not be submitted to the registered electors more than once
19 in any four-year period.

20 **44-3-106. [Formerly 12-47-106] Exemptions.** (1) The
21 provisions of this ~~article~~ ARTICLE 3 shall not apply to the sale or
22 distribution of sacramental wines sold and used for religious purposes.

23 (2) (a) Notwithstanding any provision of this ~~article or article 46~~
24 ~~of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44 to the contrary, when
25 permitted by federal law and rules and regulations promulgated pursuant
26 thereto, an adult may produce, for personal use and not for sale, an
27 amount of fermented malt beverage or malt or vinous liquor equal to the

1 amount that is exempt from the federal excise tax on the alcohol beverage
2 when produced by an adult for personal use and not for sale.

3 (b) The production of fermented malt beverages or malt or vinous
4 liquors under the circumstances set forth in this subsection (2) shall be in
5 strict conformity with federal law and rules and regulations issued
6 pursuant thereto.

7 (c) Fermented malt beverages or malt or vinous liquors produced
8 pursuant to the provisions of this subsection (2) shall be exempt from any
9 tax imposed by this ~~article~~ ARTICLE 3, and the producer shall not be
10 required to obtain any license provided by this ~~article or article 46 of this~~
11 ~~title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44.

12 (d) Malt liquors or vinous liquors produced in accordance with
13 this subsection (2) may be transported and delivered by the producer to
14 any licensed premises where consumption of malt liquors or vinous
15 liquors by persons at least twenty-one years of age is authorized for use
16 at organized affairs, exhibitions, or competitions, such as home brew or
17 wine-making contests, tastings, or judgments. To claim this exemption,
18 consumption must be limited solely to the participants in and judges of
19 the events. Malt liquors or vinous liquors used for the purposes described
20 in this subsection (2)(d) must also be served in portions not exceeding six
21 ounces and must not be sold, offered for sale, or made available for
22 consumption by the general public.

23 (3) (a) The provisions of this ~~article or article 46 of this title~~
24 ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44, with the exception of the
25 requirements of ~~section 12-47-503~~ SECTION 44-3-503, shall not apply to
26 the occasional sale of an alcohol beverage to any individual twenty-one
27 years of age or older at public auction by any person where ~~such~~ THE

1 auction sale is for the purpose of disposing of ~~such~~ THE alcohol beverage
2 as may lawfully have come into the possession of ~~such~~ THE person in the
3 due course of ~~such~~ THE person's regular business in the following manner:

4 (I) By reason of the failure of the owner of ~~such~~ THE alcohol
5 beverage to claim the same or to furnish instructions as to the disposition
6 thereof;

7 (II) By reason of the foreclosure of any lawful lien upon ~~such~~ THE
8 alcohol beverage by ~~said~~ THE person in accordance with lawful
9 procedure;

10 (III) By reason of salvage of ~~such~~ THE alcohol beverage, in the
11 case of carriers, from shipments damaged in transit;

12 (IV) By reason of a lawful donation of ~~such~~ THE alcohol beverage
13 to an organization qualifying under ~~section 12-48-102~~ SECTION 44-5-102
14 for a special event permit; except that no more than four public auctions
15 per year shall be conducted pursuant to this ~~subparagraph (IV)~~
16 SUBSECTION (3)(a)(IV).

17 (b) The state licensing authority shall be presented records of all
18 transactions referred to in ~~paragraph (a) of this subsection (3)~~ SUBSECTION
19 (3)(a) OF THIS SECTION.

20 (4) Any passenger twenty-one years of age or older arriving at any
21 airport in this state on an air flight originating in a foreign country who
22 is thereby subject to customs clearance at ~~such~~ THE airport may lawfully
23 possess up to one gallon or four liters (one imperial gallon), whichever
24 measure is applicable, of an alcohol beverage without liability for the
25 Colorado excise tax thereon.

26 (5) This ~~article~~ ARTICLE 3 shall not apply to state institutions of
27 higher education when ~~such~~ THE institutions are engaged in the

1 manufacture of vinous liquor on alternating proprietor licensed premises
2 or premises licensed pursuant to ~~section 12-47-402 or 12-47-403~~ SECTION
3 44-3-402 OR 44-3-403, for the purpose of enology research and education.

4 (6) This ~~article~~ ARTICLE 3 does not apply to a state institution of
5 higher education when the institution is engaged in the manufacture and
6 tasting, at the place of manufacture or at a licensed premises, of malt
7 liquors for teaching or research purposes, so long as the malt liquor is not
8 sold or offered for sale and is only tasted by a qualified student, qualified
9 employee, or expert taster. Any unused malt liquor product that is
10 produced by a state institution of higher education in accordance with this
11 subsection (6) must be removed from a licensed premises at the end of an
12 event if the event is held at a licensed premises located off campus.

13 **44-3-107. [Formerly 12-47-107] Permitted acts.** Any person
14 who has an interest in a liquor license may also be listed as an officer or
15 director on a license owned by a municipality or governmental entity if
16 ~~such~~ THE person does not individually manage or receive any direct
17 financial benefit from the operation of such license.

18 PART 2

19 STATE LICENSING AUTHORITY - DUTIES

20 **44-3-201. [Formerly 12-47-201] State licensing authority -**
21 **creation.** (1) For the purpose of regulating and controlling the licensing
22 of the manufacture, distribution, and sale of alcohol beverages in this
23 state, there is hereby created the state licensing authority, which shall be
24 the executive director of the department of revenue or the deputy director
25 of the department of revenue if the executive director so designates.

26 (2) The executive director of the department of revenue shall be
27 the chief administrative officer of the state licensing authority and may

1 employ, pursuant to section 13 of article XII of the state constitution, ~~such~~
2 clerks and inspectors as may be determined to be necessary.

3 **44-3-202. [Formerly 12-47-202] Duties of state licensing**
4 **authority - repeal.** (1) The state licensing authority shall:

5 (a) Grant or refuse licenses for the manufacture, distribution, and
6 sale of alcohol beverages as provided by law and suspend or revoke such
7 licenses upon a violation of this ~~article, article 46 or 48 of this title~~
8 ARTICLE 3, ARTICLE 4 OR 5 OF THIS TITLE 44, or any rule ~~or regulation~~
9 adopted pursuant to ~~such~~ THOSE articles;

10 (b) Make ~~such~~ general rules ~~and regulations~~ and ~~such~~ special
11 rulings and findings as necessary for the proper regulation and control of
12 the manufacture, distribution, and sale of alcohol beverages and for the
13 enforcement of this ~~article and articles 46 and 48 of this title~~ ARTICLE 3
14 AND ARTICLES 4 AND 5 OF THIS TITLE 44 and alter, amend, repeal, and
15 publish the same from time to time;

16 (c) Hear and determine at public hearing all complaints against
17 any licensee and administer oaths and issue subpoenas to require the
18 presence of persons and production of papers, books, and records
19 necessary to the determination of any hearing so held;

20 (d) Keep complete records of all acts and transactions of the state
21 licensing authority, which records, except confidential reports obtained
22 from the licensee showing the sales volume or quantity of alcohol
23 beverages sold or stamps purchased or customers served, shall be open
24 for inspection by the public;

25 (e) Prepare and transmit annually, in the form and manner
26 prescribed by the heads of the principal departments pursuant to section
27 24-1-136, ~~C.R.S.~~, a report accounting to the governor for the efficient

1 discharge of all responsibilities assigned by law or directive to the state
2 licensing authority;

3 (f) Notify all persons to whom wholesale licenses have been
4 issued as to applications for licenses and renewals of the licenses
5 provided in ~~sections 12-46-104(1) and 12-47-407 to 12-47-418~~ SECTIONS
6 44-3-409 TO 44-3-420 AND 44-4-104 (1).

7 (2) (a) (I) Rules adopted pursuant to ~~paragraph (b) of subsection~~
8 ~~(1)~~ SUBSECTION (1)(b) of this section may cover, without limitation, the
9 following subjects:

10 (A) Compliance with or enforcement or violation of any provision
11 of this ~~article, article 46 or 48 of this title~~ ARTICLE 3, ARTICLE 4 OR 5 OF
12 THIS TITLE 44, or any rule ~~or regulation~~ issued pursuant to ~~such~~ THOSE
13 articles;

14 (B) Specifications of duties of officers and employees;

15 (C) Instructions for local licensing authorities and law
16 enforcement officers;

17 (D) All forms necessary or convenient in the administration of this
18 ~~article and articles 46 and 48 of this title~~ ARTICLE 3 AND ARTICLES 4 AND
19 5 OF THIS TITLE 44;

20 (E) Inspections, investigations, searches, seizures, and ~~such~~
21 activities as may become necessary from time to time, including a range
22 of penalties for use by licensing authorities, which shall include
23 aggravating and mitigating factors to be considered, when licensees'
24 employees violate certain provisions of ~~article 46 of this title and this~~
25 ~~article~~ THIS ARTICLE 3 AND ARTICLE 4 OF THIS TITLE 44, including the sale
26 or service of alcohol beverages to persons under twenty-one years of age
27 or to visibly intoxicated persons;

- 1 (F) Limitation of number of licensees as to any area or vicinity;
- 2 (G) Misrepresentation, unfair practices, and unfair competition;
- 3 (H) Control of signs and other displays on licensed premises;
- 4 (I) Use of screens;
- 5 (J) Identification of licensees and their employees;
- 6 (K) Storage, warehouses, and transportation;
- 7 (L) Health and sanitary requirements;
- 8 (M) Standards of cleanliness, orderliness, and decency, and
- 9 sampling and analysis of products;
- 10 (N) Standards of purity and labeling;
- 11 (O) Records to be kept by licensees and availability thereof;
- 12 (P) Practices unduly designed to increase the consumption of
- 13 alcohol beverages;
- 14 (Q) Implementation, standardization, and enforcement of
- 15 alternating proprietor licensed premises. The state licensing authority
- 16 shall consult with interested parties from the alcohol beverage industry in
- 17 developing appropriate rules to ensure adequate oversight and regulation
- 18 of alternating proprietor licensed premises.
- 19 (R) Such other matters as are necessary for the fair, impartial,
- 20 stringent, and comprehensive administration of this ~~article and articles 46~~
- 21 ~~and 48 of this title~~ ARTICLE 3 AND ARTICLES 4 AND 5 OF THIS TITLE 44;
- 22 (S) The testing of the alcohol content of malt liquor and fermented
- 23 malt beverage sold by persons licensed pursuant to this ~~article or article~~
- 24 ~~46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44. The state
- 25 licensing authority shall adopt such rules no later than January 1, 2011.
- 26 This ~~sub-subparagraph (S)~~ SUBSECTION (2)(a)(I)(S) is repealed, effective
- 27 January 1, 2019.

1 (T) Sales rooms operated by licensed wineries, distilleries, limited
2 wineries, or beer wholesalers, including the manner by which a licensee
3 operating a sales room notifies the state licensing authority of its sales
4 rooms, the content of the notice, and any other necessary provisions
5 related to the notice requirement.

6 (II) Nothing in this ~~article and articles 46 and 48 of this title~~
7 ARTICLE 3 AND ARTICLES 4 AND 5 OF THIS TITLE 44 shall be construed as
8 delegating to the state licensing authority the power to fix prices. The
9 licensing authority shall make no rule that would abridge the right of any
10 licensee to fairly, honestly, and lawfully advertise the place of business
11 of or the commodities sold by such licensee. All ~~such~~ rules shall be
12 reasonable and just.

13 (b) (I) (A) The state licensing authority shall make no rule
14 regulating or prohibiting the sale of alcohol beverages on credit offered
15 or extended by a licensee to a retailer where the credit is offered or
16 extended for thirty days or less. The state licensing authority shall enforce
17 the prohibition against extending credit for more than thirty days for the
18 sale of alcohol beverages pursuant to 27 CFR part 6 and may adopt rules
19 regulating or prohibiting the sale of alcohol beverages on credit where the
20 credit is offered or extended for more than thirty days, consistent with the
21 federal regulations.

22 (B) Nothing in this ~~subparagraph (I)~~ SUBSECTION (2)(b)(I) allows
23 the state licensing authority to adopt a rule that restricts the ability of a
24 licensee to, or prohibits a licensee from, making sales of alcohol
25 beverages, on a cash-on-delivery basis, to a retailer who is or may be in
26 arrears in payments to a licensee for prior alcohol beverage sales.

27 (II) Licensees shall comply with the prohibition against extending

1 credit to a retailer for more than thirty days for the sale of alcohol
2 beverages, including beer, contained in 27 CFR part 6 and with rules
3 adopted by the state licensing authority that are consistent with 27 CFR
4 part 6.

5 ~~(H.5)~~ (III) Notwithstanding any provision of this ~~article~~ ARTICLE
6 3 to the contrary, a liquor-licensed drugstore licensed under ~~section~~
7 ~~12-47-408~~ SECTION 44-3-410 on or after January 1, 2017, shall not
8 purchase alcohol beverages on credit or accept an offer or extension of
9 credit from a licensee and shall effect payment upon delivery of the
10 alcohol beverages.

11 ~~(HH)~~ (IV) As used in this ~~paragraph (b)~~ SUBSECTION (2)(b),
12 "licensee" shall have the same meaning as "industry member", as defined
13 in 27 CFR 6.11, and includes a person engaged in business as a distiller,
14 brewer, rectifier, blender, or other producer; as an importer or wholesaler
15 of alcohol beverages; or as a bottler or warehouseman and bottler of
16 spiritous liquors.

17 (3) In any hearing held by the state licensing authority pursuant to
18 this ~~article or article 46 or 48 of this title~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF
19 THIS TITLE 44, no person may refuse, upon request of the state licensing
20 authority, to testify or provide other information on the ground of
21 self-incrimination; but no testimony or other information produced in the
22 hearing or any information directly or indirectly derived from such
23 testimony or other information may be used against such person in any
24 criminal prosecution based on a violation of this ~~article or article 46 or 48~~
25 ~~of this title~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF THIS TITLE 44 except a
26 prosecution for perjury in the first degree committed in so testifying.
27 Continued refusal to testify or provide other information shall constitute

1 grounds for suspension or revocation of any license granted pursuant to
2 this ~~article or article 46 or 48 of this title~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF
3 THIS TITLE 44.

4 **44-3-203. [Formerly 12-47-203] Performance of duties.**

5 (1) The performance of the functions or activities set forth in this ~~article~~
6 ~~and articles 46 and 48 of this title~~ ARTICLE 3 AND ARTICLES 4 AND 5 OF
7 THIS TITLE 44 shall be subject to available appropriations; but nothing in
8 this section shall be construed to remove from the state licensing authority
9 the responsibility for performing such functions or activities in
10 accordance with law at the level of funding provided.

11 (2) Notwithstanding the provisions of subsection (1) of this
12 section, the state shall be the final interpretive authority as it relates to this
13 ~~article and articles 46 and 48 of this title~~ ARTICLE 3 AND ARTICLES 4 AND
14 5 OF THIS TITLE 44 and the rules and ~~regulations~~ promulgated thereunder,
15 concerning persons licensed pursuant to this ~~article and articles 46 and 48~~
16 ~~of this title~~ ARTICLE 3 AND ARTICLES 4 AND 5 OF THIS TITLE 44 as
17 wholesalers, manufacturers, importers, and public transportation system
18 licensees.

19 PART 3

20 STATE AND LOCAL LICENSING

21 **44-3-301. [Formerly 12-47-301] Licensing in general.** (1) No
22 local licensing authority shall issue a license provided for in this ~~article~~
23 ~~or article 46 or 48 of this title~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF THIS TITLE
24 44 until that share of the license fee due the state has been received by the
25 department of revenue. All licenses granted pursuant to this ~~article and~~
26 ~~articles 46 and 48 of this title~~ ARTICLE 3 AND ARTICLES 4 AND 5 OF THIS
27 TITLE 44 shall be valid for a period of one year from the date of their

1 issuance unless revoked or suspended pursuant to ~~section 12-47-601 or~~
2 ~~12-47-306~~ SECTION 44-3-601 OR 44-3-306.

3 (2) (a) Before granting any license, all licensing authorities shall
4 consider, except where this ~~article and article 46 of this title~~ ARTICLE 3
5 AND ARTICLE 4 OF THIS TITLE 44 specifically provide otherwise, the
6 reasonable requirements of the neighborhood, the desires of the adult
7 inhabitants as evidenced by petitions, remonstrances, or otherwise, and
8 all other reasonable restrictions that are or may be placed upon the
9 neighborhood by the local licensing authority. With respect to a second
10 or additional license described in ~~section 12-47-401 (1)(j) to (1)(t), (1)(v),~~
11 ~~or (1)(w) or 12-47-410 (1)~~ SECTION 44-3-401 (1)(j) TO (1)(t), (1)(v), OR
12 (1)(w) OR 44-3-412 (1) or in a financial institution referred to in ~~section~~
13 ~~12-47-308 (4)~~ SECTION 44-3-308 (4) for the same licensee, all licensing
14 authorities shall consider the effect on competition of the granting or
15 disapproving of additional licenses to such licensee and shall not approve
16 an application for a second or additional hotel and restaurant or vintner's
17 restaurant license that would have the effect of restraining competition
18 shall be approved.

19 (b) A local licensing authority or the state on state-owned property
20 may deny the issuance of any new tavern or retail liquor store license
21 whenever such authority determines that the issuance of ~~such~~ THE license
22 would result in or add to an undue concentration of the same class of
23 license and, as a result, require the use of additional law enforcement
24 resources.

25 (3) (a) Each license issued under this ~~article 47 and article 46 of~~
26 ~~this title 12~~ ARTICLE 3 AND ARTICLE 4 OF THIS TITLE 44 is separate and
27 distinct. It is unlawful for any person to exercise any of the privileges

1 granted under any license other than that which the person holds or for
2 any licensee to allow any other person to exercise such privileges granted
3 under the licensee's license, except as provided in ~~section 12-46-104~~
4 ~~(1)(a), 12-47-402 (2.5), 12-47-403 (2)(a), 12-47-403.5, or 12-47-415~~
5 ~~(1)(b)~~ SECTION 44-3-402 (3), 44-3-403 (2)(a), 44-3-404, 44-3-417 (1)(b),
6 OR SECTION 44-4-104 (1)(a). A separate license must be issued for each
7 specific business or business entity and each geographic location, and in
8 ~~said~~ THE license the particular alcohol beverages the applicant is
9 authorized to manufacture or sell must be named and described. For
10 purposes of this section, a resort complex with common ownership, a
11 campus liquor complex, a hotel and restaurant licensee with optional
12 premises, an optional premises licensee for optional premises located on
13 an outdoor sports and recreational facility, and a wine festival at which
14 more than one licensee participates pursuant to a wine festival permit is
15 considered a single business and location.

16 (b) At all times a licensee shall possess and maintain possession
17 of the premises or optional premises for which the license is issued by
18 ownership, lease, rental, or other arrangement for possession of ~~such~~ THE
19 premises.

20 (4) (a) The licenses provided pursuant to this ~~article and article 46~~
21 ~~of this title~~ ARTICLE 3 AND ARTICLE 4 OF THIS TITLE 44 shall specify the
22 date of issuance, the period which is covered, the name of the licensee,
23 the premises or optional premises licensed, the optional premises in the
24 case of a hotel and restaurant license, and the alcohol beverages that may
25 be sold on ~~such~~ THE premises or optional premises. The license shall be
26 conspicuously placed at all times on the licensed premises or optional
27 premises, and all sheriffs and police officers shall see to it that every

1 person selling alcohol beverages within their jurisdiction has procured a
2 license to do so.

3 (b) No local licensing authority shall issue, transfer location of, or
4 renew any license to sell any alcohol beverages until the person applying
5 for ~~such~~ THE license produces a license issued and granted by the state
6 licensing authority covering the whole period for which a license or
7 license renewal is sought.

8 (5) In computing any period of time prescribed by this ~~article~~
9 ARTICLE 3, the day of the act, event, or default from which the designated
10 period of time begins to run shall not be included. Saturdays, Sundays,
11 and legal holidays shall be counted as any other day.

12 (6) (a) Licensees at facilities owned by a municipality, county, or
13 special district or at publicly or privately owned sports and entertainment
14 venues with a minimum seating capacity of one thousand five hundred
15 seats may possess and serve for on-premises consumption any type of
16 alcohol beverage as may be permitted pursuant to guidelines established
17 by the local and state licensing authorities, and the licensees need not
18 have meals available for consumption.

19 (b) Nothing in this ~~article~~ ARTICLE 3 shall prohibit a licensee at a
20 sports and entertainment venue described in ~~paragraph (a) of this~~
21 ~~subsection (6)~~ SUBSECTION (6)(a) OF THIS SECTION from selling or
22 providing alcohol beverages in sealed containers, as authorized by the
23 license in effect, to adult occupants of luxury boxes located at stadiums,
24 arenas, and similar sports and entertainment venues that are included
25 within the licensed premises of the licensee. However, no person shall be
26 allowed to leave the licensed premises with a sealed container of alcohol
27 beverage that was obtained in the luxury box. As used in this ~~paragraph~~

1 ~~(b)~~ SUBSECTION (6)(b), "luxury box" means a limited public access room
2 or booth that is used by its occupants and their guests at sports and
3 entertainment venues that are provided within the licensed premises.

4 (7) A licensee shall report each transfer or change of financial
5 interest in the license to the state licensing authority and, for retail
6 licenses, to the local licensing authority within thirty days after the
7 transfer or change. A report shall be required for transfers of capital stock
8 of a public corporation; except that a report shall not be required for
9 transfers of such stock totaling less than ten percent in any one year, but
10 any transfer of a controlling interest shall be reported regardless of size.
11 It is unlawful for the licensee to fail to report a transfer required by this
12 subsection (7). ~~Such~~ Failure to report shall be grounds for suspension or
13 revocation of the license.

14 (8) Each licensee holding a fermented malt beverage on-premises
15 license or on- and off-premises license, beer and wine license, tavern
16 license, lodging and entertainment license, club license, arts license, or
17 racetrack license shall manage the premises himself or herself or employ
18 a separate and distinct manager on the premises and shall report the name
19 of the manager to the state and local licensing authorities. The licensee
20 shall report any change in managers to the state and local licensing
21 authorities within thirty days after the change. It is unlawful for the
22 licensee to fail to report the name of or any change in managers as
23 required by this subsection (8). The failure to report is grounds for
24 suspension of the license.

25 (9) (a) (I) A licensee may move his or her permanent location to
26 any other place in the same city, town, or city and county for which the
27 license was originally granted, or in the same county if such license was

1 granted for a place outside the corporate limits of any city, town, or city
2 and county, but it shall be unlawful to sell any alcohol beverage at any
3 such place until permission to do so is granted by all the licensing
4 authorities provided for in this ~~article~~ ARTICLE 3.

5 (II) Notwithstanding ~~subparagraph (I) of this paragraph (a)~~
6 SUBSECTION (9)(a)(I) OF THIS SECTION, for a retail liquor store licensed on
7 or before January 1, 2016, the licensee may apply to move the permanent
8 location to another place within or outside the municipality or county in
9 which the license was originally granted. It is unlawful for the licensee to
10 sell any alcohol beverages at the new location until permission is granted
11 by the state and local licensing authorities.

12 (b) (I) In permitting a change of location, the licensing authorities
13 shall consider the reasonable requirements of the neighborhood to which
14 the applicant seeks to change his or her location, the desires of the adult
15 inhabitants as evidenced by petitions, remonstrances, or otherwise, and
16 all reasonable restrictions that are or may be placed upon the new district
17 by the council, board of trustees, or licensing authority of the city, town,
18 or city and county or by the board of county commissioners of any county.

19 (II) If the state and local licensing authorities approve an
20 application for a change of location submitted under ~~subparagraph (II) of~~
21 ~~paragraph (a) of this subsection (9)~~ SUBSECTION (9)(a)(II) OF THIS
22 SECTION by a retail liquor store licensed on or before January 1, 2016, the
23 licensee must change the location of its premises within three years after
24 the approval is granted.

25 (10) (a) The provisions of this subsection (10) shall only apply
26 within a county, city and county, or municipality if the governing body of
27 the county, city and county, or municipality adopts an ordinance or

1 resolution authorizing tastings pursuant to this subsection (10). The
2 ordinance or resolution may provide for stricter limits than this subsection
3 (10) on the number of tastings per year per licensee, the days on which
4 tastings may occur, or the number of hours each tasting may last.

5 (b) A retail liquor store or liquor-licensed drugstore licensee who
6 wishes to conduct tastings may submit an application or application
7 renewal to the local licensing authority. The local licensing authority may
8 reject the application if the applicant fails to establish that he or she is
9 able to conduct tastings without violating the provisions of this section or
10 creating a public safety risk to the neighborhood. A local licensing
11 authority may establish its own application procedure and may charge a
12 reasonable application fee.

13 (c) Tastings are subject to the following limitations:

14 (I) Tastings shall be conducted only by a person who has
15 completed a server training program that meets the standards established
16 by the liquor enforcement division in the department of revenue and who
17 is either a retail liquor store licensee or a liquor-licensed drugstore
18 licensee, or an employee of a licensee, and only on a licensee's licensed
19 premises.

20 (II) The alcohol beverage used in tastings must be purchased
21 through a licensed wholesaler, licensed brew pub, licensed distillery pub,
22 or winery licensed pursuant to ~~section 12-47-403~~ SECTION 44-3-403 at a
23 cost that is not less than the laid-in cost of the alcohol beverage.

24 (III) The size of an individual alcohol sample shall not exceed one
25 ounce of malt or vinous liquor or one-half of one ounce of spirituous
26 liquor.

27 (IV) Tastings shall not exceed a total of five hours in duration per

1 day, which need not be consecutive.

2 (V) Tastings shall be conducted only during the operating hours
3 in which the licensee on whose premises the tastings occur is permitted
4 to sell alcohol beverages, and in no case earlier than 11 a.m. or later than
5 7 p.m.

6 (VI) The licensee shall prohibit patrons from leaving the licensed
7 premises with an unconsumed sample.

8 (VII) The licensee shall promptly remove all open and
9 unconsumed alcohol beverage samples from the licensed premises or
10 shall destroy the samples immediately following the completion of the
11 tasting.

12 (VIII) The licensee shall not serve a person who is under
13 twenty-one years of age or who is visibly intoxicated.

14 (IX) The licensee shall not serve more than four individual
15 samples to a patron during a tasting.

16 (X) Alcohol samples shall be in open containers and shall be
17 provided to a patron free of charge.

18 (XI) Tastings may occur on no more than four of the six days from
19 a Monday to the following Saturday, not to exceed one hundred four days
20 per year.

21 (XII) No manufacturer of spirituous or vinous liquors shall induce
22 a licensee through free goods or financial or in-kind assistance to favor
23 the manufacturer's products being sampled at a tasting. The licensee shall
24 bear the financial and all other responsibility for a tasting.

25 (d) A violation of a limitation specified in this subsection (10) or
26 of ~~section 12-47-801~~ SECTION 44-3-801 by a retail liquor store or
27 liquor-licensed drugstore licensee, whether by his or her employees,

1 agents, or otherwise, shall be the responsibility of the retail liquor store
2 or liquor-licensed drugstore licensee who is conducting the tasting.

3 (e) A retail liquor store or liquor-licensed drugstore licensee
4 conducting a tasting shall be subject to the same revocation, suspension,
5 and enforcement provisions as otherwise apply to the licensee.

6 (f) Nothing in this subsection (10) shall affect the ability of a
7 Colorado winery licensed pursuant to ~~section 12-47-402 or 12-47-403~~
8 SECTION 44-3-402 OR 44-3-403 to conduct a tasting pursuant to the
9 authority of ~~section 12-47-402 (2) or 12-47-403 (2)(e)~~ SECTION 44-3-402
10 (2) OR 44-3-403 (2)(e).

11 (11) (a) This subsection (11) applies only within an entertainment
12 district that a governing body of a local licensing authority has created by
13 ordinance or resolution. This subsection (11) does not apply to a special
14 event permit issued under ~~article 48 of this title~~ ARTICLE 5 OF THIS TITLE
15 44 or the holder thereof unless the permit holder desires to use an existing
16 common consumption area and agrees in writing to the requirements of
17 this ~~article~~ ARTICLE 3 and the local licensing authority concerning the
18 common consumption area.

19 (b) A governing body of a local licensing authority may create an
20 entertainment district by adopting an ordinance or resolution. An
21 entertainment district shall not exceed one hundred acres. The ordinance
22 or resolution may impose stricter limits than required by this subsection
23 (11) on the size, security, or hours of operation of any common
24 consumption area created within the entertainment district.

25 (c) (I) A certified promotional association may operate a common
26 consumption area within an entertainment district and authorize the
27 attachment of a licensed premises to the common consumption area.

1 (II) An association or licensed tavern, lodging and entertainment
2 facility, hotel and restaurant, brew pub, distillery pub, retail gaming
3 tavern, vintner's restaurant, beer and wine licensee, manufacturer or beer
4 wholesaler that operates a sales room, or limited winery that wishes to
5 create a promotional association may submit an application to the local
6 licensing authority. To qualify for certification, the promotional
7 association must:

8 (A) Have a board of directors;

9 (B) Have at least one director from each licensed premises
10 attached to the common consumption area on the board of directors; and

11 (C) Agree to submit annual reports by January 31 of each year to
12 the local licensing authority showing a detailed map of the boundaries of
13 the common consumption area, the common consumption area's hours of
14 operation, a list of attached licensed premises, a list of the directors and
15 officers of the promotional association, security arrangements within the
16 common consumption area, and any violation of this ~~article~~ ARTICLE 3
17 committed by an attached licensed premises.

18 (III) The local licensing authority may refuse to certify or may
19 decertify a promotional association of a common consumption area if the
20 promotional association:

21 (A) Fails to submit the report required by ~~sub-subparagraph (C)~~
22 ~~of subparagraph (H) of this paragraph (c)~~ SUBSECTION (11)(c)(II)(C) OF
23 THIS SECTION by January 31 of each year;

24 (B) Fails to establish that the licensed premises and common
25 consumption area can be operated without violating this ~~article~~ ARTICLE
26 3 or creating a safety risk to the neighborhood;

27 (C) Fails to have at least two licensed premises attached to the

1 common consumption area;

2 (D) Fails to obtain or maintain a properly endorsed general
3 liability and liquor liability insurance policy that is reasonably acceptable
4 to the local licensing authority and names the local licensing authority as
5 an additional insured;

6 (E) The use is not compatible with the reasonable requirements of
7 the neighborhood or the desires of the adult inhabitants; or

8 (F) Violates ~~section 12-47-909~~ SECTION 44-3-910.

9 (d) A person shall not attach a premises licensed under this ~~article~~
10 ARTICLE 3 to a common consumption area unless authorized by the local
11 licensing authority.

12 (e) (I) A licensed tavern, lodging and entertainment facility, hotel
13 and restaurant, brew pub, distillery pub, retail gaming tavern, vintner's
14 restaurant, beer and wine licensee, manufacturer or beer wholesaler that
15 operates a sales room, or limited winery that wishes to attach to a
16 common consumption area may submit an application to the local
17 licensing authority. To qualify, the licensee must include a request for
18 authority to attach to the common consumption area from the certified
19 promotional association of the common consumption area unless the
20 promotional association does not exist when the application is submitted;
21 if so, the applicant shall request the authority when a promotional
22 association is certified and shall demonstrate to the local licensing
23 authority that the authority has been obtained by the time the applicant's
24 license issued under this ~~article~~ ARTICLE 3 is renewed.

25 (II) The local licensing authority may deauthorize or refuse to
26 authorize or reauthorize a licensee's attachment to a common
27 consumption area if the licensed premises is not within or on the

1 perimeter of the common consumption area and if the licensee:

2 (A) Fails to obtain or retain authority to attach to the common
3 consumption area from the certified promotional association;

4 (B) Fails to establish that the licensed premises and common
5 consumption area can be operated without violating this ~~article~~ ARTICLE
6 3 or creating a safety risk to the neighborhood; or

7 (C) Violates ~~section 12-47-909~~ SECTION 44-3-910.

8 (f) A local licensing authority may establish application
9 procedures and a fee for certifying a promotional authority or authorizing
10 attachment to a common consumption area. The authority shall establish
11 the fee in an amount designed to reasonably offset the cost of
12 implementing this subsection (11). Notwithstanding any other provision
13 of this ~~article~~ ARTICLE 3, a local authority may set the hours during which
14 a common consumption area and attached licensed premises may serve
15 alcohol and the customers may consume alcohol. Before certifying a
16 promotional association, the local licensing authority shall consider the
17 reasonable requirements of the neighborhood, the desires of the adult
18 inhabitants as evidenced by petitions, remonstrances, or otherwise, and
19 all other reasonable restrictions that are or may be placed upon the
20 neighborhood by the local licensing authority.

21 (12) (a) Notwithstanding any other provision of this ~~article~~
22 ARTICLE 3, on and after July 1, 2016, the state and local licensing
23 authorities shall not issue a new license under this ~~article~~ ARTICLE 3
24 authorizing the sale at retail of malt, vinous, or spirituous liquors in sealed
25 containers for consumption off the licensed premises if the premises for
26 which the retail license is sought is located:

27 (I) Within one thousand five hundred feet of another licensed

1 premises licensed to sell malt, vinous, or spirituous liquors at retail for
2 off-premises consumption; or

3 (II) For a premises located in a municipality with a population of
4 ten thousand or fewer, within three thousand feet of another licensed
5 premises licensed to sell malt, vinous, or spirituous liquors at retail for
6 off-premises consumption.

7 (b) For purposes of this subsection (12), a license under this
8 ~~article~~ ARTICLE 3 authorizing the sale at retail of malt, vinous, or
9 spirituous liquors in sealed containers for consumption off the licensed
10 premises includes a license under this ~~article~~ ARTICLE 3 authorizing the
11 sale of malt and vinous liquors in sealed containers not to be consumed
12 at the place where the malt and vinous liquors are sold.

13 (c) For purposes of determining whether the distance requirements
14 specified in ~~paragraph (a) of this subsection (12)~~ SUBSECTION (12)(a) OF
15 THIS SECTION are satisfied, the distance shall be determined by a radius
16 measurement that begins at the principal doorway of the premises for
17 which the application is made and ends at the principal doorway of the
18 other retail licensed premises.

19 **44-3-302. [Formerly 12-47-302] License renewal.** (1) Ninety
20 days prior to the expiration date of an existing license, the state licensing
21 authority shall notify the licensee of ~~such~~ THE expiration date by first
22 class mail at the business' last-known address. Application for the renewal
23 of an existing license shall be made to the local licensing authority not
24 less than forty-five days and to the state licensing authority not less than
25 thirty days prior to the date of expiration. No application for renewal of
26 a license shall be accepted by the local licensing authority after the date
27 of expiration, except as provided in subsection (2) of this section, but

1 filing with the local licensing authority shall be deemed filing with the
2 state, and all renewals filed with the local licensing authorities prior to
3 expiration, and subsequently approved, shall be processed by the state
4 licensing authority, and the expiration date is extended until the state
5 license is processed. The state or the local licensing authority, for good
6 cause, may waive the forty-five- or thirty-day time requirements set forth
7 in this subsection (1). The local licensing authority may cause a hearing
8 on the application for renewal to be held. No renewal hearing provided
9 for by this subsection (1) shall be held by the local licensing authority
10 until a notice of hearing has been conspicuously posted on the licensed
11 premises for a period of ten days and notice of the hearing has been
12 provided the applicant at least ten days prior to the hearing. The licensing
13 authority may refuse to renew any license for good cause, subject to
14 judicial review. Any renewal hearing held by the state licensing authority
15 shall be pursuant to ~~section 12-47-305 (2)~~ SECTION 44-3-305 (2).

16 (2) (a) Notwithstanding the provisions of subsection (1) of this
17 section, a licensee whose license has been expired for not more than
18 ninety days may file a late renewal application upon the payment of a
19 nonrefundable late application fee of five hundred dollars each to the
20 state and local licensing authorities. A licensee who files a late renewal
21 application and pays the requisite fees may continue to operate until both
22 state and local licensing authorities have taken final action to approve or
23 deny ~~such~~ THE licensee's late renewal application.

24 (b) A state or local licensing authority shall not accept a late
25 renewal application more than ninety days after the expiration of a
26 licensee's permanent annual license. Any licensee whose permanent
27 annual license has been expired for more than ninety days must apply for

1 a new license pursuant to ~~section 12-47-311~~ SECTION 44-3-311 or a
2 reissued license pursuant to ~~paragraph (d) of this subsection (2)~~
3 SUBSECTION (2)(d) OF THIS SECTION.

4 (c) Notwithstanding the amount specified for the fee in ~~paragraph~~
5 ~~(a) of this subsection (2)~~ SUBSECTION (2)(a) OF THIS SECTION, the state
6 licensing authority by rule or as otherwise provided by law may reduce
7 the amount of the fee if necessary pursuant to section 24-75-402 (3)
8 ~~C.R.S.~~, to reduce the uncommitted reserves of the fund to which all or any
9 portion of the fee is credited. After the uncommitted reserves of the fund
10 are sufficiently reduced, the state licensing authority by rule or as
11 otherwise provided by law may increase the amount of the fee as provided
12 in section 24-75-402 (4). ~~C.R.S.~~

13 (d) (I) Notwithstanding ~~paragraph (b) of this subsection (2)~~
14 SUBSECTION (2)(b) OF THIS SECTION, with the permission of the licensing
15 authority, a licensee whose permanent annual license has been expired for
16 more than ninety days but less than one hundred eighty days may submit
17 to the local licensing authority, or to the state licensing authority in the
18 case of a licensee whose alcohol beverage license is not subject to
19 issuance or approval by a local licensing authority, an application for a
20 reissued license. The licensing authority has the sole discretion to
21 determine whether to allow a licensee to apply for a reissued license.

22 (II) If the licensing authority does not allow the licensee's
23 application, then the licensee must apply for a new license pursuant to
24 ~~section 12-47-311~~ SECTION 44-3-311. A person who has applied for a new
25 license shall not sell, or possess for sale in public view, any alcohol
26 beverage until all required licenses have been obtained.

27 (III) For licensees subject to issuance or approval by a local

1 licensing authority, if the local licensing authority allows the licensee to
2 apply for a reissuance of the expired license, the licensee must submit to
3 the local licensing authority:

4 (A) An application for a reissued license;

5 (B) Payment of a five-hundred-dollar late application fee; and

6 (C) Payment of a fine of twenty-five dollars per day for each day
7 the license has been expired beyond ninety days.

8 (IV) After the local licensing authority accepts the application,
9 late application fee, and fine, the licensee may continue to operate and
10 sell alcohol beverages until the state licensing authority and local
11 licensing authority have each taken final action on the licensee's
12 application for license reissuance.

13 (V) If the local licensing authority approves the reissuance of the
14 licensee's license, the local licensing authority shall forward the approved
15 application to the state licensing authority for review. In addition to the
16 late application fee and fine imposed by the local licensing authority, the
17 state licensing authority shall impose a five-hundred-dollar late
18 application fee and a fine of twenty-five dollars per day for each day the
19 license has been expired beyond ninety days.

20 (VI) For licensees who are not subject to issuance or approval by
21 a local licensing authority, if the state licensing authority allows the
22 licensee to apply for a reissuance of the expired license, the licensee must
23 submit to the state licensing authority:

24 (A) An application for a reissued license;

25 (B) Payment of a five-hundred-dollar late application fee; and

26 (C) Payment of a fine of twenty-five dollars per day for each day
27 the license has been expired beyond ninety days.

1 (VII) After the state licensing authority accepts the application,
2 late application fee, and fine, the licensee may continue to operate and
3 sell alcohol beverages until the state licensing authority takes final action
4 on the licensee's application for license reissuance.

5 (VIII) If the state licensing authority approves the reissuance, the
6 licensee will maintain the same license period dates as if the license had
7 been renewed prior to the expiration date.

8 (IX) If either the local or state licensing authority denies the
9 licensee's application for reissuance of the expired license, then the
10 licensee may apply for a new license pursuant to ~~section 12-47-311~~
11 SECTION 44-3-311.

12 (X) Neither the state nor local licensing authority may grant a
13 licensee's application for license reissuance more than three times in any
14 five-year period.

15 **44-3-303. [Formerly 12-47-303] Transfer of ownership and**
16 **temporary permits.** (1) (a) No license granted under the provisions of
17 this ~~article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE
18 44 shall be transferable except as provided in this subsection (1), but this
19 shall not prevent a change of location as provided in ~~section 12-47-301~~
20 ~~(9)~~ SECTION 44-3-301 (9).

21 (b) When a license has been issued to a husband and wife, or to
22 general or limited partners, the death of a spouse or partner shall not
23 require the surviving spouse or partner to obtain a new license. All rights
24 and privileges granted under the original license shall continue in full
25 force and effect as to such survivors for the balance of the license period.

26 (c) (I) Except as provided in ~~subparagraph (II) of this paragraph~~
27 ~~(e)~~ SUBSECTION (1)(c)(II) OF THIS SECTION, for any other transfer of

1 ownership, application must be made to the state and local licensing
2 authorities on forms prepared and furnished by the state licensing
3 authority. In determining whether to permit a transfer of ownership, the
4 licensing authorities shall consider only the requirements of ~~section~~
5 ~~12-47-307~~ SECTION 44-3-307 and 1 CCR 203-2, rule 47-302, entitled
6 "Changing, Altering, or Modifying Licensed Premises", or any analogous
7 successor rule. The local licensing authority may conduct a hearing on the
8 application for transfer of ownership after providing notice in accordance
9 with ~~subparagraph (H) of this paragraph (c)~~ SUBSECTION (1)(c)(III) OF
10 THIS SECTION. Any transfer of ownership hearing by the state licensing
11 authority must be held in accordance with ~~section 12-47-305 (2)~~ SECTION
12 44-3-305 (2).

13 (II) A license merger and conversion as provided for in ~~section~~
14 ~~12-47-408 (1)(b)~~ SECTION 44-3-410 (1)(b) includes a transfer of
15 ownership of at least two retail liquor stores, a change of location of one
16 of the retail liquor stores, and a merger and conversion of the retail liquor
17 store licenses into a single liquor-licensed drugstore license, all as part of
18 a single transaction, and the liquor-licensed drugstore applicant need not
19 apply separately for a transfer of ownership under this section. The
20 liquor-licensed drugstore applying for a license merger and conversion
21 pursuant to ~~section 12-47-408 (1)(b)~~ SECTION 44-3-410 (1)(b) is ineligible
22 for a temporary permit pursuant to this section. The local licensing
23 authority shall consider the reasonable requirements of the neighborhood
24 pursuant to ~~section 12-47-312~~ SECTION 44-3-312 when making a
25 determination on the merger and conversion of the retail liquor store
26 licenses into a single liquor-licensed drugstore license. The local licensing
27 authority may hold a hearing on the application for the license merger and

1 conversion after providing notice in accordance with ~~subparagraph (HH)~~
2 ~~of this paragraph (c)~~ SUBSECTION (1)(c)(III) OF THIS SECTION.

3 (III) Prior to holding a hearing as provided in this ~~paragraph (c)~~
4 SUBSECTION (1)(c), the local licensing authority shall notify the applicant
5 of the hearing at least ten days before the hearing and shall post, or may
6 direct the license applicant to post, a notice of the hearing in a
7 conspicuous location on the licensed premises for at least ten consecutive
8 days before the hearing.

9 (d) The state or a local licensing authority shall not approve a
10 transfer of ownership under this subsection (1) until the applicant files
11 with the local licensing authority confirmation from each wholesaler
12 licensed under this ~~article~~ ARTICLE 3 that has sold alcohol beverages to
13 the transferor that the wholesaler has been paid in full for all alcohol
14 beverages delivered to the transferor.

15 (2) Notwithstanding any provision of this ~~article~~ ARTICLE 3 to the
16 contrary, a local licensing authority may issue a temporary permit to a
17 transferee of any retail class of alcohol beverage license issued by the
18 local licensing authority pursuant to this ~~article or article 46~~ of this title
19 ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44; except that a local licensing
20 authority shall not issue a temporary permit to a liquor-licensed drugstore
21 that has acquired ownership of licensed retail liquor stores in accordance
22 with ~~section 12-47-408 (1)(b)~~ SECTION 44-3-410 (1)(b). A temporary
23 permit authorizes a transferee to continue selling alcohol beverages as
24 permitted under the permanent license during the period in which an
25 application to transfer the ownership of the license is pending.

26 (3) A temporary permit shall authorize a transferee to conduct
27 business and sell alcohol beverages at retail in accordance with the

1 license of the transferor subject to compliance with all of the following
2 conditions:

3 (a) The premises where ~~such~~ alcohol beverages are sold shall have
4 been previously licensed by the state and local licensing authorities, and
5 ~~such~~ THE license shall have been valid at the time the application for
6 transfer of ownership was filed with the local licensing authority that has
7 jurisdiction to approve an application for a temporary permit.

8 (b) The applicant has filed with the local licensing authority on
9 forms provided by the department of revenue an application for the
10 transfer of the liquor license. ~~Such~~ THE application shall include, but not
11 be limited to, the following information:

12 (I) The name and address of the applicant; if the applicant is a
13 partnership, the names and addresses of all the partners; and, if the
14 applicant is a corporation, association, or other organization, the names
15 and addresses of the president, vice-president, secretary, and managing
16 officer;

17 (II) The applicant's financial interest in the proposed transfer;

18 (III) The premises for which the temporary permit is sought;

19 (IV) Such other information as the local licensing authority may
20 require; and

21 (V) A statement that all accounts for alcohol beverages sold to the
22 applicant are paid.

23 (c) The application for a temporary permit shall be filed no later
24 than thirty days after the filing of the application for transfer of ownership
25 and shall be accompanied by a temporary permit fee not to exceed one
26 hundred dollars.

27 (d) When applying with the local licensing authority for a

1 temporary permit, the applicant shall provide a copy, by facsimile or
2 otherwise, of the statement made pursuant to ~~subparagraph (V) of~~
3 ~~paragraph (b) of this subsection (3)~~ SUBSECTION (3)(b)(V) OF THIS
4 SECTION to the state licensing authority. ~~Such~~ THE statement is a public
5 record and shall be open to inspection by the public.

6 (4) A temporary permit, if granted, by a local licensing authority
7 shall be issued within five working days after the receipt of ~~such~~ THE
8 application. A temporary permit issued pursuant to this section shall be
9 valid until such time as the application to transfer ownership of the
10 license to the applicant is granted or denied or for one hundred twenty
11 days, whichever occurs first; except that, if the application to transfer the
12 license has not been granted or denied within the one-hundred-twenty-day
13 period and the transferee demonstrates good cause, the local licensing
14 authority may extend, in its discretion, the validity of ~~said~~ THE permit for
15 an additional period not to exceed sixty days.

16 (5) A temporary permit shall also be authorized in the event of a
17 transfer of possession of the licensed premises by operation of law, a
18 petition in bankruptcy pursuant to federal bankruptcy law, the
19 appointment of a receiver, a foreclosure action by a secured party, or a
20 court order dispossessing the prior licensee of all rights of possession
21 pursuant to article 40 of title 13. ~~C.R.S.~~

22 (6) A temporary permit may be canceled, revoked, or summarily
23 suspended if the local or state licensing authority determines that there is
24 probable cause to believe that the transferee has violated any provision of
25 ~~this article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE
26 44 or has violated any rule ~~or regulation~~ adopted by the local or state
27 licensing authority or has failed to truthfully disclose those matters

1 required pursuant to the application forms required by the department of
2 revenue.

3 **44-3-304. [Formerly 12-47-304] State licensing authority -**
4 **application and issuance procedures - definitions - rules.**

5 (1) (a) Applications for licenses under the provisions of this ~~article and~~
6 ~~articles 46 and 48 of this title~~ ARTICLE 3 AND ARTICLES 4 AND 5 OF THIS
7 TITLE 44 shall be made to the state licensing authority on forms prepared
8 and furnished by the state licensing authority and shall set forth such
9 information as the state licensing authority may require to enable the
10 authority to determine whether a license should be granted. ~~Such~~ THE
11 information shall include the name and address of the applicant, and if a
12 partnership, also the names and addresses of all the partners, and if a
13 corporation, association, or other organization, also the names and
14 addresses of the president, vice-president, secretary, and managing
15 officer, together with all other information deemed necessary by the
16 licensing authority. Each application shall be verified by the oath or
17 affirmation of ~~such~~ THE person or persons as the state licensing authority
18 may prescribe.

19 (b) Notwithstanding the requirements of ~~paragraph (a) of this~~
20 ~~subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION, an applicant seeking
21 licenses for multiple locations may request the state licensing authority to
22 establish a master file. All requests for a master file shall be made on
23 forms provided by the state licensing authority and shall contain such
24 information as the state licensing authority may require to enable the
25 authority to determine the suitability of the license applicant and its
26 principal owners as required pursuant to ~~section 12-47-307~~ SECTION
27 44-3-307. The state licensing authority shall either approve the request for

1 a master file and issue an approval letter, or deny the request pursuant to
2 the provisions of ~~section 12-47-305~~ SECTION 44-3-305. Any change to
3 information contained in the master file shall be reported by the applicant
4 or licensee to the state licensing authority within thirty days after the
5 change. Failure to report all changes as required may be grounds for
6 suspension or revocation of a license or licenses as determined by the
7 state licensing authority. No local licensing authority shall require
8 applicants with an approved master file to file additional background
9 investigation forms or fingerprints. Nothing in this section shall prohibit
10 a local licensing authority from conducting its own investigation, or from
11 verifying any of the information provided by the applicant, or from
12 denying the application of the applicant pursuant to the provisions set
13 forth in ~~section 12-47-307~~ SECTION 44-3-307.

14 (c) As used in this part 3, "master file" means a file that is
15 established by the state licensing authority and that contains licensing and
16 background information for an applicant seeking licenses pursuant to this
17 ~~article~~ ARTICLE 3 in multiple locations. ~~Such~~ THE master file shall be
18 available to the local licensing authority.

19 (d) The state licensing authority shall promulgate rules governing
20 the minimum number of multiple locations required to establish and
21 maintain a master file.

22 (2) (a) Before granting any license for which application has been
23 made, the state licensing authority or one or more of its inspectors may
24 visit and inspect the plant or property in which the applicant proposes to
25 conduct business and investigate the fitness to conduct such business of
26 any person or the officers and directors of any corporation applying for
27 a license. In investigating the fitness of the applicant or a licensee, the

1 state licensing authority may have access to criminal history record
2 information furnished by a criminal justice agency, subject to any
3 restrictions imposed by such agency. In the event the state licensing
4 authority takes into consideration information concerning the applicant's
5 criminal history record, the state licensing authority shall also consider
6 any information provided by the applicant regarding such criminal history
7 record, including but not limited to evidence of rehabilitation, character
8 references, and educational achievements, especially those items
9 pertaining to the period of time between the applicant's last criminal
10 conviction and the consideration of the application for a license.

11 (b) As used in ~~paragraph (a) of this subsection (2)~~ SUBSECTION
12 (2)(a) OF THIS SECTION, "criminal justice agency" means any federal, state,
13 or municipal court or any governmental agency or subunit of such agency
14 that performs the administration of criminal justice pursuant to a statute
15 or executive order and that allocates a substantial part of its annual budget
16 to the administration of criminal justice.

17 (3) The state licensing authority shall not issue a license pursuant
18 to this section until the local licensing authority has approved the
19 application provided for in ~~section 12-47-309~~ SECTION 44-3-309.

20 **44-3-305. [Formerly 12-47-305] Denial of application.** (1) The
21 state licensing authority shall refuse a state license if the premises on
22 which the applicant proposes to conduct its business do not meet the
23 requirements of this ~~article~~ ARTICLE 3, or if the character of the applicant
24 or its officers or directors is such that violations of this ~~article or article~~
25 ~~46 or 48 of this title~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF THIS TITLE 44 would
26 be likely to result if a license were granted, or if in its opinion licenses
27 already granted for the particular locality are adequate for the reasonable

1 needs of the community.

2 (2) The state licensing authority shall not refuse a state license
3 after a local license has been granted, except upon hearing after fifteen
4 days' notice to the applicant and to the local licensing authority. The
5 notice shall be in writing and shall state grounds upon which the
6 application may be refused. If the applicant does not respond to the notice
7 within fifteen days after the date of the notice, the application for a
8 license shall be denied. ~~Such~~ THE hearing shall be conducted in
9 accordance with the provisions of section 24-4-105, ~~C.R.S.~~, and judicial
10 review of the state licensing authority's decision shall be pursuant to
11 section 24-4-106. ~~C.R.S.~~

12 **44-3-306. [Formerly 12-47-306] Inactive licenses.** The state or
13 local licensing authority, in its discretion, may revoke or elect not to
14 renew a retail license if it determines that the licensed premises has been
15 inactive, without good cause, for at least one year or, in the case of a retail
16 license approved for a facility that has not been constructed, ~~such~~ THE
17 facility has not been constructed and placed in operation within two years
18 after approval of the license application or construction of the facility has
19 not commenced within one year after ~~such~~ THE approval.

20 **44-3-307. [Formerly 12-47-307] Persons prohibited as licensees**
21 **- definition.** (1) (a) No license provided by this ~~article or article 46 or 48~~
22 ~~of this title~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF THIS TITLE 44 shall be issued
23 to or held by:

- 24 (I) Any person until the annual fee therefor has been paid;
25 (II) Any person who is not of good moral character;
26 (III) Any corporation, any of whose officers, directors, or
27 stockholders holding ten percent or more of the outstanding and issued

1 capital stock thereof are not of good moral character;

2 (IV) Any partnership, association, or company, any of whose
3 officers, or any of whose members holding ten percent or more interest
4 therein, are not of good moral character;

5 (V) Any person employing, assisted by, or financed in whole or
6 in part by any other person who is not of good character and reputation
7 satisfactory to the respective licensing authorities;

8 (VI) Any person unless ~~such~~ THE person's character, record, and
9 reputation are satisfactory to the respective licensing authority;

10 (VII) Any natural person under twenty-one years of age.

11 (b) (I) In making a determination as to character or when
12 considering the conviction of a crime, a licensing authority shall be
13 governed by the provisions of section 24-5-101. ~~C.R.S.~~

14 (II) With respect to arts or club license applications, an
15 investigation of the character of the president or chair of the board and the
16 operational manager shall be deemed sufficient to determine whether to
17 issue the arts or club license to the applicant.

18 (2) (a) No license provided by this ~~article~~ ARTICLE 3 shall be
19 issued to or held by a peace officer described in section 16-2.5-121,
20 16-2.5-122, 16-2.5-123, 16-2.5-125, 16-2.5-126, 16-2.5-128, or
21 16-2.5-129, ~~C.R.S.~~, or the state licensing authority or any of its inspectors
22 or employees.

23 (b) A peace officer described in section 16-2.5-103, 16-2.5-105,
24 16-2.5-108, 16-2.5-132, or 16-2.5-149 ~~C.R.S.~~, may not obtain or hold a
25 license under this ~~article~~ ARTICLE 3 to operate a licensed premises that is
26 located within the same jurisdiction that employs the peace officer.

27 (3) (a) In investigating the qualifications of the applicant or a

1 licensee, the local licensing authority may have access to criminal history
2 record information furnished by a criminal justice agency, subject to any
3 restrictions imposed by such agency. In the event the local licensing
4 authority takes into consideration information concerning the applicant's
5 criminal history record, the local licensing authority shall also consider
6 any information provided by the applicant regarding such criminal history
7 record, including but not limited to evidence of rehabilitation, character
8 references, and educational achievements, especially those items
9 pertaining to the period of time between the applicant's last criminal
10 conviction and the consideration of the application for a license.

11 (b) As used in ~~paragraph (a) of this subsection (3)~~ SUBSECTION
12 (3)(a) OF THIS SECTION, "criminal justice agency" means any federal, state,
13 or municipal court or any governmental agency or subunit of such agency
14 that performs the administration of criminal justice pursuant to a statute
15 or executive order and that allocates a substantial part of its annual budget
16 to the administration of criminal justice.

17 (c) At the time of the application for a license, the applicant shall
18 submit fingerprints and file personal history information concerning the
19 applicant's qualifications for a license on forms prepared by the state
20 licensing authority. The state and local licensing authorities shall submit
21 such fingerprints to the Colorado bureau of investigation for the purpose
22 of conducting fingerprints-based criminal history record checks. The
23 Colorado bureau of investigation shall forward the fingerprints to the
24 federal bureau of investigation for the purpose of conducting
25 fingerprints-based criminal history record checks. An applicant who has
26 previously submitted fingerprints for alcohol beverage licensing purposes
27 may request that the fingerprints on file be used. The licensing authorities

1 shall use the information resulting from the fingerprints-based criminal
2 history record check to investigate and to determine if an applicant is
3 qualified for a license pursuant to this ~~article and article 46 of this title~~
4 ARTICLE 3 AND ARTICLE 4 OF THIS TITLE 44. The licensing authority shall
5 not be prohibited from verifying any of the information required to be
6 submitted by an applicant pursuant to this section. An applicant shall not
7 be required to submit additional information beyond that required in this
8 subsection (3) unless the licensing authority has determined any of the
9 following:

- 10 (I) The applicant has misrepresented a material fact;
- 11 (II) The applicant has an established criminal history record;
- 12 (III) A prior criminal or administrative proceeding determined that
13 the applicant violated alcohol beverage laws;
- 14 (IV) The information submitted by an applicant is incomplete; or
- 15 (V) The character, record, or reputation of the applicant, his or her
16 agent, or his or her principal is such that a potential violation of this
17 ~~article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44
18 may occur if a license is issued to the applicant.

19 **44-3-308. [Formerly 12-47-308] Unlawful financial assistance.**

20 (1) (a) It is unlawful for any person licensed pursuant to this ~~article or~~
21 ~~article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44 as a
22 manufacturer, limited winery licensee, wholesaler, or importer, or any
23 person, partnership, association, organization, or corporation interested
24 financially in or with any of said licensees, to furnish, supply, or loan, in
25 any manner, directly or indirectly, to any person licensed to sell at retail
26 pursuant to this ~~article or article 46 or 48 of this title~~ ARTICLE 3 OR
27 ARTICLE 4 OR 5 OF THIS TITLE 44 any financial assistance, including the

1 extension of credit for more than thirty days, as specified in ~~section~~
2 ~~12-47-202(2)(b)~~ SECTION 44-3-202 (2)(b) or in rules of the state licensing
3 authority, or any equipment, fixtures, chattels, or furnishings used in the
4 storing, handling, serving, or dispensing of food or alcohol beverages
5 within the premises or for making any structural alterations or
6 improvements in or on the building in which such premises are located.
7 This section shall not apply to signs or displays within ~~such~~ THE premises.

8 (b) Notwithstanding the provisions of ~~paragraph (a) of this~~
9 ~~subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION, any person or party
10 described in ~~said paragraph (a)~~ SUBSECTION (1)(a) OF THIS SECTION may
11 provide financial or in-kind assistance, directly or indirectly, to a
12 nonprofit arts organization that has been issued an arts license pursuant
13 to ~~section 12-47-417~~ SECTION 44-3-419 or to a state-supported institution
14 of higher education in Colorado, including local district colleges, area
15 technical colleges, and the Auraria higher education center, or the
16 governing board of a state-supported institution of higher education, or
17 to a nonpublic institution of higher education as defined in section
18 23-3.7-102 ~~C.R.S.~~, that is operating pursuant to 26 U.S.C. sec. 501 (c)(3)
19 of the federal "Internal Revenue Code of 1986", as amended, if the
20 institution has been issued a license pursuant to ~~article 46, 47, or 48 of~~
21 ~~this title~~ THIS ARTICLE 3 OR ARTICLE 4 OR 5 OF THIS TITLE 44.

22 (2) The state licensing authority, by rule, ~~and regulation,~~ shall
23 require a complete disclosure of all persons having a direct or indirect
24 financial interest, and the extent of such interest, in each hotel and
25 restaurant license and each retail gaming tavern license issued under this
26 ~~article~~ ARTICLE 3. A willful failure to report and disclose the financial
27 interests of all persons having a direct or indirect financial interest in a

1 hotel and restaurant license or in a retail gaming tavern license shall be
2 grounds for suspension or revocation of such license by the state licensing
3 authority. The invalidity of any provision of this subsection (2)
4 concerning interest in more than one hotel and restaurant license or retail
5 gaming tavern license shall invalidate all interests in more than one hotel
6 and restaurant license or retail gaming tavern license, and such invalidity
7 shall make any such interest unlawful financial assistance.

8 (3) (a) It is unlawful for any person licensed to sell at retail
9 pursuant to this ~~article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4
10 OF THIS TITLE 44 to receive and obtain from the persons or parties
11 described and referred to in subsection (1)(a) of this section, directly or
12 indirectly, any financial assistance or any equipment, fixtures, chattels, or
13 furnishings used in the storing, handling, serving, or dispensing of food
14 or alcohol beverages within the premises or from making any structural
15 alterations or improvements in or on the building on which such premises
16 are located. This subsection (3) shall not apply to signs or displays within
17 ~~such~~ THE premises or to advertising materials that are intended primarily
18 to advertise the product of the wholesaler or manufacturer and that have
19 only negligible value in themselves or to the inspection and servicing of
20 malt or vinous liquor-dispensing equipment to the extent necessary for the
21 maintenance of reasonable standards of purity, cleanliness, and health.

22 (b) Notwithstanding the provisions of ~~paragraph (a) of this~~
23 ~~subsection (3)~~ SUBSECTION (3)(a) OF THIS SECTION, a nonprofit arts
24 organization that has been issued an arts license pursuant to ~~section~~
25 ~~12-47-417~~ SECTION 44-3-419 or a state-supported institution of higher
26 education in Colorado, including local district colleges, area technical
27 colleges, and the Auraria higher education center, or the governing board

1 of a state-supported institution of higher education, or a nonpublic
2 institution of higher education as defined in section 23-3.7-102 ~~C.R.S.~~,
3 that is operating pursuant to 26 U.S.C. sec. 501 (c)(3) of the federal
4 "Internal Revenue Code of 1986", as amended, if the institution has been
5 issued a license pursuant to ~~article 46, 47, or 48 of this title~~ THIS ARTICLE
6 3 OR ARTICLE 4 OR 5 OF THIS TITLE 44, may receive financial or in-kind
7 assistance, directly or indirectly, from the persons or parties described and
8 referred to in ~~paragraph (a) of subsection (1)~~ SUBSECTION (1)(a) of this
9 section.

10 (4) (a) Except as otherwise authorized, it is unlawful for any
11 person or corporation holding any license pursuant to this ~~article or article~~
12 ~~46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44 or any person
13 who is a stockholder, director, or officer of any corporation holding a
14 license pursuant to this ~~article or article 46 of this title~~ ARTICLE 3 OR
15 ARTICLE 4 OF THIS TITLE 44 to be a stockholder, director, or officer or to
16 be interested, directly or indirectly, in any person or corporation that lends
17 money to any person or corporation licensed pursuant to this ~~article or~~
18 ~~article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44, but this
19 subsection (4) does not apply to banks or savings and loan associations
20 supervised and regulated by an agency of the state or federal government,
21 or to FHA-approved mortgagees, or to stockholders, directors, or officers
22 thereof; and it is unlawful for any person or corporation licensed pursuant
23 to this ~~article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS
24 TITLE 44, or any stockholder, director, or officer of such corporation, to
25 make any loan or be interested, directly or indirectly, in any loan to any
26 other person licensed pursuant to this ~~article or article 46 of this title~~
27 ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44; except that this ~~paragraph (a)~~

1 SUBSECTION (4)(a) does not apply to any financial institution that comes
2 into possession of a licensed premises by virtue of a foreclosure or deed
3 in lieu of foreclosure if ~~such~~ THE financial institution does not retain such
4 premises for longer than one year or for such time exceeding one year as
5 provided in ~~paragraph (b) of this subsection (4)~~ SUBSECTION (4)(b) OF
6 THIS SECTION.

7 (b) In the case of a financial institution that comes into possession
8 of a licensed premises by virtue of a foreclosure or deed in lieu of
9 foreclosure, the state and the local licensing authority may grant a transfer
10 of ownership for such license for a period of one year and, upon notice
11 and hearing, renewal of such license may be granted. This ~~paragraph (b)~~
12 SUBSECTION (4)(b) shall apply in the case of every foreclosure or deed in
13 lieu of foreclosure in which disposition of the license has not otherwise
14 been made by the state or local licensing authority.

15 (5) It is unlawful for any owner, part owner, shareholder,
16 stockholder, or person interested, directly or indirectly, in any retail
17 business or establishment of a person licensed to sell at retail pursuant to
18 the provisions of this ~~article or article 46 or 48 of this title~~ ARTICLE 3 OR
19 ARTICLE 4 OR 5 OF THIS TITLE 44 to enter into any agreement with any
20 person or party or to receive, possess, or accept any money, fixtures,
21 supplies, or things of value from any person or party, whereby a person
22 licensed to sell at retail pursuant to this ~~article or article 46 or 48 of this~~
23 ~~title~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF THIS TITLE 44 may be influenced or
24 caused, directly or indirectly, to buy, sell, dispense, or handle the product
25 of any manufacturer of alcohol beverages. This subsection (5) shall not
26 apply to displays within such premises.

27 (6) Any transaction, agreement, or arrangement prohibited by the

1 provisions of this section, if made and entered into by and between the
2 persons and parties described and referred to in this section, is unlawful,
3 illegal, invalid, and void, and any obligation or liability arising out of
4 such transaction, agreement, or arrangement shall be unenforceable in any
5 court of this state by or against any such persons and parties entering into
6 ~~such~~ THE transaction, agreement, or arrangement.

7 (7) This section is intended to prohibit and prevent the control of
8 the outlets for the sale of alcohol beverages by any persons or parties
9 other than the persons licensed pursuant to the provisions of this ~~article~~
10 ~~or article 46 or 48 of this title~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF THIS TITLE
11 44.

12 (8) It is unlawful for an owner, part owner, shareholder, or person
13 interested directly or indirectly in a brew pub, distillery pub, or vintner's
14 restaurant license to conduct, own in whole or in part, or be directly or
15 indirectly interested in a wholesaler's license issued under this ~~article or~~
16 ~~article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44.

17 **44-3-309. [Formerly 12-47-309] Local licensing authority -**
18 **applications - optional premises licenses.** (1) A local licensing
19 authority may issue only the following alcohol beverage licenses upon
20 payment of the fee specified in ~~section 12-47-505~~ SECTION 44-3-505:

- 21 (a) Retail liquor store license;
- 22 (b) Liquor-licensed drugstore license;
- 23 (c) Beer and wine license;
- 24 (d) Hotel and restaurant license;
- 25 (e) Tavern license;
- 26 (f) Brew pub license;
- 27 (g) Club license;

- 1 (h) Arts license;
- 2 (i) Racetrack license;
- 3 (j) Optional premises license;
- 4 (k) Retail gaming tavern license;
- 5 (l) Vintner's restaurant license;
- 6 (m) Distillery pub license;
- 7 (n) Lodging and entertainment license.

8 (2) An application for any license specified in subsection (1) of
9 this section or ~~section 12-46-107~~ SECTION 44-4-107 shall be filed with the
10 appropriate local licensing authority on forms provided by the state
11 licensing authority and containing such information as the state licensing
12 authority may require. Each application shall be verified by the oath or
13 affirmation of such persons as prescribed by the state licensing authority.

14 (3) The applicant shall file at the time of application plans and
15 specifications for the interior of the building if the building to be
16 occupied is in existence at the time. If the building is not in existence, the
17 applicant shall file a plot plan and a detailed sketch for the interior and
18 submit an architect's drawing of the building to be constructed. In its
19 discretion, the local licensing authority may impose additional
20 requirements necessary for the approval of the application.

21 **44-3-310. [Formerly 12-47-310] Optional premises license -**
22 **local option.** (1) No optional premises license, or optional premises
23 permit for a hotel and restaurant license, as defined in ~~section 12-47-103~~
24 ~~(22)(a)~~ SECTION 44-3-103 (33)(a), shall be issued within any municipality
25 or the unincorporated portion of any county unless the governing body of
26 the municipality has adopted by ordinance, or the governing body of the
27 county has adopted by resolution, specific standards for the issuance of

1 optional premises licenses or for optional premises for a hotel and
2 restaurant license. No municipality or county shall be required to adopt
3 such standards or make such licenses available within its jurisdiction.

4 (2) In addition to all other standards applicable to the issuance of
5 licenses under this ~~article~~ ARTICLE 3, the governing body may adopt
6 additional standards for the issuance of optional premises licenses or for
7 optional premises for a hotel and restaurant license that may include:

8 (a) The specific types of outdoor sports and recreational facilities
9 that are eligible to apply for an optional premises license or an optional
10 premises for a hotel and restaurant license;

11 (b) Restrictions on the number of optional premises that any one
12 licensee may have on an outdoor sports or recreational facility;

13 (c) A restriction on the minimum size of any applicant's outdoor
14 sports or recreational facility that would be eligible for the issuance of an
15 optional premises license or optional premises for a hotel and restaurant
16 license;

17 (d) Any other requirements necessary to ensure the control of the
18 premises and the ease of enforcement.

19 (3) An applicant for a hotel and restaurant license who desires to
20 sell or serve alcohol beverages on optional premises shall file with the
21 optional premises permit application a list of the optional premises
22 locations. ~~Such~~ THE application and list shall be filed with the state and
23 local licensing authorities upon initial application, and each license year
24 thereafter. Approval of the areas must be obtained from the state licensing
25 authority and the local licensing authority. The decision of each authority
26 shall be discretionary. In the event that the state and local licensing
27 authorities allow the area or areas to be designated optional premises, no

1 alcohol beverages may be served on the optional premises without the
2 licensee having provided written notice to the state and local licensing
3 authorities forty-eight hours prior to serving alcohol beverages on the
4 optional premises. ~~Such~~ THE notice shall contain the specific days and
5 hours on which the optional premises are to be used. This subsection (3)
6 shall not be construed to permit the violation of any other provision of
7 this ~~article~~ ARTICLE 3 under circumstances not specified in this subsection
8 (3).

9 (4) An applicant for an optional premises license who desires to
10 sell, dispense, or serve alcohol beverages on optional premises shall file
11 with the optional premises license application a list of the optional
12 premises locations and the area in which the applicant desires to store
13 alcohol beverages for future use on the optional premises. The applicant
14 shall file the application and additional information with the state and
15 local licensing authorities upon initial application and each license year
16 thereafter. Approval of the license and areas must be obtained from the
17 state licensing authority and the local licensing authority. The decision of
18 each authority shall be discretionary. In the event that the state and local
19 licensing authorities allow the area or areas to be designated optional
20 premises, no alcohol beverages may be served on the optional premises
21 without the licensee having provided written notice to the state and local
22 licensing authorities forty-eight hours prior to serving alcohol beverages
23 on the optional premises. The notice must contain the specific days and
24 hours on which the optional premises are to be used. This subsection (4)
25 does not permit the violation of any other provision of this ~~article~~ ARTICLE
26 3 under circumstances not specified in this subsection (4).

27 **44-3-311. [Formerly 12-47-311] Public notice - posting and**

1 **publication - definition.** (1) Upon receipt of an application, except an
2 application for renewal or for transfer of ownership, the local licensing
3 authority shall schedule a public hearing upon the application not less
4 than thirty days from the date of the application and shall post and publish
5 the public notice thereof not less than ten days prior to ~~such~~ THE hearing.
6 Public notice shall be given by the posting of a sign in a conspicuous
7 place on the premises for which application has been made and by
8 publication in a newspaper of general circulation in the county in which
9 the premises are located.

10 (2) Notice given by posting shall include a sign of suitable
11 material, not less than twenty-two inches wide and twenty-six inches
12 high, composed of letters not less than one inch in height and stating the
13 type of license applied for, the date of the application, the date of the
14 hearing, and the name and address of the applicant, and such other
15 information as may be required to fully apprise the public of the nature of
16 the application. If the applicant is a partnership, the sign shall contain the
17 names and addresses of all partners, and if the applicant is a corporation,
18 association, or other organization, the sign shall contain the names and
19 addresses of the president, vice president, secretary, and manager or other
20 managing officers.

21 (3) Notice given by publication shall contain the same information
22 as that required for signs.

23 (4) If the building in which the alcohol beverage is to be sold is
24 in existence at the time of the application, any sign posted as required in
25 subsections (1) and (2) of this section shall be placed so as to be
26 conspicuous and plainly visible to the general public. If the building is not
27 constructed at the time of the application, the applicant shall post the

1 premises upon which the building is to be constructed in such a manner
2 that the notice shall be conspicuous and plainly visible to the general
3 public.

4 (5) (a) At the public hearing held pursuant to this section, any
5 party in interest shall be allowed to present evidence and to cross-examine
6 witnesses.

7 (b) As used in this subsection (5), "party in interest" means any of
8 the following:

9 (I) The applicant;

10 (II) An adult resident of the neighborhood under consideration;

11 (III) The owner or manager of a business located in the
12 neighborhood under consideration;

13 (IV) The principal or representative of any school located within
14 five hundred feet of the premises for which the issuance of a license
15 pursuant to ~~section 12-47-309 (1)~~ SECTION 44-3-309 (1) is under
16 consideration.

17 (c) The local licensing authority, in its discretion, may limit the
18 presentation of evidence and cross-examination so as to prevent repetitive
19 and cumulative evidence or examination.

20 (d) Nothing in this subsection (5) shall be construed to prevent a
21 representative of an organized neighborhood group that encompasses part
22 or all of the neighborhood under consideration from presenting evidence
23 subject to this section. ~~Such~~ THE representative shall reside within the
24 neighborhood group's geographic boundaries and shall be a member of
25 the neighborhood group. ~~Such~~ THE representative shall not be entitled to
26 cross-examine witnesses or seek judicial review of the licensing
27 authority's decision.

1 **44-3-312. [Formerly 12-47-312] Results of investigation -**
2 **decision of authorities.** (1) Not less than five days prior to the date of
3 hearing, the local licensing authority shall make known its findings based
4 on its investigation in writing to the applicant and other interested parties.
5 The local licensing authority has authority to refuse to issue any licenses
6 provided in ~~sections 12-47-309 (1) and 12-46-107~~ SECTIONS 44-3-309 (1)
7 AND 44-4-107 for good cause, subject to judicial review.

8 (2) (a) Before entering any decision approving or denying the
9 application, the local licensing authority shall consider, except where this
10 ~~article~~ ARTICLE 3 specifically provides otherwise, the facts and evidence
11 adduced as a result of its investigation, as well as any other facts, the
12 reasonable requirements of the neighborhood for the type of license for
13 which application has been made, the desires of the adult inhabitants, the
14 number, type, and availability of alcohol beverage outlets located in or
15 near the neighborhood under consideration, and any other pertinent
16 matters affecting the qualifications of the applicant for the conduct of the
17 type of business proposed; except that the reasonable requirements of the
18 neighborhood shall not be considered in the issuance of a club liquor
19 license. For the merger and conversion of retail liquor store licenses to a
20 single liquor-licensed drugstore license in accordance with ~~section~~
21 ~~12-47-408 (1)(b)~~ SECTION 44-3-410 (1)(b), the local licensing authority
22 shall consider the reasonable requirements of the neighborhood and the
23 desires of the adult inhabitants of the neighborhood.

24 (b) Any petitioning otherwise required to establish the reasonable
25 requirements of the neighborhood shall be waived for a bed and breakfast
26 permit applicant unless the local licensing authority has previously taken
27 affirmative, official action to rescind the availability of such waiver in all

1 subsequent cases.

2 (3) Any decision of a local licensing authority approving or
3 denying an application shall be in writing stating the reasons therefor
4 within thirty days after the date of the public hearing, and a copy of ~~such~~
5 THE decision shall be sent by certified mail to the applicant at the address
6 shown in the application.

7 (4) No license shall be issued by any local licensing authority after
8 approval of an application until the building in which the business is to
9 be conducted is ready for occupancy with such furniture, fixtures, and
10 equipment in place as is necessary to comply with the applicable
11 provisions of this ~~article and article 46 of this title~~ ARTICLE 3 AND
12 ARTICLE 4 OF THIS TITLE 44, and then only after inspection of the premises
13 has been made by the licensing authority to determine that the applicant
14 has complied with the architect's drawing and the plot plan and detailed
15 sketch for the interior of the building submitted with the application.

16 (5) After approval of any application, the local licensing authority
17 shall notify the state licensing authority of ~~such~~ THE approval, who shall
18 investigate and either approve or disapprove such application.

19 **44-3-313. [Formerly 12-47-313] Restrictions for applications**
20 **for new license.** (1) No application for the issuance of any license
21 specified in ~~section 12-47-309 (1) or 12-46-107 (1)~~ SECTION 44-3-309 (1)
22 OR 44-4-107 (1) shall be received or acted upon:

23 (a) (I) If the application for a license described in ~~section~~
24 ~~12-47-309 (1)~~ SECTION 44-3-309 (1) concerns a particular location that is
25 the same as or within five hundred feet of a location for which, within the
26 two years next preceding the date of the application, the state or a local
27 licensing authority denied an application for the same class of license for

1 the reason that the reasonable requirements of the neighborhood and the
2 desires of the adult inhabitants were satisfied by the existing outlets.

3 (II) ~~Subparagraph (I) of this paragraph (a)~~ SUBSECTION (1)(a)(I)
4 OF THIS SECTION shall not apply to cities in which limited gaming is
5 permitted pursuant to section 9 of article XVIII of the state constitution.

6 (III) No licensing authority shall consider an application for any
7 license to sell fermented malt beverages at retail pursuant to ~~section~~
8 ~~12-46-107 (1)~~ SECTION 44-4-107 (1) if, within one year before the date of
9 the application, the state or a local licensing authority has denied an
10 application at the same location for the reason that the reasonable
11 requirements of the neighborhood or the desires of the inhabitants were
12 satisfied by the existing outlets.

13 (b) Until it is established that the applicant is, or will be, entitled
14 to possession of the premises for which application is made under a lease,
15 rental agreement, or other arrangement for possession of the premises, or
16 by virtue of ownership thereof;

17 (c) For a location in an area where the sale of alcohol beverages
18 as contemplated is not permitted under the applicable zoning laws of the
19 municipality, city and county, or county;

20 (d) (I) If the building in which the alcohol beverages are to be sold
21 pursuant to a license described in ~~section 12-47-309 (1)~~ SECTION 44-3-309
22 (1) is located within five hundred feet of any public or parochial school
23 or the principal campus of any college, university, or seminary; except
24 that this subsection (1)(d)(I) does not:

25 (A) Affect the renewal or reissuance of a license once granted;

26 (B) Apply to licensed premises located or to be located on land
27 owned by a municipality;

1 (C) Apply to an existing licensed premises on land owned by the
2 state;

3 (D) Apply to a liquor license in effect and actively doing business
4 before the principal campus was constructed;

5 (E) Apply to any club located within the principal campus of any
6 college, university, or seminary that limits its membership to the faculty
7 or staff of the institution; or

8 (F) Apply to a campus liquor complex.

9 (II) The distances referred to in ~~subparagraph (I) of this paragraph~~
10 ~~(d) SUBSECTION (1)(d)(I) OF THIS SECTION~~ are to be computed by direct
11 measurement from the nearest property line of the land used for school
12 purposes to the nearest portion of the building in which liquor is to be
13 sold, using a route of direct pedestrian access.

14 (III) The local licensing authority of any city and county, by rule
15 or regulation; the governing body of any other municipality, by ordinance;
16 and the governing body of any other county, by resolution, may eliminate
17 or reduce the distance restrictions imposed by this ~~paragraph (d)~~
18 ~~SUBSECTION (1)(d)~~ for any class of license, or may eliminate one or more
19 types of schools or campuses from the application of any distance
20 restriction established by or pursuant to this ~~paragraph (d) SUBSECTION~~
21 ~~(1)(d)~~.

22 (IV) In addition to the requirements of ~~section 12-47-312 (2)~~
23 ~~SECTION 44-3-312 (2)~~, the local licensing authority shall consider the
24 evidence and make a specific finding of fact as to whether the building in
25 which the liquor is to be sold is located within any distance restrictions
26 established by or pursuant to this section. This finding shall be subject to
27 judicial review pursuant to ~~section 12-47-802~~ SECTION 44-3-802.

- 1 (l) Tavern license;
- 2 (m) Brew pub license;
- 3 (n) Club license;
- 4 (o) Arts license;
- 5 (p) Racetrack license;
- 6 (q) Public transportation system license;
- 7 (r) Optional premises license;
- 8 (s) Retail gaming tavern license;
- 9 (t) Vintner's restaurant license;
- 10 (u) Wine packaging permit;
- 11 (v) Distillery pub license;
- 12 (w) Lodging and entertainment license;
- 13 (x) Manager's permit.

14 (2) If the federal alcohol and tobacco tax and trade bureau
15 approves the purchase, sale, possession, or manufacturing of powdered
16 alcohol in the United States, the state licensing authority shall adopt rules
17 establishing a mechanism for regulating the manufacture, purchase, sale,
18 possession, and use of powdered alcohol.

19 **44-3-402. [Formerly 12-47-402] Manufacturer's license.** (1) A
20 manufacturer's license shall be issued by the state licensing authority to
21 persons distilling, rectifying, or brewing within this state for the following
22 purposes only:

- 23 (a) To produce, manufacture, or rectify malt, vinous, or spirituous
24 liquors;
- 25 (b) To sell malt or vinous liquors of their own manufacture within
26 this state. Brewers or winers licensed under this section may solicit
27 business directly from licensed retail persons or consumers by procuring

1 a wholesaler's license as provided in this ~~article~~ ARTICLE 3; except that
2 any malt liquor sold at wholesale by a brewer that has procured a
3 wholesaler's license shall be unloaded and placed in the physical
4 possession of a licensed wholesaler at the wholesaler's licensed premises
5 in this state and inventoried for purposes of tax collection prior to
6 delivery to a retailer or consumer. Wholesalers of malt liquors receiving
7 products to be held as required by this ~~paragraph (b)~~ SUBSECTION (1)(b)
8 shall be liable for the payment of any tax due on such products under
9 ~~section 12-47-503 (1)(a)~~ SECTION 44-3-503 (1)(a).

10 (c) To sell vinous or spirituous liquors of their own manufacture
11 within the state to persons licensed by this ~~article~~ ARTICLE 3 without
12 procuring a wholesaler's license;

13 (d) To sell malt, vinous, or spirituous liquors in other states, the
14 laws of which permit the sale of alcohol beverages;

15 (e) To sell for export to foreign countries, if such export for
16 beverage or medicinal purposes is permitted by the laws of the United
17 States; but Colorado distillers, rectifiers, winers, and brewers licensed
18 under this section may sell their products distilled, rectified, or brewed in
19 this state directly to licensed retail licensees by procuring a wholesaler's
20 license.

21 (2) (a) A winery licensed pursuant to this section may conduct
22 tastings and sell vinous liquors of its own manufacture, as well as other
23 vinous liquors manufactured by other Colorado wineries licensed
24 pursuant to this section or ~~section 12-47-403~~ SECTION 44-3-403, on the
25 licensed premises of the winery and at one other approved sales room
26 location at no additional cost, whether included in the license at the time
27 of the original license issuance or by supplemental application.

1 (b) A winery licensed pursuant to this section may serve and sell
2 food, general merchandise, and nonalcohol beverages for consumer
3 consumption on or off the licensed premises.

4 (c) (I) (A) Prior to operating a sales room location, a winery
5 licensed pursuant to this section shall, at the time of application to the
6 state licensing authority, send a copy of the application or supplemental
7 application for a sales room to the local licensing authority in the
8 jurisdiction in which the sales room is proposed. The local licensing
9 authority may submit a response to the application, including its
10 determination specified in ~~subparagraph (II) of this paragraph (c)~~
11 ~~SUBSECTION (2)(c)(II) OF THIS SECTION~~, to the state licensing authority but
12 must submit its response within forty-five days after the licensed winery
13 submits its sales room application to the state licensing authority, or, for
14 purposes of an application to operate a temporary sales room for not more
15 than three consecutive days, within the time specified by the state
16 licensing authority by rule.

17 (B) If the local licensing authority does not submit a response to
18 the state licensing authority within the time specified in ~~sub-subparagraph~~
19 ~~(A) of this subparagraph (I)~~ ~~SUBSECTION (2)(c)(I)(A) OF THIS SECTION~~, the
20 state licensing authority shall deem that the local licensing authority has
21 determined that the proposed sales room will not impact traffic, noise, or
22 other neighborhood concerns in a manner that is inconsistent with local
23 regulations or ordinances or that the applicant will sufficiently mitigate
24 any impacts identified by the local licensing authority.

25 (II) The state licensing authority must consider the response from
26 the local licensing authority, if any, and may deny the proposed sales
27 room application if the local licensing authority determines that approval

1 of the proposed sales room will impact traffic, noise, or other
2 neighborhood concerns in a manner that is inconsistent with local
3 regulations or ordinances, which may be determined by the local licensing
4 authority without requiring a public hearing, or that the applicant cannot
5 sufficiently mitigate any potential impacts identified by the local licensing
6 authority.

7 (III) The state licensing authority shall not grant approval of an
8 additional sales room unless the applicant affirms to the state licensing
9 authority that the applicant has complied with local zoning restrictions.

10 (IV) A licensed winery that is operating a sales room as of August
11 5, 2015, or that is granted approval pursuant to this ~~paragraph (c)~~
12 SUBSECTION (2)(c) to operate a sales room on or after August 5, 2015,
13 shall notify the state licensing authority of all sales rooms it operates. The
14 state licensing authority shall maintain a list of all licensed winery sales
15 rooms in the state and make the list available on its website.

16 (V) The local licensing authority may request that the state
17 licensing authority take action in accordance with ~~section 12-47-601~~
18 SECTION 44-3-601 against a licensed winery approved to operate a sales
19 room if the local licensing authority:

20 (A) Demonstrates to the state licensing authority that the licensee
21 has engaged in an unlawful act as set forth in part 9 of this ~~article~~
22 ARTICLE 3; or

23 (B) Shows good cause as specified in ~~section 12-47-103 (9)(a),~~
24 ~~(9)(b), or (9)(d)~~ SECTION 44-3-103 (19)(a), (19)(b), OR (19)(d).

25 (VI) This ~~paragraph (c)~~ SUBSECTION (2)(c) does not apply if the
26 licensed winery does not sell and serve vinous liquors for consumption on
27 the licensed premises or in an approved sales room.

1 ~~(2.5)~~ (3) (a) Any winery that has received a license pursuant to
2 this section shall be authorized to manufacture vinous liquors upon an
3 alternating proprietor licensed premises, as approved by the state
4 licensing authority, but retail sales of vinous liquors shall not be
5 conducted from an area licensed or defined as an alternating proprietor
6 licensed premises.

7 (b) Any brewery that has received a license pursuant to this
8 section shall be authorized to manufacture malt liquors upon an
9 alternating proprietor licensed premises, as approved by the state
10 licensing authority, but retail sales of malt liquors shall not be conducted
11 from an area licensed or defined as an alternating proprietor licensed
12 premises.

13 (c) Any winery or brewery that holds a wholesaler's license
14 pursuant to ~~section 12-46-104 (1)(b) or 12-47-406~~ SECTION 44-3-407 OR
15 44-4-104 (1)(b) may engage in the wholesale sale of alcohol beverages
16 that the licensee manufactured at an alternating proprietor licensed
17 premises from both its licensed premises and the alternating proprietor
18 licensed premises where the alcohol beverages were manufactured.

19 ~~(3) Repealed.~~

20 ~~(3.5)~~ (4) A winery that has received a license pursuant to this
21 section may ship wine directly to personal consumers if ~~such~~ THE winery
22 also has received a winery direct shipper's permit under ~~section 12-47-104~~
23 SECTION 44-3-104.

24 ~~(4)~~ (5) (a) It is unlawful for a manufacturer licensed under this
25 ~~article~~ ARTICLE 3 or any person, partnership, association, organization, or
26 corporation interested financially in or with a licensed manufacturer to be
27 interested financially, directly or indirectly, in the business of any person

1 licensed to sell at retail pursuant to this ~~article~~ ARTICLE 3.

2 (b) It is unlawful for any licensed manufacturer of vinous or
3 spirituous liquors or any person, partnership, association, organization, or
4 corporation interested financially in or with such a licensed manufacturer
5 to be interested financially, directly or indirectly, in the business of any
6 vinous or spirituous wholesale licensee; except that any such financial
7 interest that occurred on or before July 1, 1969, shall be lawful.

8 ~~(5)~~ (6) Each applicant for a license as a brewer shall enter into a
9 written contract with each wholesaler with which the applicant intends to
10 do business that designates the territory within which the product of ~~such~~
11 THE applicant is sold by the respective wholesaler. The contract shall be
12 submitted to the state licensing authority with an application, and ~~such~~
13 THE applicant, if licensed, shall have a continuing duty to submit any
14 subsequent revisions, amendments, or superseding contracts to the state
15 licensing authority.

16 ~~(6)~~ (7) (a) A manufacturer of spirituous liquors licensed pursuant
17 to this section may conduct tastings and sell to customers spirituous
18 liquors of its own manufacture on its licensed premises and at one other
19 approved sales room location at no additional cost. A sales room location
20 may be included in the license at the time of the original license issuance
21 or by supplemental application.

22 (b) A manufacturer of spirituous liquors licensed pursuant to this
23 section may serve and sell food, general merchandise, and nonalcohol
24 beverages for consumer consumption on or off the licensed premises.

25 (c) (I) (A) Prior to operating a sales room location, a manufacturer
26 of spirituous liquors licensed pursuant to this section shall, at the time of
27 application to the state licensing authority, send a copy of the application

1 or supplemental application for a sales room to the local licensing
2 authority in the jurisdiction in which the sales room is proposed. The local
3 licensing authority may submit a response to the application, including its
4 determination specified in ~~subparagraph (II) of this paragraph (c)~~
5 SUBSECTION (7)(c)(II) OF THIS SECTION, to the state licensing authority but
6 must submit its response within forty-five days after the licensee submits
7 its sales room application to the state licensing authority, or, for purposes
8 of an application to operate a temporary sales room for not more than
9 three consecutive days, within the time specified by the state licensing
10 authority by rule.

11 (B) If the local licensing authority does not submit a response to
12 the state licensing authority within the time specified in ~~sub-subparagraph~~
13 ~~(A) of this subparagraph (I)~~ SUBSECTION (7)(c)(I)(A) OF THIS SECTION, the
14 state licensing authority shall deem that the local licensing authority has
15 determined that the proposed sales room will not impact traffic, noise, or
16 other neighborhood concerns in a manner that is inconsistent with local
17 regulations or ordinances or that the applicant will sufficiently mitigate
18 any impacts identified by the local licensing authority.

19 (II) The state licensing authority must consider the response from
20 the local licensing authority, if any, and may deny the proposed sales
21 room application if the local licensing authority determines that approval
22 of the proposed sales room will impact traffic, noise, or other
23 neighborhood concerns in a manner that is inconsistent with local
24 regulations or ordinances, which may be determined by the local licensing
25 authority without requiring a public hearing, or that the applicant cannot
26 sufficiently mitigate any potential impacts identified by the local licensing
27 authority.

1 (III) The state licensing authority shall not grant approval of an
2 additional sales room unless the applicant affirms to the state licensing
3 authority that the applicant has complied with local zoning restrictions.

4 (IV) A licensed spirituous liquors manufacturer that is operating
5 a sales room as of August 5, 2015, or that is granted approval pursuant to
6 this ~~paragraph (c)~~ SUBSECTION (7)(c) to operate a sales room on or after
7 August 5, 2015, shall notify the state licensing authority of all sales rooms
8 it operates. The state licensing authority shall maintain a list of all
9 licensed spirituous liquor manufacturer sales rooms in the state and make
10 the list available on its website.

11 (V) The local licensing authority may request that the state
12 licensing authority take action in accordance with ~~section 12-47-601~~
13 SECTION 44-3-601 against a licensed spirituous liquors manufacturer
14 approved to operate a sales room if the local licensing authority:

15 (A) Demonstrates to the state licensing authority that the licensee
16 has engaged in an unlawful act as set forth in part 9 of this ~~article~~
17 ARTICLE 3; or

18 (B) Shows good cause as specified in ~~section 12-47-103 (9)(a),~~
19 ~~(9)(b), or (9)(d)~~ SECTION 44-3-103 (19)(a), (19)(b), OR (19)(d).

20 (VI) This ~~paragraph (c)~~ SUBSECTION (7)(c) does not apply if the
21 licensed spirituous liquors manufacturer does not sell and serve its
22 spirituous liquors for consumption on the licensed premises or in an
23 approved sales room.

24 **44-3-403. [Formerly 12-47-403] Limited winery license - rules.**

25 (1) A Colorado limited winery license shall be granted by the state
26 licensing authority to an applicant that certifies that it will manufacture
27 not more than one hundred thousand gallons, or the metric equivalent,

1 thereof, of vinous liquors within Colorado. Each limited winery licensee
2 shall annually certify to the state licensing authority its compliance with
3 this subsection (1) and shall be subject to revocation of its license for
4 false certification.

5 (2) A limited winery licensee is authorized:

6 (a) ~~(F)~~ To manufacture vinous liquors upon its licensed premises
7 and, in order to enhance the growth and viability of the Colorado wine
8 industry, upon alternating proprietor licensed premises, as approved by
9 the state licensing authority.

10 ~~(H) Repealed.~~

11 (b) To sell vinous liquors of its own manufacture within this state
12 at wholesale, at retail, or to personal consumers, including, if the limited
13 winery also has received a winery direct shipper's permit under ~~section~~
14 ~~12-47-104~~ SECTION 44-3-104, sales to be delivered by common carrier or
15 by the limited winery licensee to personal consumers in accordance with
16 all requirements in ~~section 12-47-104~~ SECTION 44-3-104;

17 (c) To sell vinous liquors of its own manufacture in other states,
18 the laws of which permit the sale of such wines and liquors;

19 (d) To sell vinous liquors of its own manufacture for export to
20 foreign countries if such export is permitted by the laws of the United
21 States;

22 (e) (I) (A) Except as provided in ~~sub-subparagraph (B) of this~~
23 ~~subparagraph (F) SUBSECTION (2)(e)(I)(B) OF THIS SECTION~~ and subject to
24 ~~subparagraph (H) of this paragraph (e) SUBSECTION (2)(e)(II) OF THIS~~
25 SECTION, to conduct tastings and sell vinous liquors of its own
26 manufacture, as well as vinous liquors manufactured by other Colorado
27 wineries, on the licensed premises of the limited winery and up to five

1 other approved sales room locations, whether included in the license at
2 the time of the original license or by supplemental application.

3 (B) A limited winery licensee shall not conduct retail sales from
4 an area licensed or defined as an alternating proprietor licensed premises.

5 (II) (A) Prior to operating a sales room location, a limited winery
6 licensed pursuant to this section shall, at the time of application to the
7 state licensing authority, send a copy of the application or supplemental
8 application for a sales room to the local licensing authority in the
9 jurisdiction in which the sales room is proposed. The local licensing
10 authority may submit a response to the application, including its
11 determination specified in ~~sub-subparagraph (B) of this subparagraph (H)~~
12 SUBSECTION (2)(e)(II)(B) OF THIS SECTION, to the state licensing authority
13 but must submit its response within forty-five days after the licensed
14 limited winery submits its sales room application to the state licensing
15 authority, or, for purposes of an application to operate a temporary sales
16 room for not more than three consecutive days, within the time specified
17 by the state licensing authority by rule. If the local licensing authority
18 does not submit a response to the state licensing authority within the time
19 specified in this ~~sub-subparagraph (A)~~ SUBSECTION (2)(e)(II)(A), the state
20 licensing authority shall deem that the local licensing authority has
21 determined that the proposed sales room will not impact traffic, noise, or
22 other neighborhood concerns in a manner that is inconsistent with local
23 regulations or ordinances or that the applicant will sufficiently mitigate
24 any impacts identified by the local licensing authority.

25 (B) The state licensing authority must consider the response from
26 the local licensing authority, if any, and may deny the proposed sales
27 room application if the local licensing authority determines that approval

1 of the proposed sales room will impact traffic, noise, or other
2 neighborhood concerns in a manner that is inconsistent with local
3 regulations or ordinances, which may be determined by the local licensing
4 authority without requiring a public hearing, or that the applicant cannot
5 sufficiently mitigate any potential impacts identified by the local licensing
6 authority.

7 (C) The state licensing authority shall not grant approval of an
8 additional sales room unless the applicant affirms to the state licensing
9 authority that the limited winery applicant has complied with local zoning
10 restrictions.

11 (D) A licensed limited winery that is operating a sales room as of
12 August 5, 2015, or that is granted approval pursuant to this ~~subparagraph~~
13 ~~(H)~~ SUBSECTION (2)(e)(II) to operate a sales room on or after August 5,
14 2015, shall notify the state licensing authority of all sales rooms it
15 operates. The state licensing authority shall maintain a list of all limited
16 winery licensee sales rooms in the state and make the list available on its
17 website.

18 (E) The local licensing authority may request that the state
19 licensing authority take action in accordance with ~~section 12-47-601~~
20 SECTION 44-3-601 against a licensed limited winery approved to operate
21 a sales room if the local licensing authority demonstrates to the state
22 licensing authority that the licensee has engaged in an unlawful act as set
23 forth in part 9 of this ~~article~~ ARTICLE 3 or shows good cause as specified
24 in ~~section 12-47-103 (9)(a), (9)(b), or (9)(d)~~ SECTION 44-3-103 (19)(a),
25 (19)(b), OR (19)(d).

26 (F) This ~~subparagraph~~ ~~(H)~~ SUBSECTION (2)(e)(II) does not apply
27 if the licensed limited winery does not sell and serve vinous liquors for

1 consumption on the licensed premises or in an approved sales room.

2 (f) To serve and sell food, general merchandise, and nonalcohol
3 beverages for consumption on the premises of any licensed premises or
4 to be taken by the consumer.

5 ~~(2.3)~~ (3) In order to encourage and maintain the integrity and
6 authenticity of Colorado's viticultural identity, support the wine-grape and
7 fruit growing industries in Colorado, and inform the consumer of the
8 source of grapes and fruit used by Colorado limited wineries to produce
9 vinous liquors, the liquor enforcement division shall, after consultation
10 with the Colorado wine industry and other interested parties from the
11 alcohol beverage industry, within one year after June 1, 2005, enact rules
12 for the implementation, standardization, and enforcement of appellation
13 labeling requirements that are consistent with, and, with respect to the
14 origin of the grapes and other fruit used to manufacture the vinous liquor,
15 more informative than currently required by federal wine labeling
16 regulations ~~27 CFR, chapter 1, part 4~~ SET FORTH IN 27 CFR PART 4,
17 "labeling and advertising of wine", and related regulations. Colorado's
18 labeling regulations shall apply to a manufacturer licensed pursuant to
19 ~~section 12-47-402~~ SECTION 44-3-402 or a Colorado limited winery
20 licensed under this section in the manufacture of the vinous liquor
21 contained in the labeled bottle. Honey wine, including honey wine
22 flavored with fruit, herbs, or spices, shall be exempt from the labeling
23 requirements included in this section.

24 ~~(2.7)~~ (4) (a) A winery may affix the phrase "Colorado Grown" to
25 bottles of wine described in ~~section 12-47-103~~ ~~(6.5)~~ SECTION 44-3-103
26 (10).

27 (b) Effective July 1, 2006, it shall be unlawful for a Colorado

1 winery to make any misleading statement on its product label regarding
2 the origin of grapes, fruit, or other agricultural products used to make
3 vinous liquor. This ~~paragraph (b)~~ SUBSECTION (4)(b) shall not be
4 construed to apply to the winery's name or address or to an appellation
5 allowed under federal regulations.

6 ~~(3)~~ (5) A person who has a financial interest in a limited winery
7 license and relinquishes such license to apply for another license under
8 this ~~article~~ ARTICLE 3 shall be prohibited from obtaining a limited winery
9 license for three years from the date of issuance of such other license.

10 ~~(4)~~ (6) (a) It is unlawful for any limited winery licensee or any
11 person, partnership, association, organization, or corporation interested
12 financially in or with a limited winery licensee to be interested
13 financially, directly or indirectly, in the business of any person licensed
14 to sell at retail pursuant to this ~~article~~ ARTICLE 3.

15 (b) It is unlawful for any limited winery licensee or any person,
16 partnership, association, organization, or corporation interested
17 financially in or with a limited winery licensee to be interested
18 financially, directly or indirectly, in the business of any vinous or
19 spirituous wholesale licensee.

20 **44-3-404. [Formerly 12-47-403.5] Wine festival permit.** (1) A
21 wine festival permit application may be filed with the state licensing
22 authority by any limited winery licensee or by any manufacturer licensee
23 that is licensed to manufacture vinous liquors. The applicant shall specify
24 the licensed premises for the first of the wine festivals to be held which
25 application shall be filed at least ten business days before ~~such~~ THE
26 festival is to be held. The applicant shall include a twenty-five dollar
27 annual processing fee with the application filed with the state licensing

1 authority. Such fee shall entitle the permittee to use the wine festival
2 permit for twelve months after the date of issuance, so long as ~~such~~ THE
3 permittee notifies the state licensing authority and the appropriate local
4 licensing authority of the location of all other wine festivals under this
5 permit at least ten business days before any such festival is to be held. A
6 wine festival permit shall entitle the permittee to hold no more than nine
7 wine festivals during the twelve-month period.

8 (2) The applicant shall be the licensee filing the application, but
9 any wine festival permit that is issued as a result of such application shall
10 be considered to be jointly held by the permittee and the participating
11 limited winery licensees or manufacturer licensees that are licensed to
12 manufacture vinous liquors.

13 (3) Notification of all subsequent festivals shall be by
14 supplemental application, as approved by the state licensing authority.

15 (4) The state licensing authority may deny a wine festival permit
16 or supplemental application for any of the following reasons:

17 (a) A documented history of violations of this ~~article~~ ARTICLE 3 or
18 rules issued under this ~~article~~ ARTICLE 3 by any participating licensee;

19 (b) The filing of an incomplete or late application; or

20 (c) A finding that the application, if granted, would result in
21 violations of this ~~article~~ ARTICLE 3 or rules issued under this ~~article~~
22 ARTICLE 3 or violations of the laws of a local government.

23 (5) After the issuance of an initial wine festival permit, all
24 supplemental applications that are complete and filed in a timely manner
25 shall be deemed approved unless the state licensing authority provides the
26 permittee with a notice of denial at least seventy-two hours prior to the
27 date of the event.

1 (6) The permittee and participating licensees are authorized to use
2 the licensed premises jointly to conduct wine tastings and sell any vinous
3 liquors manufactured by a Colorado limited winery or manufacturer
4 licensed to manufacture vinous liquors. No wine festival permit shall
5 authorize the permittee to use the licensed premises for more than
6 seventy-two hours for any one wine festival.

7 (7) If a violation of this ~~article~~ ARTICLE 3 occurs during a wine
8 festival and the licensee responsible for the violation can be identified,
9 ~~such~~ THE licensee may be charged and the appropriate penalties shall
10 apply. If the responsible party cannot be identified, the state licensing
11 authority may send a written notice to every licensee identified on the
12 permit application and may fine each the same dollar amount which
13 amount shall not exceed twenty-five dollars per licensee or two hundred
14 dollars in the aggregate. No joint fine levied pursuant to this subsection
15 (7) shall apply to the revocation of the licensee's license under ~~section~~
16 ~~12-47-601~~ SECTION 44-3-601.

17 (8) A joint fine levied pursuant to subsection (7) of this section
18 shall not create or increase civil liability under ~~section 12-47-801 (3)~~
19 SECTION 44-3-801 (3) for a participating licensee or create joint liability
20 for such a licensee.

21 **44-3-405. [Formerly 12-47-404] Importer's license.** (1) (a) An
22 importer's license shall be issued to persons importing vinous or
23 spirituous liquors into this state for the following purposes only:

24 (I) To import and sell such liquors to wholesale liquor licensees;

25 (II) To solicit orders from retail licensees and fill such orders
26 through wholesale liquor licensees.

27 (b) Such license shall not permit the licensee to maintain stocks

1 of alcohol beverages in this state.

2 (2) It is unlawful for any licensed importer of vinous or spirituous
3 liquors or any person, partnership, association, organization, or
4 corporation interested financially in or with such a licensed importer to
5 be interested financially, directly or indirectly, in the business of any
6 vinous or spirituous wholesale licensee; except that any such financial
7 interest that occurred on or before July 1, 1969, shall be lawful.

8 **44-3-406. [Formerly 12-47-405] Nonresident manufacturers**
9 **and importers of malt liquor.** (1) A nonresident manufacturer's license
10 shall be issued to persons brewing malt liquor outside the state of
11 Colorado for the purposes listed in subsection (3) of this section.

12 (2) A malt liquor importer's license shall be issued to persons
13 importing malt liquor into this state for the purposes listed in subsection
14 (3) of this section.

15 (3) The licenses referred to in subsections (1) and (2) of this
16 section shall be issued for the following purposes only:

17 (a) To import and sell malt liquors within the state of Colorado to
18 persons licensed as wholesalers pursuant to this ~~article~~ ARTICLE 3;

19 (b) To maintain stocks of malt liquors and to operate malt liquor
20 warehouses by procuring a malt liquor wholesaler's license for each such
21 operation as provided in this ~~article~~ ARTICLE 3;

22 (c) To solicit orders from retail licensees and fill such orders
23 through malt liquor wholesalers.

24 (4) Any person holding a nonresident manufacturer's license or a
25 malt liquor importer's license shall also be eligible to obtain a vinous and
26 spirituous liquor importer's license pursuant to ~~section 12-47-404~~ SECTION
27 44-3-405; except that each such license obtained shall be separate and

1 distinct.

2 (5) Each manufacturer, nonresident manufacturer, and malt liquor
3 importer shall enter into a written contract with each wholesaler with
4 which ~~such~~ THE manufacturer, nonresident manufacturer, and malt liquor
5 importer intends to do business that designates the territory within which
6 the product of ~~such~~ THE manufacturer, nonresident manufacturer, and
7 malt liquor importer is sold by the respective wholesaler. A manufacturer,
8 nonresident manufacturer, and malt liquor importer shall not contract with
9 more than one wholesaler to sell their products within the same territory.
10 The contract shall be submitted to the state licensing authority with any
11 application and ~~such~~ THE applicant, if licensed, shall have a continuing
12 duty to submit any subsequent revisions, amendments, or superseding
13 contracts to the state licensing authority.

14 (6) It is unlawful for a nonresident manufacturer licensed under
15 this ~~article~~ ARTICLE 3, or any person, partnership, association,
16 organization, or corporation interested financially in or with such a
17 licensee, to be interested financially, directly or indirectly, in the business
18 of any person licensed to sell at retail pursuant to this ~~article~~ ARTICLE 3.

19 **44-3-407. [Formerly 12-47-406] Wholesaler's license -**
20 **discrimination in wholesale sales prohibited.** (1) (a) A wholesaler's
21 liquor license shall be issued to persons selling vinous or spirituous
22 liquors at wholesale for the following purposes only:

23 (I) To maintain and operate one or more warehouses in this state
24 to handle vinous or spirituous liquors;

25 (II) To take orders for vinous and spirituous liquors at any place
26 and deliver vinous and spirituous liquors on orders previously taken to
27 any place if the licensee has procured a wholesaler's liquor license and the

1 place where orders are taken and delivered is a place regularly licensed
2 pursuant to the provisions of this ~~article~~ ARTICLE 3;

3 (III) To package vinous and spirituous liquors that a licensed
4 importer has legally transported into Colorado or that a licensed
5 manufacturer has legally produced in Colorado.

6 (b) (I) A wholesaler's beer license shall be issued to persons
7 selling malt liquors at wholesale who designate to the state licensing
8 authority on their application the territory within which the licensee may
9 sell the designated products of any brewer as agreed upon by the licensee
10 and the brewer of such products for the following purposes only:

11 (A) To maintain and operate warehouses and one sales room in
12 this state to handle malt liquors to be denominated a wholesale beer store;

13 (B) To take orders for malt liquors at any place within the territory
14 designated on the license application and deliver malt liquors on orders
15 previously taken to any place within the designated geographical territory,
16 if the licensee has procured a wholesaler's beer license and the place
17 where orders are taken and delivered is a place regularly licensed
18 pursuant to the provisions of this ~~article~~ ARTICLE 3.

19 (II) (A) Prior to operating a sales room as authorized by this
20 ~~paragraph (b)~~ SUBSECTION (1)(b), a wholesaler's beer licensee that is
21 licensed pursuant to this section shall, at the time of application to the
22 state licensing authority, send a copy of the application or supplemental
23 application for a sales room to the local licensing authority in the
24 jurisdiction in which the sales room is proposed. The local licensing
25 authority may submit a response to the application, including its
26 determination specified in ~~sub-subparagraph (B) of this subparagraph (II)~~
27 SUBSECTION (1)(b)(II)(B) OF THIS SECTION, to the state licensing authority

1 but must submit its response within forty-five days after the wholesaler's
2 beer licensee submits its sales room application to the state licensing
3 authority. If the local licensing authority does not submit a response to the
4 state licensing authority within forty-five days after submission of the
5 sales room application, the state licensing authority shall deem that the
6 local licensing authority has determined that the proposed sales room will
7 not impact traffic, noise, or other neighborhood concerns in a manner that
8 is inconsistent with local regulations or ordinances or that the applicant
9 will sufficiently mitigate any impacts identified by the local licensing
10 authority.

11 (B) The state licensing authority must consider the response from
12 the local licensing authority, if any, and may deny the proposed sales
13 room application if the local licensing authority determines that approval
14 of the proposed sales room will impact traffic, noise, or other
15 neighborhood concerns in a manner that is inconsistent with local
16 regulations or ordinances, which may be determined by the local licensing
17 authority without requiring a public hearing, or that the applicant cannot
18 sufficiently mitigate any potential impacts identified by the local licensing
19 authority.

20 (C) A wholesaler's beer licensee that is operating a sales room as
21 of August 5, 2015, or that is granted approval pursuant to this
22 ~~subparagraph (H)~~ SUBSECTION (1)(b)(II) to operate a sales room on or
23 after August 5, 2015, shall notify the state licensing authority of its sales
24 room. The state licensing authority shall maintain a list of all wholesaler's
25 beer licensee sales rooms in the state and make the list available on its
26 website.

27 (D) The local licensing authority may request that the state

1 licensing authority take action in accordance with ~~section 12-47-601~~
2 SECTION 44-3-601 against a wholesaler's beer licensee approved to
3 operate a sales room if the local licensing authority demonstrates to the
4 state licensing authority that the licensee has engaged in an unlawful act
5 as set forth in part 9 of this ~~article~~ ARTICLE 3 or shows good cause as
6 specified in ~~section 12-47-103 (9)(a), (9)(b), or (9)(d)~~ SECTION 44-3-103
7 (19)(a), (19)(b), OR (19)(d).

8 (E) This ~~subparagraph (H)~~ SUBSECTION (1)(b)(II) does not apply
9 if the wholesaler's beer licensee does not sell and serve malt liquors for
10 consumption on the licensed premises.

11 (c) Each license shall be separate and distinct, but any person may
12 secure both licenses upon the payment in advance of both fees provided
13 in this ~~article~~ ARTICLE 3.

14 (d) All malt, vinous, and spirituous liquors purchased by any
15 licensee under this section, and all malt, vinous, and spirituous liquors
16 shipped into this state by or to any such licensee, shall be placed in the
17 physical possession of ~~such~~ THE licensee at the licensee's warehouse
18 facilities prior to delivery to persons holding licenses under this ~~article~~
19 ARTICLE 3.

20 (e) (I) A brewer or importer licensed pursuant to this ~~article~~
21 ARTICLE 3 shall not sell malt liquors to a wholesaler without having a
22 written contract with ~~such~~ THE wholesaler that designates the specific
23 products of such brewer or importer to be sold by the wholesaler and that
24 establishes the territory within which the wholesaler may sell the
25 designated products.

26 (II) A brewer or importer shall not contract with more than one
27 wholesaler to sell the products of such brewer or importer within the same

1 territory.

2 (f) Notwithstanding any provision of this ~~article~~ ARTICLE 3 to the
3 contrary, a wholesaler licensed pursuant to ~~paragraph (a) of this~~
4 ~~subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION may establish a
5 program for its employees to purchase directly from the wholesaler
6 vinous or spirituous liquors sold by that wholesaler.

7 (2) It is unlawful for any licensed wholesaler or any person,
8 partnership, association, organization, or corporation interested
9 financially in or with a licensed wholesaler to be interested financially,
10 directly or indirectly, in the business of any person licensed to sell at retail
11 pursuant to this ~~article~~ ARTICLE 3.

12 (3) It is unlawful for a licensed wholesaler of vinous or spirituous
13 liquors or any person, partnership, association, organization, or
14 corporation interested financially in or with such a wholesaler to be
15 interested financially in the business of any licensed manufacturer or
16 importer of vinous or spirituous liquors; except that any such financial
17 interest that occurred on or before July 1, 1969, shall be lawful.

18 (4) (a) A wholesaler shall make available to all licensed retailers
19 in this state without discrimination all malt, vinous, and spirituous liquors
20 offered by the wholesaler for sale at wholesale. A wholesaler shall use its
21 best efforts to make available to licensed retailers each brand of alcohol
22 beverage that the wholesaler has been authorized to distribute.

23 (b) Nothing in this section prohibits a wholesaler from
24 establishing reasonable allocation procedures when the anticipated
25 demand for a product is greater than the supply of the product.

26 **44-3-408. [Formerly 12-47-406.3] Termination of wholesalers**
27 **- remedies - definitions.** (1) (a) Except as provided in subsections (2) to

1 (4) of this section, no supplier shall terminate an agreement with a
2 wholesaler unless all of the following occur:

3 (I) The wholesaler fails to comply with a provision of a written
4 agreement between the wholesaler and the supplier;

5 (II) The wholesaler receives written notification by certified mail,
6 return receipt requested, from the supplier of the alleged noncompliance
7 and is afforded no less than sixty days in which to cure such
8 noncompliance;

9 (III) The wholesaler fails to cure such noncompliance within the
10 allotted sixty-day cure period; and

11 (IV) The supplier provides written notice by certified mail, return
12 receipt requested, to the wholesaler of such continued failure to comply
13 with the agreement. The notification shall contain a statement of the
14 intention of the supplier to terminate or not renew the agreement, the
15 reasons for termination or nonrenewal, and the date the termination or
16 nonrenewal shall take effect.

17 (b) If a wholesaler cures an alleged noncompliance within the cure
18 period provided in ~~subparagraph (II) of paragraph (a) of this subsection~~
19 ~~(H) SUBSECTION (1)(a)(II) OF THIS SECTION~~, any notice of termination
20 from a supplier to a wholesaler shall be null and void.

21 (2) A supplier may immediately terminate an agreement with a
22 wholesaler, effective upon furnishing written notification to the
23 wholesaler by certified mail, return receipt requested, for any of the
24 following reasons:

25 (a) The wholesaler's failure to pay any account when due and
26 upon written demand by the supplier for ~~such~~ payment, in accordance
27 with agreed payment terms;

1 (b) The assignment or attempted assignment by the wholesaler for
2 the benefit of creditors, the institution of proceedings in bankruptcy by or
3 against the wholesaler, the dissolution or liquidation of the wholesaler, or
4 the insolvency of the wholesaler;

5 (c) The revocation or suspension of, or the failure to renew for a
6 period of more than fourteen days, a state, local, or federal license or
7 permit to sell products in this state;

8 (d) Failure of an owner of a wholesaler to sell his or her
9 ownership interest in the distribution rights to the supplier's products
10 within one hundred twenty days after ~~such~~ THE owner of a wholesaler has
11 been convicted of a felony that, in the supplier's sole judgment, adversely
12 affects the goodwill of the wholesaler or supplier;

13 (e) A wholesaler has been convicted of, found guilty of, or pled
14 guilty or nolo contendere to, a charge of violating a law or regulation of
15 the United States or of this state if it materially and adversely affects the
16 ability of the wholesaler or supplier to continue to sell its products in this
17 state;

18 (f) Any attempted transfer of ownership of the wholesaler, stock
19 of the wholesaler, or stock of any parent corporation of the wholesaler, or
20 any change in the beneficial ownership or control of any entity, without
21 obtaining the prior written approval of the supplier, except as may
22 otherwise be permitted pursuant to a written agreement between the
23 parties;

24 (g) Fraudulent conduct in the wholesaler's dealings with the
25 supplier or its products, including the intentional sale of products outside
26 the supplier's established quality standards;

27 (h) The wholesaler ceases to conduct business for five consecutive

1 business days, unless such cessation is the result of an act of God, war, or
2 a condition of national, state, or local emergency; or

3 (i) Any sale of products, directly or indirectly, to customers
4 located outside the territory assigned to the wholesaler by the supplier.
5 This paragraph (i) SUBSECTION (2)(i) shall not prohibit wholesalers from
6 making sales to licensed retailers who buy off the wholesaler's dock, so
7 long as the retailer's licensed location is within the wholesaler's assigned
8 territory.

9 (3) The supplier shall have the right to terminate an agreement
10 with a wholesaler at any time by giving the wholesaler at least ninety
11 days' written notice by certified mail, return receipt requested, with copies
12 by first-class mail to all other wholesalers in all other states who have
13 entered into the same distribution agreement with the supplier.

14 (4) If a particular brand of products is transferred by purchase or
15 otherwise from a supplier to a successor supplier, the following shall
16 occur:

17 (a) The successor supplier shall notify the existing wholesaler of
18 the successor supplier's intent not to appoint the existing wholesaler for
19 all or part of the existing wholesaler's territory for the product. The
20 successor supplier shall mail the notice of termination by certified mail,
21 return receipt requested, to the existing wholesaler. The successor
22 supplier shall include in the notice the names, addresses, and telephone
23 numbers of the successor wholesalers.

24 (b) (I) The successor wholesaler shall negotiate with the existing
25 wholesaler to determine the fair market value of the existing wholesaler's
26 right to distribute the product in the existing wholesaler's territory
27 immediately before the successor supplier acquired rights to the particular

1 brand of products. The successor wholesaler and the existing wholesaler
2 shall negotiate the fair market value in good faith.

3 (II) The existing wholesaler shall continue to distribute the
4 product until payment of the compensation agreed to under ~~subparagraph~~
5 ~~(f) of this paragraph (b)~~ SUBSECTION (4)(b)(I) OF THIS SECTION, or
6 awarded under ~~paragraph (c) of this subsection (4)~~ SUBSECTION (4)(c) OF
7 THIS SECTION, is received.

8 (c) (I) If the successor wholesaler and the existing wholesaler fail
9 to reach a written agreement on the fair market value within thirty days
10 after the existing wholesaler receives the notice required pursuant to
11 ~~paragraph (a) of this subsection (4)~~ SUBSECTION (4)(a) OF THIS SECTION,
12 the successor wholesaler or the existing wholesaler shall send a written
13 notice to the other party requesting arbitration pursuant to the uniform
14 arbitration act, part 2 of article 22 of title 13. ~~C.R.S.~~ Arbitration shall be
15 held for the purpose of determining the fair market value of the existing
16 wholesaler's right to distribute the product in the existing wholesaler's
17 territory immediately before the successor supplier acquired rights to the
18 particular brand of products.

19 (II) Notice of intent to arbitrate shall be sent, as provided in
20 ~~subparagraph (f) of this paragraph (c)~~ SUBSECTION (4)(c)(I) OF THIS
21 SECTION, not later than thirty-five days after the existing wholesaler
22 receives the notice required pursuant to ~~paragraph (a) of this subsection~~
23 ~~(4)~~ SUBSECTION (4)(a) OF THIS SECTION. The arbitration proceeding shall
24 conclude not later than forty-five days after the date the notice of intent
25 to arbitrate is mailed to a party.

26 (III) Any arbitration held pursuant to this subsection (4) shall be
27 conducted in a city within this state that:

1 (A) Is closest to the existing wholesaler; and

2 (B) Has a population of more than twenty thousand.

3 (IV) Any arbitration held pursuant to this ~~paragraph (c)~~
4 SUBSECTION (4)(c) shall be conducted before one impartial arbitrator, to
5 be selected by the American arbitration association or its successor. The
6 arbitration shall be conducted in accordance with the rules and procedures
7 of the uniform arbitration act, part 2 of article 22 of title 13. ~~C.R.S.~~

8 (V) An arbitrator's award in any arbitration held pursuant to this
9 ~~paragraph (c)~~ SUBSECTION (4)(c) shall be monetary only and shall not
10 enjoin or compel conduct. Any arbitration held pursuant to this ~~paragraph~~
11 ~~(c)~~ SUBSECTION (4)(c) shall be in lieu of all other remedies and
12 procedures.

13 (VI) The cost of the arbitrator and any other direct costs of an
14 arbitration held pursuant to this ~~paragraph (c)~~ SUBSECTION (4)(c) shall be
15 equally divided by the parties engaged in the arbitration. All other costs
16 shall be paid by the party incurring them.

17 (VII) The arbitrator in any arbitration held pursuant to this
18 ~~paragraph (c)~~ SUBSECTION (4)(c) shall render a written decision not later
19 than thirty days after the conclusion of the arbitration, unless this time is
20 extended by mutual agreement of the parties and the arbitrator. The
21 decision of the arbitrator is final and binding on the parties. The
22 arbitrator's award may be enforced by commencing a civil action in any
23 court of competent jurisdiction. Under no circumstances may the parties
24 appeal the decision of the arbitrator.

25 (VIII) An existing wholesaler or successor wholesaler who fails
26 to participate in the arbitration hearings in any arbitration held pursuant
27 to this ~~paragraph (c)~~ SUBSECTION (4)(c) waives all rights the existing

1 wholesaler or successor wholesaler would have had in the arbitration and
2 is considered to have consented to the determination of the arbitrator.

3 (IX) If the existing wholesaler does not receive payment from the
4 successor wholesaler of the settlement or arbitration award required under
5 ~~paragraph (b) or (c) of this subsection (4)~~ SUBSECTION (4)(b) OR (4)(c) OF
6 THIS SECTION within thirty days after the date of the settlement or
7 arbitration award:

8 (A) The existing wholesaler shall remain the wholesaler of the
9 product in the existing wholesaler's territory to at least the same extent
10 that the existing wholesaler distributed the product immediately before
11 the successor wholesaler acquired rights to the product; and

12 (B) The existing wholesaler is not entitled to the settlement or
13 arbitration award.

14 (5) (a) Any wholesaler or supplier who is aggrieved by a violation
15 of any provision of subsections (1) and (3) of this section shall be entitled
16 to recovery of damages caused by the violation. Except for a dispute
17 arising under subsection (4) of this section, damages shall be sought in a
18 civil action in any court of competent jurisdiction.

19 (b) Any dispute arising under subsections (1) and (3) of this
20 section may also be settled by such dispute resolution procedures as may
21 be provided by a written agreement between the parties.

22 (6) Nothing in this section shall be construed to limit or prohibit
23 good-faith settlements voluntarily entered into by the parties.

24 (7) Nothing in this section shall be construed to give an existing
25 wholesaler or a successor wholesaler any right to compensation if an
26 agreement with the existing wholesaler or successor wholesaler is
27 terminated by a successor supplier pursuant to subsections (1) to (3) of

1 this section.

2 (8) Nothing in this section shall apply to a manufacturer that
3 produces less than three hundred thousand gallons of malt beverages per
4 calendar year.

5 (9) As used in this section:

6 (a) "Existing wholesaler" means a wholesaler who distributes a
7 particular brand of products at the time a successor supplier acquires
8 rights to manufacture or import the particular brand of products.

9 (b) "Fair market value" means the value that would be determined
10 in a transaction entered into without duress or threat of termination of the
11 existing wholesaler's right and shall include all elements of value,
12 including goodwill and going-concern value.

13 (c) "Products" means fermented malt beverages and malt liquors.

14 (d) "Successor supplier" means a primary source of supply, a
15 brewer, or an importer that acquires rights to a product from a
16 predecessor supplier.

17 (e) "Successor wholesaler" means one or more wholesalers
18 designated by a successor supplier to replace the existing wholesaler, for
19 all or part of the existing wholesaler's territory, in the distribution of the
20 existing product or products.

21 (f) "Supplier" means any person, partnership, corporation,
22 association, or other business enterprise that is engaged in the
23 manufacturing or importing of products.

24 (g) "Wholesaler" means the holder of a Colorado wholesaler's
25 beer license or wholesaler's license to sell fermented malt beverages.

26 **44-3-409. [Formerly 12-47-407] Retail liquor store license -**
27 **rules.** (1) (a) (I) A retail liquor store license shall be issued to persons

1 selling only malt, vinous, and spirituous liquors in sealed containers not
2 to be consumed at the place where sold. Malt, vinous, and spirituous
3 liquors in sealed containers shall not be sold at retail other than in retail
4 liquor stores except as provided in ~~section 12-47-408~~ SECTION 44-3-410.

5 (II) On and after July 1, 2016, the state and local licensing
6 authorities shall not issue a new retail liquor store license if the premises
7 for which the retail liquor store license is sought is located:

8 (A) Within one thousand five hundred feet of another retail liquor
9 store licensed under this section or a liquor-licensed drugstore licensed
10 under ~~section 12-47-408~~ SECTION 44-3-410; or

11 (B) For a premises located in a municipality with a population of
12 ten thousand or fewer, within three thousand feet of another retail liquor
13 store licensed under this section or a liquor-licensed drugstore licensed
14 under ~~section 12-47-408~~ SECTION 44-3-410.

15 (b) In addition, retail liquor stores may sell any nonalcohol
16 products, but only if the annual gross revenues from the sale of
17 nonalcohol products do not exceed twenty percent of the retail liquor
18 store's total annual gross sales revenues. For purposes of calculating the
19 annual gross revenues from the sale of nonalcohol products, sales
20 revenues from the following products are excluded:

21 (I) Lottery products;

22 (II) Cigarettes, tobacco products, and nicotine products, as defined
23 in section 18-13-121 (5);

24 (III) Ice, soft drinks, and mixers; and

25 (IV) Nonfood items related to the consumption of malt, vinous,
26 or spirituous liquors.

27 (c) Nothing in this section or in ~~section 12-47-103 (31)~~ SECTION

1 44-3-103 (48) prohibits a licensed retail liquor store from:

2 (I) Selling items on behalf of or to benefit a charitable
3 organization, as defined in section 39-26-102, ~~C.R.S.~~, or a nonprofit
4 corporation subject to the "Colorado Revised Nonprofit Corporation Act",
5 articles 121 to 137 of title 7, ~~C.R.S.~~, and determined to be exempt from
6 federal income tax by the federal internal revenue service, if the retail
7 liquor store does not receive compensation for the sale;

8 (II) At the option of the licensee, displaying promotional material
9 furnished by a manufacturer or wholesaler, which material permits a
10 customer to purchase other items from a third person, so long as the retail
11 liquor store licensee does not receive payment from the third person and
12 the customer orders the additional merchandise directly from the third
13 person; or

14 (III) Allowing tastings to be conducted on the licensed premises
15 if the licensee has received authorization to conduct tastings pursuant to
16 ~~section 12-47-301~~ SECTION 44-3-301.

17 (2) Every person selling malt, vinous, and spirituous liquors in a
18 retail liquor store shall purchase such malt, vinous, and spirituous liquors
19 only from a wholesaler licensed pursuant to this ~~article~~ ARTICLE 3.

20 (3) A person licensed to sell at retail who complies with this
21 subsection (3) and rules promulgated pursuant thereto may deliver malt,
22 vinous, and spirituous liquors to a person of legal age if ~~such~~ THE person
23 is at a place that is not licensed pursuant to this section. The state
24 licensing authority shall promulgate rules as are necessary for the proper
25 delivery of malt, vinous, and spirituous liquors and shall have the
26 authority to issue a permit to any person who is licensed to sell at retail
27 and delivers ~~such~~ THE liquors pursuant to this subsection (3). ~~Such~~ THE

1 permits shall be subject to the same suspension and revocation provisions
2 as are set forth in ~~section 12-47-601~~ SECTION 44-3-601 for other licenses
3 granted pursuant to this ~~article~~ ARTICLE 3.

4 (4) (a) Except as provided in ~~paragraph (b) of this subsection (4)~~
5 SUBSECTION (4)(b) OF THIS SECTION, it is unlawful for any owner, part
6 owner, shareholder, or person interested directly or indirectly in a retail
7 liquor store to conduct, own either in whole or in part, or be directly or
8 indirectly interested in any other business licensed pursuant to this ~~article~~
9 ARTICLE 3.

10 (b) An owner, part owner, shareholder, or person interested
11 directly or indirectly in a retail liquor store may have an interest in:

12 (I) An arts license granted under this ~~article~~ ARTICLE 3;

13 (II) An airline public transportation system license granted under
14 this ~~article~~ ARTICLE 3;

15 (III) For a retail liquor store licensed on or before January 1, 2016,
16 and whose license holder is a Colorado resident, additional retail liquor
17 store licenses as follows, but only if the premises for which a license is
18 sought satisfies the distance requirements specified in ~~subparagraph (H)~~
19 ~~of paragraph (a) of subsection (1)~~ SUBSECTION (1)(a)(II) of this section:

20 (A) On or after January 1, 2017, and before January 1, 2022, one
21 additional retail liquor store license, for a maximum of up to two total
22 retail liquor store licenses;

23 (B) On or after January 1, 2022, and before January 1, 2027, up
24 to two additional retail liquor store licenses, for a maximum of three total
25 retail liquor store licenses; and

26 (C) On or after January 1, 2027, up to three additional retail liquor
27 store licenses, for a maximum of four total retail liquor store licenses; or

1 (IV) A financial institution referred to in ~~section 12-47-308 (4)~~
2 SECTION 44-3-308 (4).

3 ~~(5) Repealed.~~

4 ~~(6)~~ (5) A liquor-licensed drugstore may apply to the state and local
5 licensing authorities, as part of a single application, for a merger and
6 conversion of retail liquor store licenses to a single liquor-licensed
7 drugstore license as provided in ~~section 12-47-408 (1)(b)~~ SECTION
8 44-3-410 (1)(b).

9 **44-3-410. [Formerly 12-47-408] Liquor-licensed drugstore**
10 **license - multiple licenses permitted - requirements - repeal.**

11 (1) (a) (I) A liquor-licensed drugstore license shall be issued to persons
12 selling malt, vinous, and spirituous liquors in sealed containers not to be
13 consumed at the place where sold. On and after July 1, 2016, except as
14 permitted under ~~paragraph (b) of this subsection (1)~~ SUBSECTION (1)(b)
15 OF THIS SECTION, the state and local licensing authorities shall not issue
16 a new liquor-licensed drugstore license if the licensed premises for which
17 a liquor-licensed drugstore license is sought is located:

18 (A) Within one thousand five hundred feet of a retail liquor store
19 licensed under ~~section 12-47-407~~ SECTION 44-3-409; or

20 (B) For a drugstore premises located in a municipality with a
21 population of ten thousand or fewer, within three thousand feet of a retail
22 liquor store licensed under ~~section 12-47-407~~ SECTION 44-3-409.

23 (II) Nothing in this subsection (1) prohibits:

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

26 (B) A liquor-licensed drugstore licensee from allowing tastings on
27 the licensed premises if the applicable local licensing authority has

1 authorized the liquor-licensed drugstore to conduct tastings on its licensed
2 premises in accordance with ~~section 12-47-301 (10)~~ SECTION 44-3-301
3 (10).

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

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

1 located in the local licensing authority jurisdiction that is nearest to the
2 jurisdiction in which the drugstore premises is located.

3 (B) Upon transfer and conversion of the retail liquor store licenses
4 to a single liquor-licensed drugstore license, the drugstore premises for
5 which the liquor-licensed drugstore license is sought will be located at
6 least one thousand five hundred feet from all licensed retail liquor stores
7 that are within the same local licensing authority jurisdiction as the
8 drugstore premises or, for a drugstore premises located in a municipality
9 with a population of ten thousand or fewer, at least three thousand feet
10 from all licensed retail liquor stores that are within the same local
11 licensing authority jurisdiction as the drugstore premises.

12 (II) For purposes of determining whether the distance
13 requirements specified in ~~subparagraph (I) of this paragraph (b)~~
14 SUBSECTION (1)(b)(I) OF THIS SECTION are satisfied, the distance shall be
15 determined by a radius measurement that begins at the principal doorway
16 of the drugstore premises for which the application is made and ends at
17 the principal doorway of the licensed retail liquor store.

18 (III) In making its determination on the transfer of ownership,
19 change of location, and license merger and conversion application, the
20 local licensing authority shall consider the reasonable requirements of the
21 neighborhood and the desires of the adult inhabitants in accordance with
22 ~~section 12-47-312~~ SECTION 44-3-312.

23 (IV) In addition to any other requirements for licensure under this
24 section or ~~article~~ THIS ARTICLE 3, a person applying for a new
25 liquor-licensed drugstore license in accordance with this ~~paragraph (b)~~
26 SUBSECTION (1)(b) on or after January 1, 2017, or to renew a
27 liquor-licensed drugstore license issued on or after January 1, 2017, under

1 this ~~paragraph (b)~~ SUBSECTION (1)(b) must:

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

7 (B) Be open to the public.

8 (2) (a) A person licensed under this section to sell malt, vinous,
9 and spirituous liquors as provided in this section shall:

10 (I) Purchase malt, vinous, and spirituous liquors only from a
11 wholesaler licensed under this ~~article~~ ARTICLE 3;

12 (II) Not sell malt, vinous, or spirituous liquors to consumers at a
13 price that is below the liquor-licensed drugstore's cost to purchase the
14 malt, vinous, or spirituous liquors;

15 (III) Not allow consumers to purchase malt, vinous, or spirituous
16 liquors at a self-checkout or other mechanism that allows the consumer
17 to complete the alcohol beverage purchase without assistance from and
18 completion of the transaction by an employee of the liquor-licensed
19 drugstore;

20 (IV) Require, in accordance with ~~section 12-47-901 (10)~~ SECTION
21 44-3-901 (11), consumers attempting to purchase malt, vinous, or
22 spirituous liquors to present a valid identification, as determined by the
23 state licensing authority by rule; and

24 (V) Not sell clothing or accessories imprinted with advertising,
25 logos, slogans, trademarks, or messages related to alcohol beverages.

26 (b) A person licensed under this section on or after January 1,
27 2017, shall not purchase malt, vinous, or spirituous liquors from a

1 wholesaler on credit and shall effect payment upon delivery of the alcohol
2 beverages.

3 (3) A liquor-licensed drugstore licensee who complies with this
4 subsection (3) and rules promulgated pursuant thereto may deliver malt,
5 vinous, and spirituous liquors to a person of legal age if such person is at
6 a place that is not licensed pursuant to this section. The state licensing
7 authority shall promulgate rules as are necessary for the proper delivery
8 of malt, vinous, and spirituous liquors and shall have the authority to
9 issue a permit to any liquor-licensed drugstore licensee that will allow
10 ~~such~~ THE licensee to deliver ~~such~~ THE liquors pursuant to ~~such~~ THE rules
11 and this subsection (3). ~~Such~~ THE permits shall be subject to the same
12 suspension and revocation provisions as are set forth in ~~sections~~
13 ~~12-47-306 and 12-47-601~~ SECTIONS 44-3-306 AND 44-3-601 for other
14 licenses granted pursuant to this ~~article~~ ARTICLE 3.

15 (4) (a) Except as provided in ~~paragraph (b) of this subsection (4)~~
16 SUBSECTION (4)(b) OF THIS SECTION, it is unlawful for any owner, part
17 owner, shareholder, or person interested directly or indirectly in a
18 liquor-licensed drugstore to conduct, own either in whole or in part, or be
19 directly or indirectly interested in any other business licensed pursuant to
20 this ~~article~~ ARTICLE 3.

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

24 (I) An arts license granted under this ~~article~~ ARTICLE 3;

25 (II) An airline public transportation system license granted under
26 this ~~article~~ ARTICLE 3;

27 (III) A financial institution referred to in ~~section 12-47-308 (4)~~

1 SECTION 44-3-308 (4);

2 (IV) For a liquor-licensed drugstore licensed on or before January
3 1, 2016, additional liquor-licensed drugstore licenses as follows, but only
4 if obtained in accordance with ~~paragraph (b) of subsection (1)~~
5 SUBSECTION (1)(b) of this section:

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

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

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

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

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

20 ~~(5) Repealed.~~

21 ~~(6)~~ (5) (a) A liquor-licensed drugstore licensed under this section
22 shall not store alcohol beverages off the licensed premises.

23 (b) A licensed wholesaler shall make all deliveries of alcohol
24 beverages to a liquor-licensed drugstore:

25 (I) Through a common carrier, a contract carrier, or on vehicles
26 owned by the wholesaler; and

27 (II) Only to the business address of the liquor-licensed drugstore.

1 ~~(7)~~ (6) (a) A liquor-licensed drugstore licensed under this section
2 on or after January 1, 2017, shall have at least one manager permitted
3 under ~~section 12-47-425~~ SECTION 44-3-427 who works on the licensed
4 premises. The liquor-licensed drugstore shall designate at least one
5 permitted manager on the licensed premises to conduct the liquor-licensed
6 drugstore's purchases of alcohol beverages from a licensed wholesaler. A
7 licensed wholesaler shall take orders for alcohol beverages only from a
8 permitted manager designated by the liquor-licensed drugstore.

9 (b) A liquor-licensed drugstore that is involved in selling alcohol
10 beverages must obtain and maintain a certification as a responsible
11 alcohol beverage vendor in accordance with part 10 of this ~~article~~
12 ARTICLE 3.

13 (c) An employee of a liquor-licensed drugstore who is under
14 twenty-one years of age shall not deliver or otherwise have any contact
15 with malt, vinous, or spirituous liquors offered for sale on, or sold and
16 removed from, the licensed premises.

17 **44-3-411. [Formerly 12-47-409] Beer and wine license.** (1) A
18 beer and wine license shall be issued to persons selling malt and vinous
19 liquors and fermented malt beverages for consumption on the premises.
20 Beer and wine licensees shall have sandwiches and light snacks available
21 for consumption on the premises during business hours, but need not have
22 meals available for consumption.

23 (2) (a) Every person selling malt and vinous liquors and fermented
24 malt beverages as provided in this section shall purchase malt and vinous
25 liquors and fermented malt beverages only from a wholesaler licensed
26 pursuant to this ~~article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4
27 OF THIS TITLE 44; except that, during a calendar year, any person selling

1 malt and vinous liquors and fermented malt beverages as provided in this
2 section may purchase not more than two thousand dollars' worth of:

3 (I) Malt and vinous liquors from a retailer licensed pursuant to
4 ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR 44-3-410; and

5 (II) Fermented malt beverages from a retailer licensed pursuant to
6 ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c).

7 (b) A beer and wine licensee shall retain evidence of each
8 purchase of malt and vinous liquors from a retailer licensed pursuant to
9 ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR 44-3-410 and each
10 purchase of fermented malt beverages from a retailer licensed pursuant
11 to ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c), in the form of a
12 purchase receipt showing the name of the licensed retailer, the date of
13 purchase, a description of the malt or vinous liquor or fermented malt
14 beverages purchased, and the price paid for the purchase. The beer and
15 wine licensee shall retain the receipt and shall make it available to the
16 state and local licensing authorities at all times during business hours.

17 (3) It is unlawful for any owner, part owner, shareholder, or
18 person interested directly or indirectly in a beer and wine license to
19 conduct, own either in whole or in part, or be directly or indirectly
20 interested in any other business licensed pursuant to this ~~article or article~~
21 ~~46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44; except that the
22 person may have an interest in a license described in ~~section 12-46-104~~
23 ~~(1)(c), 12-47-401 (1)(j) to (1)(t), (1)(v), or (1)(w), or 12-47-410 (1)~~
24 SECTION 44-3-401 (1)(j) TO (1)(t), (1)(v), OR (1)(w), 44-3-412 (1), OR
25 44-4-104 (1)(c) or in a financial institution referred to in ~~section~~
26 ~~12-47-308 (4)~~ SECTION 44-3-308 (4).

27 **44-3-412. [Formerly 12-47-410] Bed and breakfast permit.**

1 (1) In lieu of a hotel and restaurant license, a person operating a bed and
2 breakfast with not more than twenty sleeping rooms that offers
3 complimentary alcohol beverages for consumption only on the premises
4 and only by overnight guests may be issued a bed and breakfast permit.
5 A bed and breakfast permittee shall not sell alcohol beverages by the
6 drink and shall not serve alcohol beverages for more than four hours in
7 any one day.

8 (2) An applicant for a bed and breakfast permit is exempt from
9 any fee otherwise assessable under ~~section 12-47-501 (2) or 12-47-505~~
10 ~~(4)(a)~~ SECTION 44-3-501 (3) OR 44-3-505 (4)(a), but is subject to all other
11 fees and all other requirements of this ~~article~~ ARTICLE 3.

12 (3) A local licensing authority may, at its option, determine that
13 bed and breakfast permits are not available within its jurisdiction.

14 (4) A bed and breakfast permit may be suspended or revoked in
15 accordance with ~~section 12-47-601~~ SECTION 44-3-601 if the permittee
16 violates any provision of this ~~article~~ ARTICLE 3 or any rule adopted
17 pursuant to this ~~article~~ ARTICLE 3 or fails truthfully to furnish any required
18 information in connection with a permit application.

19 (5) It is unlawful for any owner, part owner, shareholder, or
20 person interested directly or indirectly in a bed and breakfast permit to
21 conduct, own either in whole or in part, or be directly or indirectly
22 interested in any other business licensed pursuant to this ~~article~~ or ~~article~~
23 ~~46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44; except that a
24 person regulated under this section may have an interest in other bed and
25 breakfast permits; in a license described in ~~section 12-46-104 (1)(c) or~~
26 ~~12-47-401 (1)(j) to (1)(t), (1)(v), or (1)(w)~~ SECTION 44-3-401 (1)(j) TO
27 (1)(t), (1)(v), OR (1)(w) OR 44-4-104 (1)(c); or in a financial institution

1 referred to in ~~section 12-47-308 (4)~~ SECTION 44-3-308 (4).

2 **44-3-413. [Formerly 12-47-411] Hotel and restaurant license**
3 **- definitions - rules.** (1) Except as otherwise provided in subsection (2)
4 of this section, a hotel and restaurant license shall be issued to persons
5 selling alcohol beverages in the place where the alcohol beverages are to
6 be consumed, subject to the following restrictions:

7 (a) Restaurants shall sell alcohol beverages as provided in this
8 section only to customers of the restaurant and only if meals are actually
9 and regularly served and provide not less than twenty-five percent of the
10 gross income from sales of food and drink of the business of the licensed
11 premises over any period of time of at least one year.

12 (b) Hotels shall sell alcohol beverages as provided in this section
13 only to customers of the hotel and, except in hotel rooms, only on the
14 licensed premises where meals are actually and regularly served and
15 provide not less than twenty-five percent of the gross income from sales
16 of food and drink of the business of the licensed premises over any period
17 of time of at least one year.

18 (c) Any hotel and restaurant licensee who is open for business and
19 selling alcohol beverages by the drink shall serve meals between the
20 hours of 8 a.m. and 8 p.m. and meals or light snacks and sandwiches after
21 8 p.m.; ~~except that nothing in this paragraph (c)~~ SUBSECTION (1)(c) shall
22 be construed to require a licensee to be open for business between the
23 hours of 8 a.m. and 8 p.m.

24 (d) A hotel may be designated as a resort complex if it has at least
25 fifty sleeping rooms and has related sports and recreational facilities
26 located contiguous or adjacent to the hotel for the convenience of its
27 guests or the general public. For purposes of a resort complex only,

1 "contiguous or adjacent" means within the overall boundaries or scheme
2 of development or regularly accessible from the hotel by its members and
3 guests.

4 (2) (a) A resort complex shall designate its principal licensed
5 premises and additional separate, related facilities that are located
6 contiguous or adjacent to the licensed premises of the resort complex.
7 Each related facility shall be identified by the resort complex at the time
8 of initial licensure or upon license renewal. Each related facility shall also
9 be clearly identified by its geographic location within the overall
10 boundaries of the licensed premises of the resort complex. A resort
11 complex may apply for a resort-complex-related facility permit for each
12 related facility at the time of initial licensure, upon license renewal, or at
13 any time upon application by the resort complex.

14 (b) Customers and guests who purchase alcohol beverages at one
15 related facility are permitted to carry such beverages to other related
16 facilities within the overall licensed premises boundaries of the resort
17 complex.

18 (c) Each related facility shall remain at all times under the
19 ownership and control of the resort complex licensee. Any subletting or
20 transfer of ownership or change of control of a related facility without
21 proper notification and approval by state and local licensing authorities
22 shall be considered a violation of this ~~article~~ ARTICLE 3 and will be cause
23 for the denial, suspension, revocation, or cancellation of the license of the
24 entire resort complex, including all of its related facilities, pursuant to
25 ~~section 12-47-601~~ SECTION 44-3-601.

26 (d) Except as provided in this subsection (2), for violations of
27 ~~section 12-47-307~~ SECTION 44-3-307, and for violations of this ~~article~~

1 ARTICLE 3 and ~~regulations~~ RULES promulgated pursuant to this article
2 ARTICLE 3 that are intentionally authorized by the ownership or
3 management of a resort complex, each related facility shall be considered
4 separately licensed or permitted for the purpose of application of the
5 sanctions imposed under ~~section 12-47-601~~ SECTION 44-3-601.

6 (e) For purposes of this subsection (2), "related facility" means
7 those areas, as approved by the state and local licensing authorities, that
8 are contiguous or adjacent to the resort hotel and that are owned by or
9 under the exclusive possession and control of the resort complex licensee.

10 "Related facilities" shall include:

11 (I) Those indoor areas or facilities contiguous or adjacent to the
12 licensed premises of the resort complex that are operated under a separate
13 trade name and are used by resort complex patrons;

14 (II) Related outdoor sports and recreation facilities located
15 contiguous or adjacent to the resort complex that are used by patrons of
16 the resort complex for a fee; and

17 (III) Distinct areas or facilities contiguous or adjacent to the resort
18 complex that are directly related to the resort complex use.

19 ~~(2.5)~~ (3) (a) An institution of higher education, or a person who
20 contracts with the institution to provide food services, that is licensed
21 under this section may apply to be designated a campus liquor complex
22 at the time of initial licensure or upon license renewal.

23 (b) A licensee shall designate its principal licensed premises and
24 additional separate, related facilities that are located within the campus
25 liquor complex. The licensee may identify each related facility that serves
26 alcohol at the time of initial licensure or upon license renewal. To be
27 approved for a campus liquor complex related facility permit, each related

1 facility must be clearly identified by its geographic location within the
2 boundaries of the campus, including the specific point of service, and
3 each area where alcohol beverages are consumed must be clearly
4 identified by a description and map of the area.

5 (c) A licensee may apply for a related facility permit for each
6 related facility within the campus liquor complex at the time of initial
7 licensure, upon license renewal, or at any time upon application by the
8 licensee.

9 (d) (I) To be permitted, each related facility must remain at all
10 times under the ownership or control of the licensee. A licensee that
11 sublets or transfers ownership of, or changes control of, a related facility
12 without notifying and obtaining approval from state and local licensing
13 authorities violates this ~~article 47~~ ARTICLE 3, and the violation is grounds
14 for denial, suspension, revocation, or cancellation of the campus liquor
15 complex license and all related facility permits in accordance with ~~section~~
16 ~~12-47-601~~ SECTION 44-3-601.

17 (II) The institution of higher education shall designate a manager
18 for the campus liquor complex and for each related facility.

19 (e) Except as provided in this ~~subsection (2.5)~~ SUBSECTION (3), for
20 violations of this ~~article 47~~ ARTICLE 3 and rules promulgated under this
21 ~~article 47~~ ARTICLE 3 that are intentionally authorized by the ownership or
22 management of a related facility, each related facility is deemed
23 separately permitted for the purpose of application of the sanctions
24 authorized under ~~section 12-47-601~~ SECTION 44-3-601.

25 (f) For purposes of this ~~subsection (2.5)~~ SUBSECTION (3), "related
26 facility" means those areas approved by the state and local licensing
27 authorities that are on the campus of the institution of higher education

1 licensed under this section and that are owned by or under the exclusive
2 possession and control of the institution of higher education holding the
3 license. "Related facilities" include an area or facility operated under a
4 separate trade name.

5 ~~(3)~~ (4) Notwithstanding any provision of this ~~article~~ ARTICLE 3 to
6 the contrary, a hotel, licensed pursuant to this ~~article~~ ARTICLE 3, may:

7 (a) Furnish and deliver complimentary alcohol beverages in sealed
8 containers for the convenience of its guests;

9 (b) Sell alcohol beverages provided by the hotel in sealed
10 containers, at any time, by means of a minibar located in hotel guest
11 rooms, to adult registered guests of the hotel for consumption in guest
12 rooms if the price of the alcohol beverages is clearly posted. For purposes
13 of this section, "minibar" means a closed container, either nonrefrigerated
14 or refrigerated in whole or in part, access to the interior of which is
15 restricted by means of a locking device that requires the use of a key,
16 magnetic card, or similar device or which is controlled at all times by the
17 hotel.

18 (c) Enter into a contract with a lodging facility for the purpose of
19 authorizing the lodging facility to sell alcohol beverages pursuant to
20 ~~paragraph (b) of this subsection (3)~~ SUBSECTION (4)(b) OF THIS SECTION
21 if the lodging facility and hotel share common ownership and are located
22 within one thousand feet of one another. The alcohol beverages that may
23 be sold pursuant to this ~~paragraph (c)~~ SUBSECTION (4)(c) must be
24 provided by and subject to the control of the licensed hotel. For purposes
25 of this ~~paragraph (c)~~ SUBSECTION (4)(c), "common ownership" means a
26 controlling ownership interest that is held by the same person or persons,
27 whether through separate corporations, partnerships, or other legal

1 entities. To determine whether the distance limitation referred to in this
2 ~~paragraph (c)~~ SUBSECTION (4)(c) is met, the distance from the property
3 line of the land used for the lodging facility to the portion of the hotel
4 licensed under this ~~article~~ ARTICLE 3 shall be measured using the nearest
5 and most direct routes of pedestrian access.

6 ~~(3.5) Repealed.~~

7 ~~(4)~~ (5) The state licensing authority shall promulgate rules that
8 prohibit the placement of a container of alcohol beverages in a minibar if
9 the container has a capacity of more than five hundred milliliters.

10 ~~(5)~~ (6) It is the intent of this section to require hotel and restaurant
11 licensees to maintain a bona fide restaurant business and not a mere
12 pretext of such for obtaining a hotel and restaurant license.

13 ~~(6)~~ (7) (a) Except as provided in ~~paragraph (b) of this subsection~~
14 ~~(6)~~ SUBSECTION (7)(b) OF THIS SECTION, every person selling alcohol
15 beverages as provided in this section shall purchase alcohol beverages
16 only from a wholesaler licensed pursuant to this ~~article or article 46 of~~
17 ~~this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44.

18 (b) (I) During a calendar year, a person selling alcohol beverages
19 as provided in this section may purchase not more than two thousand
20 dollars' worth of:

21 (A) Malt, vinous, and spirituous liquors from a retailer licensed
22 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
23 44-3-410; and

24 (B) Fermented malt beverages from a retailer licensed pursuant to
25 ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c).

26 (II) A hotel and restaurant licensee shall retain evidence of each
27 purchase of malt, vinous, or spirituous liquors from a retailer licensed

1 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
2 44-3-410 and each purchase of fermented malt beverages from a retailer
3 licensed pursuant to ~~section 12-46-104(1)(c)~~ SECTION 44-4-104 (1)(c), in
4 the form of a purchase receipt showing the name of the licensed retailer,
5 the date of purchase, a description of the alcohol beverages purchased,
6 and the price paid for the alcohol beverages. The licensee shall retain the
7 receipt and make it available to the state and local licensing authorities at
8 all times during business hours.

9 ~~(7)~~ (8) Each hotel and restaurant license shall be granted for
10 specific premises, and optional premises approved by the state and local
11 licensing authorities, and issued in the name of the owner or lessee of the
12 business.

13 ~~(8)~~ (9) Each hotel and restaurant licensee shall manage or have a
14 separate and distinct manager and shall register the manager of each
15 liquor-licensed premises with the state and the local licensing authority.
16 No person shall be a registered manager for more than one hotel and
17 restaurant license.

18 ~~(9)~~ (10) The registered manager for each hotel and restaurant
19 license, the hotel and restaurant licensee, or an employee or agent of the
20 hotel and restaurant licensee shall purchase alcohol beverages for one
21 licensed premises only, and the purchases shall be separate and distinct
22 from purchases for any other hotel and restaurant license.

23 ~~(10)~~ (11) When a person ceases to be a registered manager of a
24 hotel and restaurant license, for whatever reason, the hotel and restaurant
25 licensee shall notify the licensing authorities within five days and shall
26 designate a new registered manager within thirty days.

27 ~~(11)~~ (12) Either the state or the local licensing authority may

1 refuse to accept any person as a registered manager unless the person is
2 satisfactory to the respective licensing authorities as to character, record,
3 and reputation. In determining a registered manager's character, record,
4 and reputation, the state or local licensing authority may have access to
5 criminal history record information furnished by a criminal justice agency
6 subject to any restrictions imposed by such agency.

7 ~~(12)~~ (13) The hotel and restaurant licensee shall pay a registration
8 fee not to exceed seventy-five dollars to the state and to the local
9 licensing authority for actual and necessary expenses incurred in
10 establishing the character, record, and reputation of each registered
11 manager.

12 ~~(13)~~ (14) (a) It is unlawful for any owner, part owner, shareholder,
13 or person interested directly or indirectly in a hotel and restaurant license
14 to conduct, own either in whole or in part, or be directly or indirectly
15 interested in any other business licensed pursuant to this ~~article or article~~
16 ~~46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44.

17 (b) Notwithstanding ~~paragraph (a) of this subsection (13)~~
18 SUBSECTION (14)(a) OF THIS SECTION, an owner, part owner, shareholder,
19 or person interested directly or indirectly in a hotel and restaurant license
20 may conduct, own either in whole or in part, or be directly or indirectly
21 interested in a license described in ~~section 12-46-104 (1)(c), 12-47-401~~
22 ~~(1)(j) to (1)(t), (1)(v), or (1)(w), or 12-47-410 (1)~~ SECTION 44-3-401 (1)(j)
23 TO (1)(t), (1)(v), OR (1)(w), 44-3-412 (1), OR 44-4-104 (1)(c) or in a
24 financial institution referred to in ~~section 12-47-308 (4)~~ SECTION 44-3-308
25 (4).

26 **44-3-414. [Formerly 12-47-412] Tavern license.** (1) A tavern
27 license shall be issued to persons selling alcohol beverages by the drink

1 only to customers for consumption on the premises. A tavern licensee
2 shall have sandwiches and light snacks available for consumption on the
3 premises during business hours, but need not have meals available for
4 consumption.

5 (2) (a) Every person selling alcohol beverages as provided in this
6 section shall purchase alcohol beverages only from a wholesaler licensed
7 pursuant to this ~~article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4
8 OF THIS TITLE 44; except that, during a calendar year, a person selling
9 alcohol beverages as provided in this section may purchase not more than
10 two thousand dollars' worth of:

11 (I) Malt, vinous, and spirituous liquors from a retailer licensed
12 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
13 44-3-410; and

14 (II) Fermented malt beverages from a retailer licensed pursuant to
15 ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c).

16 (b) A tavern licensee shall retain evidence of each purchase of
17 malt, vinous, or spirituous liquors from a retailer licensed pursuant to
18 ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR 44-3-410 and each
19 purchase of fermented malt beverages from a retailer licensed pursuant
20 to ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c), in the form of a
21 purchase receipt showing the name of the licensed retailer, the date of
22 purchase, a description of the alcohol beverages purchased, and the price
23 paid for the alcohol beverages. The tavern licensee shall retain the receipt
24 and make it available to the state and local licensing authorities at all
25 times during business hours.

26 (3) It is unlawful for any owner, part owner, shareholder, or
27 person interested directly or indirectly in tavern licenses to conduct, own

1 either in whole or in part, or be directly or indirectly interested in any
2 other business licensed pursuant to this ~~article or article 46~~ of this title
3 ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44; except that the person may
4 have an interest in a license described in ~~section 12-46-104 (1)(c),~~
5 ~~12-47-401 (1)(j) to (1)(t), (1)(v), or (1)(w), or 12-47-410 (1)~~ SECTION
6 44-3-401 (1)(j) TO (1)(t), (1)(v), OR (1)(w), 44-3-412 (1), OR 44-4-104
7 (1)(c) or in a financial institution referred to in ~~section 12-47-308 (4)~~
8 SECTION 44-3-308 (4).

9 (4) Each tavern licensee shall manage or have a separate and
10 distinct manager for each licensed premises and shall register the manager
11 of each licensed premises with both the state and the local licensing
12 authority. No person shall be a registered manager for more than one
13 tavern license.

14 (5) The registered manager for each tavern license, the tavern
15 licensee, or an employee or agent of the tavern licensee shall purchase
16 alcohol beverages for one licensed premises only, and the purchases shall
17 be separate and distinct from purchases for any other tavern license.

18 (6) When a person ceases to be a registered manager for a tavern
19 license, for whatever reason, the tavern licensee shall notify the licensing
20 authorities within five days and shall designate a new registered manager
21 within thirty days.

22 (7) The state licensing authority or the local licensing authority
23 may refuse to accept any person as a registered manager unless the person
24 is satisfactory to the respective licensing authorities as to character,
25 record, and reputation. In determining a registered manager's character,
26 record, and reputation, the state or local licensing authority may have
27 access to criminal history record information furnished by a criminal

1 justice agency subject to any restrictions imposed by such agency.

2 (8) The tavern licensee shall pay a registration fee not to exceed
3 seventy-five dollars for actual and necessary expenses incurred in
4 determining the character, record, and reputation of each registered
5 manager. Such fee shall be paid to both the state and the local licensing
6 authority.

7 (9) (a) At the time a tavern license is due for renewal or by one
8 year after August 10, 2016, whichever occurs later, a tavern licensed
9 under this section that does not have as its principal business the sale of
10 alcohol beverages, has a valid license on the effective date of this section,
11 and is a lodging and entertainment facility may apply to, and the
12 applicable local licensing authority shall, convert the tavern license to a
13 lodging and entertainment license under ~~section 12-47-426~~ SECTION
14 44-3-428, and the licensee may continue to operate as a lodging and
15 entertainment facility licensee. If a tavern licensee does not have as its
16 principal business the sale of alcohol beverages but is not a lodging and
17 entertainment facility, at the time the tavern license is due for renewal or
18 by one year after August 10, 2016, whichever occurs later, the licensee
19 may apply to, and the applicable local licensing authority shall, convert
20 the tavern license to another license under this ~~article~~ ARTICLE 3, if any,
21 for which the person qualifies.

22 (b) A person applying under this subsection (9) to convert an
23 existing tavern license to another license under this ~~article~~ ARTICLE 3 may
24 apply to convert the license, even if the location of the licensed premises
25 is within five hundred feet of any public or parochial school or the
26 principal campus of any college, university, or seminary, so long as the
27 local licensing authority has previously approved the location of the

1 licensed premises in accordance with ~~section 12-47-313 (1)(d)~~ SECTION
2 44-3-313 (1)(d).

3 **44-3-415. [Formerly 12-47-413] Optional premises license.**

4 (1) An optional premises license shall be granted for optional premises
5 approved by the state and local licensing authorities to persons selling
6 alcohol beverages by the drink only to customers for consumption on the
7 optional premises and for storing alcohol beverages in a secure area on or
8 off the optional premises for future use on the optional premises.

9 (2) (a) It is unlawful for any owner, part owner, shareholder, or
10 person interested directly or indirectly in an optional premises license to
11 conduct, own either in whole or in part, or be directly or indirectly
12 interested in any other business licensed pursuant to this ~~article or article~~
13 ~~46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44.

14 (b) Notwithstanding ~~paragraph (a) of this subsection (2)~~
15 SUBSECTION (2)(a) OF THIS SECTION, an owner, part owner, shareholder,
16 or person interested directly or indirectly in an optional premises license
17 may own, either in whole or in part, or be directly or indirectly interested
18 in a license described in ~~section 12-46-104 (1)(c), 12-47-401 (1)(j) to~~
19 ~~(1)(t), (1)(v), or (1)(w), or 12-47-410 (1)~~ SECTION 44-3-401 (1)(j) TO
20 (1)(t), (1)(v), OR (1)(w), 44-3-412 (1), OR 44-4-104 (1)(c) or in a financial
21 institution referred to in ~~section 12-47-308 (4)~~ SECTION 44-3-308 (4).

22 **44-3-416. [Formerly 12-47-414] Retail gaming tavern license.**

23 (1) A retail gaming tavern license shall be issued to persons who are
24 licensed pursuant to section 12-47.1-501 (1)(c), who sell alcohol
25 beverages by individual drink for consumption on the premises, and who
26 sell sandwiches or light snacks or who contract with an establishment that
27 provides such food services within the same building as the licensed

1 premises. In no event shall any person hold more than three retail gaming
2 tavern licenses.

3 (2) (a) Every person selling alcohol beverages as described in this
4 section shall purchase the alcohol beverages only from a wholesaler
5 licensed pursuant to this ~~article or article 46 of this title~~ ARTICLE 3 OR
6 ARTICLE 4 OF THIS TITLE 44; except that, during a calendar year, a person
7 selling alcohol beverages as provided in this section may purchase not
8 more than two thousand dollars' worth of:

9 (I) Malt, vinous, or spirituous liquors from a retailer licensed
10 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
11 44-3-410; and

12 (II) Fermented malt beverages from a retailer licensed pursuant to
13 ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c).

14 (b) A retail gaming tavern licensee shall retain evidence of each
15 purchase of malt, vinous, or spirituous liquors from a retailer licensed
16 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
17 44-3-410 and each purchase of fermented malt beverages from a retailer
18 licensed pursuant to ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c), in
19 the form of a purchase receipt showing the name of the licensed retailer,
20 the date of purchase, a description of the alcohol beverages purchased,
21 and the price paid for the alcohol beverages. The licensee shall retain the
22 receipt and make it available to the state and local licensing authorities at
23 all times during business hours.

24 (3) Nothing in this ~~article~~ ARTICLE 3 shall permit more than one
25 retail gaming tavern license per building where the licensed premises are
26 located.

27 (4) It is unlawful for any owner, part owner, shareholder, or

1 person interested directly or indirectly in a retail gaming tavern license to
2 conduct, own either in whole or in part, or be directly or indirectly
3 interested in any other business licensed pursuant to this ~~article or article~~
4 ~~46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44; except that the
5 person may have an interest in a license described in ~~section 12-46-104~~
6 ~~(1)(c), 12-47-401 (1)(j) to (1)(t), (1)(v), or (1)(w), or 12-47-410 (1)~~
7 SECTION 44-3-401 (1)(j) TO (1)(t), (1)(v), OR (1)(w), 44-3-412 (1), OR
8 44-4-104 (1)(c) or in a financial institution referred to in ~~section~~
9 ~~12-47-308 (4)~~ SECTION 44-3-308 (4).

10 **44-3-417. [Formerly 12-47-415] Brew pub license - definition.**

11 (1) (a) A brew pub license may be issued to any person operating a brew
12 pub and also selling alcohol beverages for consumption on the premises.

13 (b) A brew pub licensed pursuant to this section to manufacture
14 malt liquors or fermented malt beverages upon its licensed premises may,
15 upon approval of the state licensing authority, manufacture malt liquors
16 or fermented malt beverages upon alternating proprietor licensed
17 premises within the restrictions specified in ~~section 12-47-103 (4)~~
18 SECTION 44-3-103 (5).

19 (2) (a) Except as provided in ~~paragraph (b) of this subsection (2)~~
20 SUBSECTION (2)(b) OF THIS SECTION, during the hours established in
21 ~~section 12-47-901 (5)(b)~~ SECTION 44-3-901 (6)(b), malt liquors or
22 fermented malt beverages manufactured by a brew pub licensee on the
23 licensed premises or alternating proprietor licensed premises may be:

- 24 (I) Furnished for consumption on the premises;
- 25 (II) Sold to independent wholesalers for distribution to licensed
26 retailers;
- 27 (III) Sold to the public in sealed containers for off-premises

1 consumption. Only malt liquors or fermented malt beverages
2 manufactured and packaged on the licensed premises or alternating
3 proprietor licensed premises by the licensee shall be sold in sealed
4 containers.

5 (IV) Sold at wholesale to licensed retailers in an amount up to
6 three hundred thousand gallons per calendar year.

7 (b) A brew pub authorized to manufacture malt liquors or
8 fermented malt beverages upon alternating proprietor licensed premises
9 shall not conduct retail sales of malt liquors or fermented malt beverages
10 from an area licensed or defined as an alternating proprietor licensed
11 premises.

12 (3) (a) Every person selling alcohol beverages pursuant to this
13 section shall purchase alcohol beverages, other than those that are
14 manufactured at the licensed brew pub, from a wholesaler licensed
15 pursuant to this ~~article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4
16 OF THIS TITLE 44; except that, during a calendar year, a person selling
17 alcohol beverages as provided in this section may purchase not more than
18 two thousand dollars' worth of:

19 (I) Malt, vinous, and spirituous liquors from a retailer licensed
20 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
21 44-3-410; and

22 (II) Fermented malt beverages from a retailer licensed pursuant to
23 ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c).

24 (b) The brew pub licensee shall retain evidence of each purchase
25 of malt, vinous, and spirituous liquors from a retailer licensed pursuant
26 to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR 44-3-410 and
27 each purchase of fermented malt beverages from a retailer licensed

1 pursuant to ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c), in the form
2 of a purchase receipt showing the name of the licensed retailer, the date
3 of purchase, a description of the alcohol beverages purchased, and the
4 price paid for the alcohol beverages. The licensee shall retain the receipt
5 and make it available to state and local licensing authorities at all times
6 during business hours.

7 (4) A brew pub licensee shall sell alcohol beverages for
8 on-premises consumption only if at least fifteen percent of the gross
9 on-premises food and drink income of the business of the licensed
10 premises is from the sale of food. For purposes of this subsection (4),
11 "food" means a quantity of foodstuffs of such nature as is ordinarily
12 consumed by an individual at regular intervals for the purpose of
13 sustenance.

14 (5) (a) It is unlawful for any owner, part owner, shareholder, or
15 person interested directly or indirectly in a brew pub license to conduct,
16 own either in whole or in part, or be directly or indirectly interested in any
17 other business licensed pursuant to this ~~article or article 46 of this title~~
18 ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44.

19 (b) Notwithstanding ~~paragraph (a) of this subsection (5)~~
20 SUBSECTION (5)(a) OF THIS SECTION, a person interested directly or
21 indirectly in a brew pub license may conduct, own either in whole or in
22 part, or be directly or indirectly interested in a license described in section
23 ~~12-46-104 (1)(c), 12-47-401 (1)(j) to (1)(t), (1)(v), or (1)(w), or~~
24 ~~12-47-410 (1)~~ SECTION 44-3-401 (1)(j) TO (1)(t), (1)(v), OR (1)(w),
25 44-3-412 (1), OR 44-4-104 (1)(c) or in a financial institution referred to in
26 ~~section 12-47-308 (4)~~ SECTION 44-3-308 (4).

27 **44-3-418. [Formerly 12-47-416] Club license - legislative**

1 **declaration.** (1) A club license shall be issued to persons selling alcohol
2 beverages by the drink only to members of the club and guests and only
3 for consumption on the premises of the club.

4 (2) (a) Every person selling alcohol beverages as provided in this
5 section shall purchase the alcohol beverages only from a wholesaler
6 licensed pursuant to this ~~article or article 46 of this title~~ ARTICLE 3 OR
7 ARTICLE 4 OF THIS TITLE 44; except that, during a calendar year, a person
8 selling alcohol beverages as provided in this section may purchase not
9 more than two thousand dollars' worth of:

10 (I) Malt, vinous, and spirituous liquors from a retailer licensed
11 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
12 44-3-410; and

13 (II) Fermented malt beverages from a retailer licensed pursuant to
14 ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c).

15 (b) The club licensee shall retain evidence of each purchase of
16 malt, vinous, or spirituous liquors from a retailer licensed pursuant to
17 ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR 44-3-410 and each
18 purchase of fermented malt beverages from a retailer licensed pursuant
19 to ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c), in the form of a
20 purchase receipt showing the name of the licensed retailer, the date of
21 purchase, a description of the alcohol beverages purchased, and the price
22 paid for the alcohol beverages. The licensee shall retain the receipt and
23 make it available to the state and local licensing authorities at all times
24 during business hours.

25 (3) (a) The general assembly finds, determines, and declares that
26 the people of the state of Colorado desire to promote and achieve tax
27 equity and fairness among all the state's citizens and further desire to

1 conform to the public policy of nondiscrimination. The general assembly
2 further declares that the provisions of this subsection (3) are enacted for
3 these reasons and for no other purpose.

4 (b) Any club licensee that has a policy to restrict membership on
5 the basis of sex, sexual orientation, marital status, race, creed, religion,
6 color, ancestry, or national origin shall, when issuing a receipt for
7 expenses which may otherwise be used by taxpayers for deduction
8 purposes pursuant to section 162 (a) of the federal "Internal Revenue
9 Code of 1986", as amended, for purposes of determining taxes owed
10 pursuant to article 22 of title 39, ~~C.R.S.~~, incorporate a printed statement
11 on the receipt as follows:

12 The expenditures covered by this receipt are
13 nondeductible for state income tax purposes.

14 (4) It is unlawful for any owner, part owner, shareholder, or
15 person interested directly or indirectly in a club license to conduct, own
16 either in whole or in part, or be directly or indirectly interested in any
17 other business licensed pursuant to this ~~article or article 46 of this title~~
18 ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44; except that:

19 (a) Such a person may have an interest in an arts license or an
20 airline public transportation system license granted under this ~~article~~
21 ARTICLE 3, or in a financial institution referred to in ~~section 12-47-308 (4)~~
22 SECTION 44-3-308 (4);

23 (b) Any person who owns, in whole or in part, directly or
24 indirectly, any other license issued pursuant to this ~~article or article 46 of~~
25 ~~this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44 may be listed as an
26 officer or director on a club license if the person does not individually
27 manage or receive any direct financial benefit from the operation of the

1 license.

2 **44-3-419. [Formerly 12-47-417] Arts license - definition.**

3 (1) (a) An arts license may be issued to any nonprofit arts organization
4 that sponsors and presents productions or performances of an artistic or
5 cultural nature, and the arts license permits the licensee to sell alcohol
6 beverages only to patrons of the productions or performances for
7 consumption on the licensed premises in connection with the productions
8 or performances. No person licensed pursuant to this section shall permit
9 any exterior or interior advertising concerning the sale of alcohol
10 beverages on the licensed premises.

11 (b) An arts license may be issued to any municipality owning arts
12 facilities at which productions or performances of an artistic or cultural
13 nature are presented, in the same manner as provided for in ~~paragraph (a)~~
14 ~~of this subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION and subject to
15 the same restrictions.

16 (2) Any provision of this ~~article~~ ARTICLE 3 to the contrary
17 notwithstanding, the proximity of premises licensed pursuant to this
18 section to any public or parochial school or the principal campus of a
19 college, university, or seminary shall not, in and of itself, affect the
20 granting or denial of such license by the state and the local licensing
21 authority, but a public or parochial school shall not contain a licensed
22 premises. The campus of a college, university, or seminary may contain
23 a licensed premises.

24 (3) As used in this section, "nonprofit arts organization" means
25 only an organization subject to the provisions of articles 121 to 137 of
26 title 7 ~~C.R.S.~~, and held to be tax-exempt by the federal internal revenue
27 service.

1 (4) (a) Every person selling alcohol beverages as provided in this
2 section shall purchase the alcohol beverages only from a wholesaler
3 licensed pursuant to this ~~article or article 46 of this title~~ ARTICLE 3 OR
4 ARTICLE 4 OF THIS TITLE 44; except that, during a calendar year, a person
5 selling alcohol beverages as provided in this section may purchase not
6 more than two thousand dollars' worth of:

7 (I) Malt, vinous, and spirituous liquors from a retailer licensed
8 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
9 44-3-410; and

10 (II) Fermented malt beverages from a retailer licensed pursuant to
11 ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c).

12 (b) An arts licensee shall retain evidence of each purchase of malt,
13 vinous, or spirituous liquors from a retailer licensed pursuant to ~~section~~
14 ~~12-47-407 or 12-47-408~~ SECTION 44-3-409 OR 44-3-410 and each
15 purchase of fermented malt beverages from a retailer licensed pursuant
16 to ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c), in the form of a
17 purchase receipt showing the name of the licensed retailer, the date of
18 purchase, a description of the alcohol beverages purchased, and the price
19 paid for the alcohol beverages. The licensee shall retain the receipt and
20 make it available to the state and local licensing authorities at all times
21 during business hours.

22 **44-3-420. [Formerly 12-47-418] Racetrack license.** (1) A
23 racetrack licensee may sell alcohol beverages by the drink for
24 consumption on the licensed premises only to customers of the racetrack
25 and shall serve food as well as alcohol beverages.

26 (2) (a) Every person selling alcohol beverages as provided in this
27 section shall purchase the alcohol beverages only from a wholesaler

1 licensed pursuant to this ~~article or article 46 of this title~~ ARTICLE 3 OR
2 ARTICLE 4 OF THIS TITLE 44; except that, during a calendar year, a person
3 selling alcohol beverages as provided in this section may purchase not
4 more than two thousand dollars' worth of:

5 (I) Malt, vinous, and spirituous liquors from a retailer licensed
6 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
7 44-3-410; and

8 (II) Fermented malt beverages from a retailer licensed pursuant to
9 ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c).

10 (b) A racetrack licensee shall retain evidence of each purchase of
11 malt, vinous, or spirituous liquors from a retailer licensed pursuant to
12 ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR 44-3-410 and each
13 purchase of fermented malt beverages from a retailer licensed pursuant
14 to ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c), in the form of a
15 purchase receipt showing the name of the licensed retailer, the date of
16 purchase, a description of the alcohol beverages purchased, and the price
17 paid for the alcohol beverages. The licensee shall retain the receipt and
18 make it available to the state and local licensing authorities at all times
19 during business hours.

20 (3) If any person holds a valid license pursuant to this ~~article~~
21 ARTICLE 3 to sell alcohol beverages by the drink for consumption on the
22 licensed premises, the person is not required to obtain a racetrack class
23 license pursuant to this section if simulcast races with pari-mutuel
24 wagering occur on the licensed premises.

25 (4) It is unlawful for any owner, part owner, shareholder, or
26 person interested directly or indirectly in a racetrack license to conduct,
27 own either in whole or in part, or be directly or indirectly interested in any

1 other business licensed pursuant to this ~~article or article 46 of this title~~
2 ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44; except that a person licensed
3 under this section may have an interest in a license described in ~~section~~
4 ~~12-46-104 (1)(c), 12-47-401 (1)(j) to (1)(t), (1)(v), or (1)(w), or~~
5 ~~12-47-410 (1)~~ SECTION 44-3-401 (1)(j) TO (1)(t), (1)(v), OR (1)(w),
6 44-3-412 (1), OR 44-4-104 (1)(c) or in a financial institution referred to in
7 ~~section 12-47-308 (4)~~ SECTION 44-3-308 (4).

8 **44-3-421. [Formerly 12-47-419] Public transportation system**
9 **license.** (1) The state licensing authority shall issue a public
10 transportation system license to every person operating a public
11 transportation system that sells alcohol beverages by the drink to be
12 served and consumed in or upon any dining, club, or parlor car; plane;
13 bus; or other conveyance of the public transportation system. A public
14 transportation system license issued to a commercial airline authorizes the
15 licensee to sell alcohol beverages by the drink in an airport or airport
16 concourse private club room that is in existence and operated by the
17 licensee on or before April 1, 1995. A public transportation system
18 license issued to a common carrier railroad authorizes the licensee to sell
19 alcohol beverages by the drink at any event not open to the public that is
20 held in a museum owned and operated by the licensee if the licensee
21 notifies the appropriate local law enforcement agency of the event no
22 later than fourteen days prior to the scheduled date of the event.

23 (2) It is unlawful for any owner, part owner, shareholder, or
24 person interested directly or indirectly in a public transportation system
25 license to conduct, own either in whole or in part, or be directly or
26 indirectly interested in any other business licensed pursuant to this ~~article~~
27 ~~or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44; except

1 that a person licensed under this section may be interested in any other
2 retail license issued pursuant to this ~~article or article 46 of this title~~
3 ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44 or in a financial institution
4 referred to in ~~section 12-47-308 (4)~~ SECTION 44-3-308 (4).

5 **44-3-422. [Formerly 12-47-420] Vintner's restaurant license.**

6 (1) A vintner's restaurant license may be issued to a person operating a
7 vintner's restaurant and also selling alcohol beverages for consumption on
8 the premises.

9 (2) During the hours established in ~~section 12-47-901 (5)(b)~~
10 SECTION 44-3-901 (6)(b), vinous liquors manufactured by a vintner's
11 restaurant licensee on the licensed premises may be:

- 12 (a) Furnished for consumption on the premises;
- 13 (b) Sold to independent wholesalers for distribution to licensed
14 retailers;
- 15 (c) Sold to the public in sealed containers for off-premises
16 consumption. Only vinous liquors fermented, manufactured, and
17 packaged on the premises by the licensee shall be sold in sealed
18 containers.
- 19 (d) Sold at wholesale to licensed retailers in an amount up to fifty
20 thousand gallons per calendar year.

21 (3) (a) Every person selling alcohol beverages pursuant to this
22 section shall purchase the alcohol beverages, other than those that are
23 manufactured at the licensed vintner's restaurant, from a wholesaler
24 licensed pursuant to this ~~article or article 46 of this title~~ ARTICLE 3 OR
25 ARTICLE 4 OF THIS TITLE 44; except that, during a calendar year, a person
26 may purchase not more than two thousand dollars' worth of:

- 27 (I) Malt, vinous, and spirituous liquors from a retailer licensed

1 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
2 44-3-410; and

3 (II) Fermented malt beverages from a retailer licensed pursuant to
4 ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c).

5 (b) The vintner's restaurant licensee shall retain evidence of each
6 purchase of malt, vinous, and spirituous liquors from a retailer licensed
7 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
8 44-3-410 and each purchase of fermented malt beverages from a retailer
9 licensed pursuant to ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c), in
10 the form of a purchase receipt showing the name of the licensed retailer,
11 the date of purchase, a description of the alcohol beverages purchased,
12 and the price paid for the alcohol beverages. The licensee shall retain the
13 receipt and make it available to state and local licensing authorities at all
14 times during business hours.

15 (4) A vintner's restaurant licensee may sell alcohol beverages for
16 on-premises consumption only if at least fifteen percent of the gross
17 on-premises food and drink income of the business of the licensed
18 premises is from the sale of food.

19 (5) (a) Subject to ~~paragraph (b) of this subsection (5)~~ SUBSECTION
20 (5)(b) OF THIS SECTION, it is unlawful for an owner, part owner,
21 shareholder, or person interested directly or indirectly in a vintner's
22 restaurant license to conduct, own either in whole or in part, or be directly
23 or indirectly interested in another business licensed pursuant to this ~~article~~
24 ~~or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44.

25 (b) A person interested directly or indirectly in a vintner's
26 restaurant license may conduct, own either in whole or in part, or be
27 directly or indirectly interested in a license described in ~~section 12-46-104~~

1 ~~(1)(c), 12-47-401 (1)(j) to (1)(t), (1)(v), or (1)(w), or 12-47-410 (1)~~
2 SECTION 44-3-401 (1)(j) TO (1)(t), (1)(v), OR (1)(w), 44-3-412 (1), OR
3 44-4-104 (1)(c) or in a financial institution referred to in ~~section~~
4 ~~12-47-308 (4)~~ SECTION 44-3-308 (4).

5 **44-3-423. [Formerly 12-47-421] Removal of vinous liquor from**
6 **licensed premises.** (1) Notwithstanding any provision of this ~~article~~
7 ARTICLE 3 to the contrary, a licensee described in subsection (2) of this
8 section may permit a customer of the licensee to reseal and remove from
9 the licensed premises one opened container of partially consumed vinous
10 liquor purchased on the premises so long as the originally sealed
11 container did not contain more than 750 milliliters of vinous liquor.

12 (2) This section applies to a person:

13 (a) That is duly licensed as a:

14 (I) Manufacturer under ~~section 12-47-402~~ SECTION 44-3-402;

15 (II) Limited winery under ~~section 12-47-403~~ SECTION 44-3-403;

16 (III) Beer and wine licensee under ~~section 12-47-409~~ SECTION
17 44-3-411;

18 (IV) Hotel and restaurant under ~~section 12-47-411~~ SECTION
19 44-3-413;

20 (V) Tavern under ~~section 12-47-412~~ SECTION 44-3-414;

21 (VI) Brew pub under ~~section 12-47-415~~ SECTION 44-3-417;

22 (VII) Vintner's restaurant under ~~section 12-47-420~~ SECTION
23 44-3-422;

24 (VIII) Club under ~~section 12-47-416~~ SECTION 44-3-418;

25 (IX) Distillery pub under ~~section 12-47-424~~ SECTION 44-3-426; or

26 (X) Lodging and entertainment facility under ~~section 12-47-426~~
27 SECTION 44-3-428; and

1 (b) That has meals, as defined in ~~section 12-47-103 (20)~~ SECTION
2 44-3-103 (31), available for consumption on the licensed premises.

3 **44-3-424. [Formerly 12-47-422] Art gallery permit - definition.**

4 (1) A person operating an art gallery that offers complimentary alcohol
5 beverages for consumption only on the premises may be issued an art
6 gallery permit, which shall be renewed annually. An art gallery permittee
7 shall not, directly or indirectly, sell alcohol beverages by the drink, shall
8 not serve alcohol beverages for more than four hours in any one day, and
9 shall not serve alcohol beverages more than fifteen days per year of
10 licensure.

11 (2) (a) The state or local licensing authority may reject the
12 application for an art gallery permit if the applicant fails to establish that
13 the applicant is able to offer complimentary alcohol beverages without
14 violating this section or creating a public safety risk to the neighborhood.

15 (b) Upon initial application, and for each renewal, the applicant
16 shall list each day that alcohol beverages will be served, which days shall
17 not be changed without a minimum of fifteen days' written notice to the
18 state and local licensing authority.

19 (3) An art gallery shall not be denied an art gallery permit based
20 solely on the art gallery's proximity to any public or private school or the
21 principal campus of a college, university, or seminary.

22 (4) An art gallery shall not charge an entrance fee or a cover
23 charge in connection with offering complimentary alcohol beverages for
24 consumption only on the premises.

25 (5) An art gallery permit may be suspended or revoked in
26 accordance with ~~section 12-47-601~~ SECTION 44-3-601 if the permittee
27 violates any provision of this ~~article~~ ARTICLE 3 or any rule adopted

1 pursuant to this ~~article~~ ARTICLE 3 or fails to truthfully furnish any required
2 information in connection with a permit application.

3 (6) It is unlawful for any owner, part owner, shareholder, or
4 person interested directly or indirectly in an art gallery permit to conduct,
5 own either in whole or in part, or be directly or indirectly interested in any
6 other business licensed pursuant to this ~~article or article 46 of this title~~
7 ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44; except that a person regulated
8 under this section may have an interest in other art gallery permits; in a
9 license described in ~~section 12-46-104 (1)(c), 12-47-401 (1)(j) to (1)(t),~~
10 ~~(1)(v), or (1)(w), or 12-47-410 (1)~~ SECTION 44-3-401 (1)(j) TO (1)(t),
11 (1)(v), OR (1)(w), 44-3-412 (1), OR 44-4-104 (1)(c); or in a financial
12 institution referred to in ~~section 12-47-308 (4)~~ SECTION 44-3-308 (4).

13 (7) As used in this section, "art gallery" means an establishment
14 whose primary purpose is to exhibit and offer for sale works of fine art
15 as defined in section 6-15-101 ~~€R.S.~~, or precious or semiprecious metals
16 or stones as defined in section 18-16-102. ~~€R.S.~~

17 (8) An art gallery issued a permit shall not intentionally allow
18 more than two hundred fifty people to be on the premises at one time
19 when alcohol beverages are being served.

20 (9) Nothing in this section shall be construed to abrogate any
21 insurance coverage required by law; to authorize a licensed art gallery to
22 violate ~~section 12-47-901~~ SECTION 44-3-901, including, without
23 limitation, serving a visibly intoxicated person and taking an alcohol
24 beverage off the licensed premises; or to violate any zoning or occupancy
25 ordinances or laws.

26 **44-3-425. [Formerly 12-47-423] Wine packaging permit -**
27 **limitations - rules.** (1) (a) The state licensing authority may issue a wine

1 packaging permit to a winery licensed under ~~section 12-47-402~~ SECTION
2 44-3-402, a limited winery licensed under ~~section 12-47-403~~ SECTION
3 44-3-403, or a wholesaler licensed under ~~section 12-47-406~~ SECTION
4 44-3-407 that allows the licensed winery, limited winery, or wholesaler
5 to package tax-paid wine manufactured by another winery or
6 manufacturer.

7 (b) A licensed winery, limited winery, or wholesaler that obtains
8 a wine packaging permit under this section shall:

9 (I) Take possession and custody of the tax-paid wine that it
10 packages; and

11 (II) Return the packaged tax-paid wine either to the original
12 manufacturer of the tax-paid wine or to the original manufacturer's
13 licensed wholesaler; except that, if the original manufacturer's wholesaler
14 obtains a wine packaging permit pursuant to this section, the wholesaler
15 need not return the packaged tax-paid wine to the original manufacturer.

16 (2) A licensed winery or limited winery that obtains a wine
17 packaging permit pursuant to this section shall not sell or distribute
18 tax-paid wine it packages:

19 (a) To a person licensed to sell alcohol beverages at retail, for
20 consumption on or off the licensed premises, under ~~section 12-47-407,~~
21 ~~12-47-408, 12-47-409, 12-47-410, 12-47-411, 12-47-412, 12-47-413,~~
22 ~~12-47-414, 12-47-415, 12-47-416, 12-47-417, 12-47-418, 12-47-419,~~
23 ~~12-47-420, 12-47-422, 12-47-424, or 12-47-426~~ SECTION 44-3-409,
24 44-3-410, 44-3-411, 44-3-412, 44-3-413, 44-3-414, 44-3-415, 44-3-416,
25 44-3-417, 44-3-418, 44-3-419, 44-3-420, 44-3-421, 44-3-422, 44-3-424,
26 44-3-426, OR 44-3-428; or

27 (b) Directly to a consumer.

1 (3) The state licensing authority may adopt rules as necessary to
2 implement and administer this section.

3 **44-3-426. [Formerly 12-47-424] Distillery pub license -**
4 **legislative declaration - definition.** (1) The general assembly finds and
5 determines that:

6 (a) Colorado is a state that welcomes and encourages
7 entrepreneurs and new business opportunities;

8 (b) Currently, manufacturing of spirituous liquors by persons
9 licensed as manufacturers pursuant to ~~section 12-47-402~~ SECTION
10 44-3-402 is a thriving industry, with new distilleries opening throughout
11 the state and increasing the availability of Colorado-produced craft spirits
12 both within and outside the state;

13 (c) The spirituous liquors manufacturing business focuses
14 primarily on producing a spirituous liquor product that the licensed spirits
15 manufacturer can then sell and distribute, through a wholesaler,
16 throughout the state and in other states to retail outlets;

17 (d) While licensed spirits manufacturers are permitted to sell their
18 products directly to consumers, the majority of the manufacturing
19 business is selling the bulk of a manufacturer's product to retail outlets
20 that then sell the product to consumers;

21 (e) On the other hand, the main focus of a distillery pub business
22 authorized by this section is to operate a local pub in which food and
23 alcohol beverages, including a small quantity of spirituous liquors
24 fermented and distilled on site, are sold and served for on-premises
25 consumption;

26 (f) While a distillery pub is allowed to produce, serve, and
27 distribute its own spirituous liquors, unlike a licensed spirits

1 manufacturer, the production level for a distillery pub is capped, and the
2 ability to distribute to retail outlets is greatly restricted, thereby
3 establishing a new business model that is distinct from, and serves a
4 different clientele than, a licensed spirits manufacturer;

5 (g) Additionally, unlike a licensed spirits manufacturer, which is
6 only required to obtain a license from the state licensing authority, a
7 distillery pub must obtain both a state and local license after
8 demonstrating that the distillery pub meets the reasonable requirements
9 and the desires of the adult inhabitants of the neighborhood in which it
10 will be situated; and

11 (h) It is important to encourage the new distillery pub business
12 model, which will add to the thriving craft spirits industry in this state
13 without disrupting the ever-growing spirituous liquors manufacturing
14 industry.

15 (2) A distillery pub license may be issued to any person operating
16 a distillery pub and also selling food and alcohol beverages for
17 consumption on the premises. At least fifteen percent of the gross
18 on-premises food and alcohol beverage income of the licensed distillery
19 pub must be from the sale of food. For purposes of this subsection (2),
20 "food" means a quantity of foodstuffs of a nature that is ordinarily
21 consumed by an individual at regular intervals for the purpose of
22 sustenance.

23 (3) During the hours established in ~~section 12-47-901 (5)(b)~~
24 SECTION 44-3-901 (6)(b), a licensed distillery pub may, with regard to
25 spirituous liquors fermented and distilled by the distillery pub licensee on
26 the licensed premises:

27 (a) Furnish its spirituous liquors for consumption on the premises;

1 (b) Sell its spirituous liquors to independent wholesalers for
2 distribution to licensed retailers;

3 (c) Sell its spirituous liquors to the public in sealed containers for
4 off-premises consumption, as long as the spirituous liquors are fermented,
5 distilled, and packaged on the licensed premises by the licensee; or

6 (d) Sell its spirituous liquors at wholesale to licensed retailers in
7 an amount up to two thousand seven hundred liters per spirituous liquor
8 product per calendar year.

9 (4) (a) Except as provided in ~~paragraph (b) of this subsection (4)~~
10 SUBSECTION (4)(b) OF THIS SECTION, every person selling alcohol
11 beverages pursuant to this section must purchase alcohol beverages, other
12 than those that are fermented and distilled at the licensed distillery pub,
13 from a wholesaler licensed pursuant to this ~~article or article 46 of this title~~
14 ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44.

15 (b) (I) During a calendar year, a person selling alcohol beverages
16 as provided in this section may purchase not more than two thousand
17 dollars' worth of:

18 (A) Malt, vinous, and spirituous liquors from a retailer licensed
19 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
20 44-3-410; and

21 (B) Fermented malt beverages from a retailer licensed pursuant to
22 ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c).

23 (II) The distillery pub licensee shall retain evidence of each
24 purchase of malt, vinous, and spirituous liquors from a retailer licensed
25 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
26 44-3-410 and each purchase of fermented malt beverages from a retailer
27 licensed pursuant to ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c), in

1 the form of a purchase receipt showing the name of the licensed retailer,
2 the date of purchase, a description of the alcohol beverages purchased,
3 and the price paid for the alcohol beverages. The licensee shall retain the
4 receipt and make it available to state and local licensing authorities at all
5 times during business hours.

6 (5) (a) Except as provided in ~~paragraph (b) of this subsection (5)~~
7 SUBSECTION (5)(b) OF THIS SECTION, it is unlawful for any owner, part
8 owner, shareholder, or person interested directly or indirectly in a
9 distillery pub license to conduct, own either in whole or in part, or be
10 directly or indirectly interested in any other business licensed pursuant to
11 ~~this article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE
12 44.

13 (b) A person interested directly or indirectly in a distillery pub
14 license may conduct, own either in whole or in part, or be directly or
15 indirectly interested in:

16 (I) Other distillery pub licenses;

17 (II) A license described in ~~section 12-46-104 (1)(c), 12-47-401~~
18 ~~(1)(j) to (1)(t), (1)(v), or (1)(w), or 12-47-410 (1)~~ SECTION 44-3-401 (1)(j)
19 TO (1)(t), (1)(v), OR (1)(w), 44-3-412 (1), OR 44-4-104 (1)(c); or

20 (III) A financial institution referred to in ~~section 12-47-308 (4)~~
21 SECTION 44-3-308 (4).

22 **44-3-427. [Formerly 12-47-425] Liquor-licensed drugstore**
23 **manager's permit.** (1) The state licensing authority may issue a
24 manager's permit to an individual who is employed by a liquor-licensed
25 drugstore licensed under ~~section 12-47-408~~ SECTION 44-3-410 and who
26 will be in actual control of the liquor-licensed drugstore's alcohol
27 beverage operations.

1 (2) An individual seeking a manager's permit shall apply to the
2 state licensing authority in the form and manner required by the state
3 licensing authority. To obtain a manager's permit, the individual must
4 demonstrate that he or she:

5 (a) Has not been convicted of a crime involving the sale or
6 distribution of alcohol beverages within the eight years immediately
7 preceding the date on which the application is submitted;

8 (b) Has not been convicted of any felony within the five years
9 immediately preceding the date on which the application is submitted;
10 except that in considering the conviction of a felony, the state licensing
11 authority is governed by section 24-5-101; ~~C.R.S.~~;

12 (c) Is at least twenty-one years of age; and

13 (d) Has not had a manager's permit or any similar permit issued
14 by the state, a local jurisdiction, or another state or foreign jurisdiction
15 revoked by the issuing authority within the three years immediately
16 preceding the date on which the application is submitted.

17 (3) It is unlawful for an individual who has a manager's permit
18 issued under this section to be interested directly or indirectly in:

19 (a) A wholesaler licensed pursuant to ~~section 12-47-406~~ SECTION
20 44-3-407;

21 (b) A limited winery licensed pursuant to ~~section 12-47-403~~
22 SECTION 44-3-403;

23 (c) An importer licensed pursuant to ~~section 12-47-404~~ SECTION
24 44-3-405;

25 (d) A manufacturer licensed pursuant to ~~section 12-47-402 or~~
26 ~~12-47-405~~ SECTION 44-3-402 OR 44-3-406; or

27 (e) Any business licensed under this ~~article~~ ARTICLE 3 that has had

1 its license revoked by the state licensing authority within the eight years
2 immediately preceding the date on which the individual applies for a
3 manager's permit under this section.

4 (4) In recognition of the state's flourishing local breweries,
5 wineries, and distilleries that locally produce high-quality malt, vinous,
6 and spirituous liquors, managers of liquor-licensed drugstores are
7 encouraged to purchase and promote locally produced alcohol beverage
8 products in their liquor-licensed drugstores.

9 **44-3-428. [Formerly 12-47-426] Lodging and entertainment**
10 **license.** (1) A lodging and entertainment license may be issued to a
11 lodging and entertainment facility selling alcohol beverages by the drink
12 only to customers for consumption on the premises. A lodging and
13 entertainment facility licensee shall have sandwiches and light snacks
14 available for consumption on the premises during business hours but need
15 not have meals available for consumption.

16 (2)(a) A lodging and entertainment facility licensed to sell alcohol
17 beverages as provided in this section shall purchase alcohol beverages
18 only from a wholesaler licensed pursuant to this ~~article or article 46 of~~
19 ~~this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44; except that, during a
20 calendar year, a lodging and entertainment facility licensed to sell alcohol
21 beverages as provided in this section may purchase not more than two
22 thousand dollars' worth of:

23 (I) Malt, vinous, and spirituous liquors from a retailer licensed
24 pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR
25 44-3-410; and

26 (II) Fermented malt beverages from a retailer licensed pursuant to
27 ~~section 12-46-104 (1)(c)~~ SECTION 44-4-104 (1)(c).

1 (b) A lodging and entertainment facility licensee shall retain
2 evidence of each purchase of malt, vinous, or spirituous liquors from a
3 retailer licensed pursuant to ~~section 12-47-407 or 12-47-408~~ SECTION
4 44-3-409 OR 44-3-410 and each purchase of fermented malt beverages
5 from a retailer licensed pursuant to ~~section 12-46-104 (1)(c)~~ SECTION
6 44-4-104 (1)(c), in the form of a purchase receipt showing the name of
7 the licensed retailer, the date of purchase, a description of the alcohol
8 beverages purchased, and the price paid for the alcohol beverages. The
9 lodging and entertainment facility licensee shall retain the receipt and
10 make it available to the state and local licensing authorities at all times
11 during business hours.

12 (3) (a) Except as provided in ~~paragraph (b) of this subsection (3)~~
13 SUBSECTION (3)(b) OF THIS SECTION, it is unlawful for any owner, part
14 owner, shareholder, or person interested directly or indirectly in lodging
15 and entertainment licenses to conduct, own either in whole or in part, or
16 be directly or indirectly interested in any other business licensed pursuant
17 to this ~~article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS
18 TITLE 44.

19 (b) An owner, part owner, shareholder, or person interested
20 directly or indirectly in a lodging and entertainment license may have an
21 interest in:

22 (I) A license described in ~~section 12-46-104 (1)(c), 12-47-401~~
23 ~~(1)(j) to (1)(t), (1)(v), or (1)(w), or 12-47-410 (1)~~ SECTION 44-3-401 (1)(j)
24 TO (1)(t), (1)(v), OR (1)(w), 44-3-412 (1), OR 44-4-104 (1)(c); or

25 (II) A financial institution referred to in ~~section 12-47-308 (4)~~
26 SECTION 44-3-308 (4).

27 (4) (a) Each lodging and entertainment facility licensee shall

1 manage or have a separate and distinct manager for each licensed
2 premises and shall register the manager of each licensed premises with
3 both the state and the local licensing authority. A person shall not be a
4 registered manager for more than one lodging and entertainment license.

5 (b) The registered manager for each lodging and entertainment
6 license, the lodging and entertainment facility licensee, or an employee
7 or agent of the lodging and entertainment facility licensee shall purchase
8 alcohol beverages for one licensed premises only, and the purchases shall
9 be separate and distinct from purchases for any other lodging and
10 entertainment license.

11 (c) When a person ceases to be a registered manager for a lodging
12 and entertainment license, the lodging and entertainment facility licensee
13 shall notify the licensing authorities within five days and shall designate
14 a new registered manager within thirty days.

15 (d) The state licensing authority or the local licensing authority
16 may refuse to accept any person as a registered manager unless the person
17 is satisfactory to the respective licensing authorities as to character,
18 record, and reputation. In determining a registered manager's character,
19 record, and reputation, the state or local licensing authority may have
20 access to criminal history record information furnished by a criminal
21 justice agency subject to any restrictions imposed by the agency.

22 (e) The lodging and entertainment facility licensee shall pay a
23 registration fee, not to exceed seventy-five dollars, for actual and
24 necessary expenses incurred in determining the character, record, and
25 reputation of each registered manager. The lodging and entertainment
26 facility licensee shall pay the fee to both the state and the local licensing
27 authority.

- 1 hundred seventy-five dollars; and
- 2 (B) On or after August 10, 2017, three hundred dollars;
- 3 (IV) For each limited winery, seventy dollars;
- 4 (b) For each importer's license, three hundred dollars;
- 5 (c) For each wholesaler's liquor license:
 - 6 (I) On or after August 10, 2016, and before August 10, 2017, eight
 - 7 hundred dollars; and
 - 8 (II) On or after August 10, 2017, five hundred fifty dollars;
 - 9 (d) For each wholesaler's beer license, five hundred fifty dollars;
 - 10 (e) For each retail liquor store license, one hundred dollars;
 - 11 (f) For each liquor-licensed drugstore license, one hundred
 - 12 dollars;
 - 13 (g) For each beer and wine license, seventy-five dollars;
 - 14 (h) For each hotel and restaurant license, seventy-five dollars;
 - 15 ~~(h.5)~~ (i) For each resort-complex-related facility permit,
 - 16 seventy-five dollars per related facility, as defined in ~~section 12-47-411~~
 - 17 ~~(2)(e)~~ SECTION 44-3-413 (2)(e);
 - 18 ~~(h.6)~~ (j) For each related facility permit, seventy-five dollars per
 - 19 related facility, as defined in ~~section 12-47-411 (2.5)~~(f) SECTION 44-3-413
 - 20 (3)(f);
 - 21 ~~(i)~~ (k) For each tavern license, seventy-five dollars;
 - 22 ~~(j)~~ (l) For each optional premises license, seventy-five dollars;
 - 23 ~~(k)~~ (m) For each retail gaming tavern license, seventy-five dollars;
 - 24 ~~(h)~~ (n) For each brew pub, distillery pub, or vintner's restaurant
 - 25 license, three hundred twenty-five dollars;
 - 26 ~~(m)~~ (o) For each club license, seventy-five dollars;
 - 27 ~~(n)~~ (p) For each arts license, seventy-five dollars;

1 ~~(o)~~ (q) For each racetrack license, seventy-five dollars;

2 ~~(p)~~ (r) For each public transportation system license, seventy-five
3 dollars for each dining, club, or parlor car; plane; bus; or other vehicle in
4 which such liquor is sold. No additional license fee shall be required by
5 any municipality, city and county, or county for the sale of such liquor in
6 dining, club, or parlor cars; planes; buses; or other conveyances.

7 ~~(q)~~ (s) For each bed and breakfast permit, fifty dollars;

8 ~~(r)~~ (t) For each art gallery permit, fifty dollars;

9 ~~(s)~~ (u) For each wine packaging permit, two hundred dollars;

10 ~~(t)~~ (v) For each lodging and entertainment license, seventy-five
11 dollars;

12 ~~(u)~~ (w) For each manager's permit, one hundred dollars.

13 ~~(1.5)~~ (2) Notwithstanding the amount specified for any fee in
14 subsection (1) of this section, the executive director of the department of
15 revenue by rule, or as otherwise provided by law, may reduce the amount
16 of one or more of the fees if necessary pursuant to section 24-75-402 (3)
17 ~~€:R:S.~~, to reduce the uncommitted reserves of the fund to which all or any
18 portion of one or more of the fees is credited. After the uncommitted
19 reserves of the fund are sufficiently reduced, the executive director, by
20 rule or as otherwise provided by law, may increase the amount of one or
21 more of the fees as provided in section 24-75-402 (4). ~~€:R:S.~~

22 ~~(2)~~ (3) (a) The state licensing authority shall establish fees for
23 processing the following types of applications, notices, or reports required
24 to be submitted to the state licensing authority:

25 (I) Applications for new liquor licenses pursuant to ~~section~~
26 ~~12-47-304~~ SECTION 44-3-304 and rules adopted pursuant to that section;

27 (II) Applications to change location pursuant to ~~section 12-47-301~~

- 1 ~~(9)~~ SECTION 44-3-301 (9) and rules adopted pursuant to that section;
- 2 (III) Applications for transfer of ownership pursuant to ~~section~~
3 ~~12-47-303 (1)(c)~~ SECTION 44-3-303 (1)(c) and rules adopted pursuant to
4 that section;
- 5 (IV) Applications for modification of licensed premises pursuant
6 to ~~section 12-47-301~~ SECTION 44-3-301 and rules adopted pursuant to that
7 section;
- 8 (V) Applications for alternating use of premises pursuant to
9 ~~section 12-46-104 (1)(a), 12-47-402 (2.5), 12-47-403 (2)(a), or 12-47-415~~
10 ~~(1)(b)~~ SECTION 44-3-402 (3), 44-3-403 (2)(a), 44-3-417 (1)(b), OR
11 44-4-104 (1)(a), and rules adopted pursuant to those sections;
- 12 (VI) Applications for branch warehouse permits pursuant to
13 ~~section 12-47-406~~ SECTION 44-3-407 and rules adopted pursuant to that
14 section;
- 15 (VII) Applications for approval of a contract to sell alcohol
16 beverages pursuant to ~~section 12-47-411 (3)(c)~~ SECTION 44-3-413 (4)(c);
- 17 (VIII) Applications for warehouse storage permits pursuant to
18 ~~section 12-47-202~~ SECTION 44-3-202 and rules adopted pursuant to that
19 section;
- 20 (IX) Applications for duplicate licenses;
- 21 (X) Applications for wine shipment permits pursuant to ~~section~~
22 ~~12-47-104~~ SECTION 44-3-104;
- 23 (XI) Sole source registrations or new product registrations
24 pursuant to ~~section 12-47-901 (3)(b)~~ SECTION 44-3-901 (4)(b);
- 25 (XII) Hotel and restaurant optional premises registrations;
- 26 (XIII) Expired license renewal and reissuance applications
27 pursuant to ~~section 12-47-302~~ SECTION 44-3-302;

1 (XIV) Notice of change of name or trade name pursuant to ~~section~~
2 ~~12-47-301~~ SECTION 44-3-301 and rules adopted pursuant to that section;

3 (XV) Applications for wine packing permits pursuant to ~~section~~
4 ~~12-47-423~~ SECTION 44-3-425;

5 (XVI) Applications for transfer of ownership, change of location,
6 and license merger and conversion pursuant to ~~section 12-47-408 (1)(b)~~
7 SECTION 44-3-410 (1)(b);

8 (XVII) Applications for manager's permits pursuant to ~~section~~
9 ~~12-47-425~~ SECTION 44-3-427.

10 (b) The amounts of such fees, when added to the other fees
11 transferred to the liquor enforcement division and state licensing authority
12 cash fund pursuant to ~~sections 12-46-105, 12-47-502 (1), and 12-48-104,~~
13 SECTIONS 44-4-105, 44-3-502 (1), AND 44-5-104 shall reflect the direct
14 and indirect costs of the liquor enforcement division and the state
15 licensing authority in the administration and enforcement of this ~~article~~
16 ~~and articles 46 and 48 of this title~~ ARTICLE 3 AND ARTICLES 4 AND 5 OF
17 THIS TITLE 44.

18 (c) The state licensing authority may charge corporate applicants
19 and limited liability companies licensed under ~~articles 46 and 47 of this~~
20 ~~title~~ THIS ARTICLE 3 AND ARTICLE 4 OF THIS TITLE 44 a fee for the cost of
21 each fingerprint analysis and background investigation undertaken to
22 qualify new officers, directors, stockholders, members, or managers
23 pursuant to the requirements of ~~section 12-47-307 (1)~~ SECTION 44-3-307
24 (1); however, the state licensing authority shall not collect such a fee if
25 the applicant has already undergone a background investigation by and
26 paid a fee to a local licensing authority.

27 (d) At least annually, the amounts of the fees shall be reviewed

1 and, if necessary, adjusted to reflect the direct and indirect costs of the
2 liquor enforcement division and the state licensing authority.

3 ~~(3)~~ (4) Except as provided in ~~subsection (4)~~ SUBSECTION (5) of
4 this section, the state licensing authority shall establish a basic fee which
5 shall be paid at the time of service of any subpoena upon the state
6 licensing authority or upon any employee of the division, plus a fee for
7 meals and a fee for mileage at the rate prescribed for state officers and
8 employees in section 24-9-104 ~~C.R.S.~~, for each mile actually and
9 necessarily traveled in going to and returning from the place named in the
10 subpoena. If the person named in the subpoena is required to attend the
11 place named in the subpoena for more than one day, there shall be paid,
12 in advance, a sum to be established by the state licensing authority for
13 each day of attendance to cover the expenses of the person named in the
14 subpoena.

15 ~~(4)~~ (5) The subpoena fee established pursuant to ~~subsection (3)~~
16 SUBSECTION (4) of this section shall not be applicable to any state or local
17 governmental agency.

18 **44-3-502. [Formerly 12-47-502] Fees and taxes - allocation.**

19 (1) (a) All state license fees and taxes provided for by this ~~article~~
20 ARTICLE 3 and all fees provided for by ~~section 12-47-501 (2) and (3)~~
21 SECTION 44-3-501 (3) AND (4) for processing applications, reports, and
22 notices shall be paid to the department of revenue, which shall transmit
23 the fees and taxes to the state treasurer. The state treasurer shall credit
24 eighty-five percent of the fees and taxes to the old age pension fund and
25 the balance to the general fund.

26 (b) An amount equal to the revenues attributable to fifty dollars
27 of each state license fee provided for by this ~~article~~ ARTICLE 3 and the

1 processing fees provided for by ~~section 12-47-501 (2) and (3)~~ SECTION
2 44-3-501 (3) AND (4) for processing applications, reports, and notices
3 shall be transferred out of the general fund to the liquor enforcement
4 division and state licensing authority cash fund. ~~Such~~ THE transfer shall
5 be made by the state treasurer as soon as possible after the twentieth day
6 of the month following the payment of such fees.

7 (c) The expenditures of the state licensing authority and the liquor
8 enforcement division shall be paid out of appropriations from the liquor
9 enforcement division and state licensing authority cash fund as provided
10 in section 24-35-401. ~~C.R.S.~~

11 (2) Eighty-five percent of the local license fees shall be paid to the
12 department of revenue, which shall transmit the fees to the state treasurer
13 to be credited to the old age pension fund.

14 **44-3-503. [Formerly 12-47-503] Excise tax - records - rules -**
15 **definition.** (1) (a) An excise tax at the rate of 8.0 cents per gallon, or the
16 same per unit volume tax applied to metric measure, on all malt liquors,
17 fermented malt beverages, and hard cider, 7.33 cents per liter on all
18 vinous liquors except hard cider, and 60.26 cents per liter on all spirituous
19 liquors is imposed, and ~~such~~ THE taxes shall be collected on all such
20 respective beverages, not otherwise exempt from the tax, sold, offered for
21 sale, or used in this state; except that, upon the same beverages, only one
22 such tax shall be paid in this state. The manufacturer, thereof, the holder
23 of a winery direct shipper's permit, or the first licensee receiving alcohol
24 beverages in this state if shipped from without the state, shall be primarily
25 liable for the payment of any tax or tax surcharge imposed pursuant to
26 this section; but, if ~~such~~ THE beverage is transported by a manufacturer
27 or wholesaler to a point outside of the state and there disposed of there,

1 then ~~such~~ THE manufacturer or wholesaler, upon the filing with the state
2 licensing authority of a duplicate bill of lading, invoice, or affidavit
3 showing such transaction, shall not be subject to the tax provided in this
4 section on such beverages, and, if such tax has already been paid, it shall
5 be refunded to said manufacturer or wholesaler. For purposes of this
6 section, "manufacturer" includes brew pub, distillery pub, and vintner's
7 restaurant licensees.

8 ~~(a.5)~~ (b) The department of revenue shall promulgate rules
9 concerning the excise tax applied to powdered alcohol at 60.26 cents per
10 liter for the amount of liters of water suggested to be added by the
11 manufacturer's packaging.

12 ~~(b)(1) Repealed.~~

13 ~~(H)~~ (c) (I) Effective July 1, 2000, a wine development fee at the
14 rate of 1.0 cent per liter is imposed on all vinous liquors except hard cider
15 sold, offered for sale, or used in this state. An amount equal to one
16 hundred percent of the wine development fee collected pursuant to this
17 ~~subparagraph (H)~~ SUBSECTION (1)(c)(I) shall be transferred from the
18 general fund to the Colorado wine industry development fund created in
19 section 35-29.5-105. ~~C.R.S.~~ Such transfers shall be made by the state
20 treasurer as soon as possible after the twentieth day of the month
21 following the collection of such wine development fee.

22 ~~(HH)~~ (II) In addition to the excise tax imposed pursuant to
23 ~~paragraph (a) of this subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION,
24 an additional excise tax surcharge at the rate of 5.0 cents per liter for the
25 first nine thousand liters, 3.0 cents per liter for the next thirty-six
26 thousand liters, and 1.0 cent per liter for all additional amounts, is
27 imposed on all vinous liquors except hard cider produced by Colorado

1 licensed wineries and sold, offered for sale, or used in this state. An
2 amount equal to one hundred percent of the excise tax surcharge collected
3 pursuant to this ~~subparagraph (H)~~ SUBSECTION (1)(c)(II) shall be
4 transferred from the general fund to the Colorado wine industry
5 development fund created in section 35-29.5-105. ~~C.R.S.~~ Such transfers
6 shall be made by the state treasurer as soon as possible after the twentieth
7 day of the month following the collection of such excise tax surcharge.

8 ~~(e)~~ (d) An excise tax of ten dollars per ton of grapes is imposed
9 upon all grapes of the vinifera varieties or other produce used in the
10 production of wine in this state by a licensed Colorado winery or vintner's
11 restaurant, whether true or hybrid. The excise tax imposed pursuant to this
12 ~~paragraph (e)~~ SUBSECTION (1)(d) shall be paid to the department of
13 revenue by the licensed winery or vintner's restaurant at the time of
14 purchase of the product by the winery or vintner's restaurant or of
15 importation of the product, whichever is later. An amount equal to one
16 hundred percent of such excise tax shall be transferred from the general
17 fund to the Colorado wine industry development fund created in section
18 35-29.5-105. ~~C.R.S.~~ Such transfers shall be made by the state treasurer as
19 soon as possible after the twentieth day of the month following the
20 collection of such excise tax.

21 ~~(d)~~ (e) The policy of this state is that alcoholics and intoxicated
22 persons may not be subjected to criminal prosecution because of their
23 consumption of alcohol beverages, but rather should be afforded a
24 continuum of treatment in order that they may lead normal lives as
25 productive members of society. The general assembly finds that the cost
26 of implementing a statewide treatment plan is greater than originally
27 estimated. By increasing the excise tax on alcohol beverages in Colorado,

1 it is the intent of this general assembly that the increased revenues derived
2 from this subsection (1) be viewed as one of the sources of funding for
3 the future development of alcoholism treatment programs under the
4 statute enacted in 1973 and for the payment of other related direct and
5 indirect costs caused by the consumption of alcohol beverages.

6 (2) The state licensing authority shall make and publish such rules
7 ~~and regulations~~ to secure and enforce the collection and payment of ~~such~~
8 THE tax as it may deem proper if ~~such~~ THE rules ~~and regulations~~ are not
9 inconsistent with the provisions of this ~~article~~ ARTICLE 3.

10 (3) Except as provided in ~~paragraph (c) of subsection (1)~~
11 SUBSECTION (1)(d) of this section, the excise taxes and excise tax
12 surcharges provided for in this section shall be paid to the department of
13 revenue upon the filing of the return provided for in subsection (4) of this
14 section and shall be delivered to the department on or before the twentieth
15 day of the month following the month in which such alcohol beverages
16 are first sold in this state. As used in this subsection (3), "first sold"
17 means the sale or disposal that occurs when a licensed wholesaler sells,
18 transfers, or otherwise disposes of a product, when a manufacturer sells
19 to a licensed wholesaler or a consumer, or when a holder of a winery
20 direct shipper's permit ships to a personal consumer in this state.

21 (4) Each licensed manufacturer and wholesaler of alcohol
22 beverages within this state shall file, on or before the twentieth day of
23 each month, an exact, verified return with the state licensing authority
24 showing for the preceding calendar month the quantities of alcohol
25 beverages:

26 (a) Constituting the licensee's beginning and ending inventory for
27 ~~such~~ THE month;

- 1 (b) Manufactured by the licensee in this state;
- 2 (c) Shipped to the licensee from within this state and received by
3 the licensee in this state;
- 4 (d) Shipped to the licensee from outside this state and received by
5 the licensee in this state;
- 6 (e) Sold or disposed of by the licensee to persons or purchasers in
7 this state;
- 8 (f) Sold or disposed of by the licensee to persons or purchasers
9 outside this state, separately indicating those sales or transactions of
10 alcohol beverages to which the excise tax is not applicable; and
- 11 (g) For persons licensed pursuant to ~~section 12-46-104 (1)(a),~~
12 ~~12-47-402 (2.5), 12-47-403 (2)(a), or 12-47-415 (1)(b)~~ SECTION 44-3-402
13 (3), 44-3-403 (2)(a), 44-3-417 (1)(b), OR 44-4-104 (1)(a), a separate report
14 of vinous liquors, malt liquors, or fermented malt beverages, as
15 applicable, that were manufactured or inventoried in, or transferred from,
16 an alternating proprietor licensed premises.
- 17 ~~(4.5)~~ (5) Each holder of a winery direct shipper's permit under
18 ~~section 12-47-104~~ SECTION 44-3-104 shall file, on or before the twentieth
19 day of each calendar month, an exact, verified return with the state
20 licensing authority showing for the preceding calendar month the
21 quantities of vinous liquor shipped to personal consumers in this state.
- 22 ~~(5)~~ (6) The return, on forms prescribed by the state licensing
23 authority, shall also show the amount of excise tax payable, after
24 allowances for all proper deductions, for alcohol beverages sold by the
25 manufacturer, wholesaler, or holder of a winery direct shipper's permit in
26 this state and shall include ~~such~~ ANY additional information as the state
27 licensing authority may require for the proper administration of this

1 ~~article~~ ARTICLE 3. The payment of the excise tax provided for in this
2 section, in the amount disclosed by the return, shall accompany the return
3 and shall be paid to the department of revenue. Each manufacturer,
4 wholesaler, or holder of a winery direct shipper's permit required to file
5 a return shall keep complete and accurate books and records, accounts,
6 and other documents as may be necessary to substantiate the accuracy of
7 his or her return and the amount of excise tax due and shall retain such
8 records for a period of three years.

9 ~~(6)~~ (7) The state licensing authority, after public hearing of which
10 the licensee shall have due notice as provided in this ~~article~~ ARTICLE 3,
11 shall suspend or revoke any license or winery direct shipper's permit
12 issued pursuant to this ~~article~~ ARTICLE 3 for a failure to pay any excise tax
13 required by this ~~article~~ ARTICLE 3 and may suspend or revoke ~~such~~ THE
14 license or permit for a violation of or failure to comply with the rules
15 promulgated by ~~said~~ THE authority.

16 ~~(7)~~ (8) If the excise tax is not paid when due, there shall be added
17 to the amount of the tax as a penalty a sum equivalent to ten percent
18 thereof and, in addition, thereto, interest on the tax and a penalty at the
19 rate of one percent a month or fraction of a month from the date the tax
20 became due until paid. Nothing in this section shall be construed to
21 relieve any person otherwise liable from liability for payment of the
22 excise tax.

23 ~~(8)~~ (9) The department of revenue shall make a refund or allow a
24 credit to the manufacturer, the wholesaler, or the holder of a winery direct
25 shipper's permit, as the case may be, of the amount of the excise tax paid
26 on alcohol beverages sold in this state when, after payment of the excise
27 tax, ~~such~~ THE alcohol beverages are rendered unsalable by reason of

1 destruction or damage upon submission of evidence satisfactory to the
2 state licensing authority that ~~such~~ THE excise tax has actually been paid.
3 Such refund or credit shall be made by the department within sixty days
4 after the submission of evidence satisfactory to the department.

5 (9) (10) (a) In order to economize and to simplify administrative
6 procedures, the state licensing authority may authorize a procedure
7 whereby a manufacturer or wholesaler of alcohol beverages or holder of
8 a winery direct shipper's permit entitled by law to a refund of the tax
9 provided in this section may instead receive a credit against the tax due
10 on other sales by claiming said credit on the next month's return and
11 attaching a duplicate bill of lading, invoice, or affidavit showing such
12 transaction.

13 (b) To the extent and so long as federal law precludes this state
14 from collecting its excise tax on vinous and spirituous liquors sold and
15 delivered on ceded federal property, any manufacturer or wholesaler of
16 such liquors making any such sales and deliveries on such federal
17 property within the boundaries of this state may receive a refund of or a
18 credit for the excise tax paid this state on such liquors.

19 **44-3-504. [Formerly 12-47-504] Lien to secure payment of**
20 **taxes - exemptions - recovery.** (1) (a) The state of Colorado and the
21 department of revenue shall have a lien, to secure the payment of the
22 taxes, penalties, and interest imposed pursuant to ~~section 12-47-503~~
23 SECTION 44-3-503 upon all the assets and property of the wholesaler or
24 manufacturer owing ~~such~~ THE tax, including the stock in trade, business
25 fixtures, and equipment owned or used by the wholesaler or manufacturer
26 in the conduct of business, as long as a delinquency in the payment of
27 ~~such~~ THE tax continues. ~~Such~~ THE lien shall be prior to any lien of any

1 kind whatsoever, including existing liens for taxes.

2 (b) Any wholesaler and manufacturer or person in possession shall
3 provide a copy of any lease pertaining to the assets and property described
4 in ~~paragraph (a) of this subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION
5 to the department of revenue within ten days after seizure by the
6 department of ~~such~~ THE assets and property. The department shall verify
7 that ~~such~~ THE lease is bona fide and notify the owner that ~~such~~ THE lease
8 has been received by the department. The department shall use its best
9 efforts to notify the owner of the real or personal property that might be
10 subject to the lien created in ~~paragraph (a) of this subsection (1)~~
11 SUBSECTION (1)(a) OF THIS SECTION. The real or personal property of an
12 owner who has made a bona fide lease to a wholesaler or manufacturer
13 shall be exempt from the lien created in ~~paragraph (a) of this subsection~~
14 ~~(1)~~ SUBSECTION (1)(a) OF THIS SECTION if ~~such~~ THE property can
15 reasonably be identified from the lease description or if the lessee is given
16 an option to purchase in ~~such~~ THE lease and has not exercised ~~such~~ THE
17 option to become the owner of the property leased. This exemption shall
18 be effective from the date of the execution of the lease. ~~Such~~ THE
19 exemption shall also apply if the lease is recorded with the county clerk
20 and recorder of the county where the property is located or based or a
21 memorandum of the lease is filed with the department of revenue on such
22 forms as may be prescribed by ~~said~~ THE department after the execution of
23 the lease at a cost for ~~such~~ THE filing of two dollars and fifty cents per
24 document. Motor vehicles that are properly registered in this state,
25 showing the lessor as owner, thereof, shall be exempt from the lien
26 created in ~~paragraph (a) of this subsection (1)~~ SUBSECTION (1)(a) OF THIS
27 SECTION; except that said lien shall apply to the extent that the lessee has

1 an earned reserve, allowance for depreciation not to exceed fair market
2 value, or similar interest ~~which~~ THAT is or may be credited to the lessee.
3 Where the lessor and lessee are blood relatives or relatives by law or have
4 twenty-five percent or more common ownership, a lease between ~~such~~
5 THE lessee and ~~such~~ THE lessor shall not be considered as bona fide for
6 the purposes of this section.

7 (2) (a) Any wholesaler or manufacturer who files a return
8 pursuant to ~~section 12-47-503~~ SECTION 44-3-503 but who fails to
9 accompany it with payment of the excise tax disclosed on the return shall
10 be sent a notice by the executive director of the department of revenue.
11 ~~Such~~ THE notice shall state that the excise tax is due and unpaid and shall
12 state the amount of the tax, penalty, and interest owed pursuant to ~~section~~
13 ~~12-47-503~~ SECTION 44-3-503. The notice shall be sent by first-class mail
14 and shall be directed to the last address of ~~such~~ THE wholesaler or
15 manufacturer on file with the department of revenue.

16 (b) (I) If a wholesaler or manufacturer fails to file both the return
17 and the payment required by ~~section 12-47-503~~ SECTION 44-3-503, the
18 executive director of the department of revenue shall make an estimate,
19 based upon such information as may be available, of the amount of taxes
20 due for the period for which the wholesaler or manufacturer is delinquent
21 and shall add any penalty and interest authorized in ~~section 12-47-503~~
22 SECTION 44-3-503. The executive director shall give the delinquent
23 taxpayer written notice of ~~such~~ THE estimated tax, penalty, and interest,
24 which notice shall be sent by first-class mail and shall be directed to the
25 last address of ~~such~~ THE person on file with the department of revenue.

26 (II) The remedies available to a taxpayer pursuant to article 21 of
27 title 39 ~~C.R.S.~~, shall be available to any wholesaler or manufacturer who

1 seeks to contest the estimated tax, penalty, or interest specified in the
2 notice mailed pursuant to ~~subparagraph (I) of this paragraph (b)~~
3 SUBSECTION (2)(b)(I) OF THIS SECTION.

4 (3) If any taxes, penalties, or interest imposed pursuant to ~~section~~
5 ~~12-47-503~~ SECTION 44-3-503 are not paid within ten days after the notice
6 is mailed pursuant to subsection (2) of this section, the executive director
7 of the department of revenue may seek to enforce collection of the unpaid
8 amounts in accordance with the provisions of article 21 of title 39, ~~C.R.S.~~,
9 to the extent that ~~such~~ THOSE provisions are not in conflict with or
10 inconsistent with the provisions of this ~~article~~ ARTICLE 3.

11 **44-3-505. [Formerly 12-47-505] Local license fees.** (1) The
12 applicant shall pay the following license fees to the treasurer of the
13 municipality, city and county, or county where the licensed premises is
14 located annually in advance:

15 (a) (I) For each retail liquor store license for premises located
16 within any municipality or city and county, one hundred fifty dollars;

17 (II) For each retail liquor store license for premises located
18 outside the municipal limits of any municipality or city and county, two
19 hundred fifty dollars;

20 (b) (I) For each liquor-licensed drugstore license for premises
21 located within any municipality or city and county, one hundred fifty
22 dollars;

23 (II) For each liquor-licensed drugstore license for premises
24 located outside the municipal limits of any municipality or city and
25 county, two hundred fifty dollars;

26 (c) (I) For each beer and wine license for premises located within
27 any municipality or city and county, except as provided in ~~subparagraph~~

1 ~~(HH) of this paragraph (c)~~ SUBSECTION (1)(c)(III) OF THIS SECTION, three
2 hundred twenty-five dollars;

3 (II) For each beer and wine license for premises located outside
4 the municipal limits of any municipality or city and county, except as
5 provided in ~~subparagraph (HH) of this paragraph (c)~~ SUBSECTION
6 (1)(c)(III) OF THIS SECTION, four hundred twenty-five dollars;

7 (III) For each beer and wine license issued to a resort hotel, three
8 hundred seventy-five dollars;

9 (d) For each hotel and restaurant license, five hundred dollars;

10 (e) For each tavern license, five hundred dollars;

11 (f) For each optional premises license, five hundred dollars;

12 (g) For each retail gaming tavern license, five hundred dollars;

13 (h) For each application for approval of a contract to sell alcohol
14 beverages pursuant to ~~section 12-47-411(3)(c)~~ SECTION 44-3-413 (4)(c),
15 three hundred twenty-five dollars;

16 (i) For each brew pub, distillery pub, or vintner's restaurant
17 license, five hundred dollars;

18 (j) For each club license, two hundred seventy-five dollars;

19 (k) For each arts license, two hundred seventy-five dollars;

20 (l) For each racetrack license, five hundred dollars;

21 (m) For each bed and breakfast permit, twenty-five dollars;

22 (n) For each resort-complex-related facility permit, one hundred
23 dollars per related facility, as defined in ~~section 12-47-411(2)(c)~~ SECTION
24 44-3-413 (2)(e);

25 (o) For each art gallery permit, twenty-five dollars;

26 (p) For each lodging and entertainment license, five hundred
27 dollars;

1 (q) For each related facility permit, one hundred dollars per
2 related facility, as defined in ~~section 12-47-411(2.5)(f)~~ SECTION 44-3-413
3 (3)(f).

4 (2) No rebate shall be paid by any municipality, city and county,
5 or county of any alcohol beverage license fee paid for any such license
6 issued by it except upon affirmative action by the respective local
7 licensing authority rebating a proportionate amount of such license fee.

8 (3) Eighty-five percent of the local license fees provided for in
9 ~~this article and article 46 of this title shall~~ ARTICLE 3 AND ARTICLE 4 OF
10 THIS TITLE 44 MUST be paid to the department of revenue, which shall
11 transmit said fees to the state treasurer to be credited to the old age
12 pension fund.

13 (4) (a) Each application for a license provided for in ~~this article~~
14 ~~and article 46 of this title~~ ARTICLE 3 AND ARTICLE 4 OF THIS TITLE 44 filed
15 with a local licensing authority must be accompanied by an application
16 fee in an amount determined by the local licensing authority to cover
17 actual and necessary expenses, subject to the following limitations:

- 18 (I) For a new license, not to exceed the following:
 - 19 (A) On or before July 1, 2008, six hundred twenty-five dollars;
 - 20 (B) After July 1, 2008, and before July 2, 2009, seven hundred
21 fifty dollars;
 - 22 (C) After July 1, 2009, and before July 2, 2010, eight hundred
23 seventy-five dollars;
 - 24 (D) After July 2, 2010, one thousand dollars;
- 25 (II) For a transfer of location or ownership, not to exceed the
26 following for each:
 - 27 (A) On or before July 1, 2008, six hundred twenty-five dollars;

- 1 (B) After July 1, 2008, seven hundred fifty dollars;
- 2 (III) For a renewal of license, not to exceed the following; except
3 that an expired license renewal fee shall not exceed five hundred dollars:
- 4 (A) On or before July 1, 2008, seventy-five dollars;
- 5 (B) After July 1, 2008, one hundred dollars;
- 6 (IV) For a new license or renewal application for an art gallery
7 permit, not to exceed one hundred dollars;
- 8 (V) For a transfer of ownership, change of location, and license
9 merger and conversion pursuant to ~~section 12-47-408 (1)(b)~~ SECTION
10 44-3-410 (1)(b), not to exceed one thousand dollars.
- 11 (b) No fees or charges of any kind, except as provided in this
12 ~~article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44,
13 may be charged by the local licensing authority to the license holder or
14 applicant for the purposes of granting or renewing a license or
15 transferring ownership or location of a license.

16 (5) The local licensing authority may charge corporate applicants
17 and limited liability companies up to one hundred dollars for the cost of
18 each fingerprint analysis and background investigation undertaken to
19 qualify new officers, directors, stockholders, members, or managers
20 pursuant to the requirements of ~~section 12-47-307 (1)~~ SECTION 44-3-307
21 (1); however, no local licensing authority shall collect such a fee if the
22 applicant has already undergone a background investigation by and paid
23 a fee to the state licensing authority.

24 PART 6

25 DISCIPLINARY ACTIONS

26 **44-3-601. [Formerly 12-47-601] Suspension - revocation -**
27 **fines.** (1) Subject to ~~subsection (7.5)~~ SUBSECTION (8) of this section, in

1 addition to any other penalties prescribed by this ~~article 47 or article 46~~
2 ~~or 48 of this title 12~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF THIS TITLE 44, the
3 state or any local licensing authority has the power, on its own motion or
4 on complaint, after investigation and public hearing at which the licensee
5 shall be afforded an opportunity to be heard, to suspend or revoke, in
6 whole or in part, any license or permit issued by such authority for any
7 violation by the licensee or by any of the agents, servants, or employees
8 of the licensee of this ~~article 47~~ ARTICLE 3; any rules authorized by this
9 ~~article 47~~ ARTICLE 3; or any of the terms, conditions, or provisions of the
10 license or permit issued by such authority. Any licensing authority has the
11 power to administer oaths and issue subpoenas to require the presence of
12 persons and the production of papers, books, and records necessary to the
13 determination of any hearing that the licensing authority is authorized to
14 conduct.

15 (2) Notice of suspension or revocation, as well as any required
16 notice of such hearing, shall be given by mailing the same in writing to
17 the licensee at the address contained in ~~such~~ THE license or permit. No
18 such suspension shall be for a longer period than six months. If any
19 license or permit is suspended or revoked, no part of the fees paid
20 therefor shall be returned to the licensee. Any license or permit may be
21 summarily suspended by the issuing licensing authority without notice
22 pending any prosecution, investigation, or public hearing. Nothing in this
23 section shall prevent the summary suspension of ~~such~~ A license or permit
24 for a temporary period of not more than fifteen days.

25 (3) (a) Whenever a decision of the state or any local licensing
26 authority suspending a license or permit becomes final, whether by failure
27 of the licensee to appeal the decision or by exhaustion of all appeals and

1 judicial review, the licensee may, before the operative date of the
2 suspension, petition for permission to pay a fine in lieu of the license or
3 permit suspension for all or part of the suspension period. Upon the
4 receipt of the petition, the state or the local licensing authority may, in its
5 sole discretion, stay the proposed suspension and cause any investigation
6 to be made that it deems desirable and may, in its sole discretion, grant
7 the petition if it is satisfied that:

8 (I) The public welfare and morals would not be impaired by
9 permitting the licensee to operate during the period set for suspension and
10 that the payment of the fine will achieve the desired disciplinary
11 purposes; and

12 (II) The books and records of the licensee are kept in such a
13 manner that the loss of sales of alcohol beverages that the licensee would
14 have suffered had the suspension gone into effect can be determined with
15 reasonable accuracy.

16 ~~(III) (Deleted by amendment, L. 2014.)~~

17 (b) Subject to ~~subsection (7.5)~~ SUBSECTION (8) of this section, the
18 fine accepted shall be the equivalent to twenty percent of the licensee's
19 estimated gross revenues from sales of alcohol beverages during the
20 period of the proposed suspension; except that the fine must be between
21 two hundred and five thousand dollars.

22 (c) Payment of any fine pursuant to the provisions of this
23 subsection (3) shall be in the form of cash or in the form of a certified
24 check or cashier's check made payable to the state or local licensing
25 authority, whichever is appropriate.

26 (4) Upon payment of the fine pursuant to subsection (3) of this
27 section, the state or the local licensing authority shall enter its further

1 order permanently staying the imposition of the suspension. If the fine is
2 paid to a local licensing authority, the governing body of the authority
3 shall cause such ~~moneys~~ MONEY to be paid into the general fund of the
4 local licensing authority. Fines paid to the state licensing authority
5 pursuant to subsection (3) of this section shall be transmitted to the state
6 treasurer who shall credit the same to the general fund.

7 (5) In connection with any petition pursuant to subsection (3) of
8 this section, the authority of the state or local licensing authority is limited
9 to the granting of such stays as are necessary for it to complete its
10 investigation and make its findings and, if it makes such findings, to the
11 granting of an order permanently staying the imposition of the entire
12 suspension or that portion of the suspension not otherwise conditionally
13 stayed.

14 (6) If the state or the local licensing authority does not make the
15 findings required in ~~paragraph (a) of subsection (3)~~ SUBSECTION (3)(a) of
16 this section and does not order the suspension permanently stayed, the
17 suspension shall go into effect on the operative date finally set by the state
18 or the local licensing authority.

19 (7) The provisions of subsections (3) to (6) of this section shall be
20 effective and may be implemented by the state licensing authority upon
21 its decision to accept and adopt the optional procedures set forth in said
22 subsections. The provisions of subsections (3) to (6) of this section shall
23 be effective and may be implemented by a local licensing authority only
24 after the governing body of the municipality, the governing body of the
25 city and county, or the board of county commissioners of the county
26 chooses to do so and acts, by appropriate resolution or ordinance, to
27 accept and adopt the optional procedures set forth in said subsections.

1 Any such actions may be revoked in a similar manner.

2 ~~(7.5)~~ (8) (a) The following applies only if the licensing authority
3 has decided to impose a suspension for a violation of ~~section 12-47-901~~
4 ~~(1)(a), (1)(a.5), or (5)(a)(I)~~ SECTION 44-3-901 (1)(a), (1)(b), OR (6)(a)(I)
5 that occurs in a sales room for a licensee operating pursuant to ~~section~~
6 ~~12-47-402 (2) or (6), 12-47-403 (2)(c), or 12-47-406 (1)(b)~~ SECTION
7 44-3-402 (2) OR (7), 44-3-403 (2)(c), OR 44-3-407 (1)(b):

8 (I) If the licensing authority decides to accept a fine in lieu of a
9 license suspension, the licensing authority shall only include in the
10 computation of the fine the estimated gross revenues of the retail sales of
11 the sales room where the violation occurred, and not any manufacturing
12 or wholesale activities of the licensee; except that the fine must be
13 between two hundred and five thousand dollars; and

14 (II) If the licensing authority declines to accept a fine, it shall limit
15 any suspension to the designated premises for the sales room where the
16 violation occurred, and not any manufacturing or wholesale activities of
17 the licensee. In the case of a temporary sales room for not more than three
18 consecutive days, the licensing authority shall apply a suspension issued
19 in accordance with this section only to future temporary sales rooms and
20 not any manufacturing or wholesale activities of the licensee.

21 (b) The following applies only if the licensing authority has
22 decided to impose a suspension for a violation of ~~section 12-47-901~~
23 ~~(1)(a), (1)(a.5), or (5)(a)(I)~~ SECTION 44-3-901 (1)(a), (1)(b), OR (6)(a)(I)
24 that occurs in a retail establishment for licensees operating pursuant to
25 ~~section 12-47-415, 12-47-420, or 12-47-424~~ SECTION 44-3-417, 44-3-422,
26 OR 44-3-426:

27 (I) If the licensing authority decides to accept a fine in lieu of a

1 license suspension, the licensing authority shall only include in the
2 computation of the fine the estimated gross revenues of the retail
3 activities of the licensee, and not any manufacturing or wholesale
4 activities of the licensee; except that the fine must be between two
5 hundred and five thousand dollars; and

6 (II) If the licensing authority declines to accept a fine, it shall limit
7 any suspension to the retail activities of the licensee, and not any
8 manufacturing or wholesale activities of the licensee.

9 ~~(8) Repealed.~~

10 (9) When penalizing a vendor who has violated provisions of
11 ~~article 46 of this title and this article~~ ARTICLE 4 OF THIS TITLE 44 AND THIS
12 ARTICLE 3 that prohibit the service of an alcohol beverage to a minor or
13 a visibly intoxicated person, state and local licensing authorities shall
14 consider it a mitigating factor if the vendor is a responsible alcohol
15 beverage vendor as defined by part 10 of this ~~article~~ ARTICLE 3. In
16 addition, the state licensing authority by rule may include other violations
17 of ~~article 46 of this title and this article~~ ARTICLE 4 OF THIS TITLE 44 AND
18 THIS ARTICLE 3 that licensing authorities shall consider for mitigation if
19 the vendor qualifies as a responsible alcohol beverage vendor.

20 PART 7

21 INSPECTION OF BOOKS AND RECORDS

22 **44-3-701. [Formerly 12-47-701] Inspection procedures.** Each
23 licensee shall keep a complete set of books of account, invoices, copies
24 of orders, shipping instructions, bills of lading, weigh bills,
25 correspondence, and all other records necessary to show fully the business
26 transactions of such licensee, all of which shall be open at all times
27 during business hours for the inspection and examination of ~~said~~ THE state

1 licensing authority or its duly authorized representatives. The state
2 licensing authority may require any licensee to furnish such information
3 as it considers necessary for the proper administration of this ~~article~~
4 ARTICLE 3, and may require an audit to be made of ~~such~~ THE books of
5 account and records on ~~such~~ ANY occasions as it may consider necessary
6 by an auditor to be selected by ~~said~~ THE state licensing authority, who
7 shall likewise have access to all books and records of ~~such~~ THE licensee,
8 and the expense thereof shall be paid by ~~said~~ THE licensee.

9 PART 8

10 JUDICIAL REVIEW AND CIVIL LIABILITY

11 **44-3-801. [Formerly 12-47-801] Civil liability - legislative**
12 **declaration - definitions.** (1) The general assembly hereby finds,
13 determines, and declares that this section shall be interpreted so that any
14 common law cause of action against a vendor of alcohol beverages is
15 abolished and that in certain cases the consumption of alcohol beverages
16 rather than the sale, service, or provision thereof is the proximate cause
17 of injuries or damages inflicted upon another by an intoxicated person,
18 except as otherwise provided in this section.

19 (2) As used in this section, "licensee" means a person licensed
20 under the provisions of this ~~article or article 46 or 48 of this title~~ ARTICLE
21 3 OR ARTICLE 4 OR 5 OF THIS TITLE 44 and the agents or servants of ~~such~~
22 THE person.

23 (3) (a) No licensee is civilly liable to any injured individual or his
24 or her estate for any injury to ~~such~~ THE individual or damage to any
25 property suffered because of the intoxication of any person due to the sale
26 or service of any alcohol beverage to ~~such~~ THE person, except when:

27 (I) It is proven that the licensee willfully and knowingly sold or

1 served any alcohol beverage to ~~such~~ THE person who was under the age
2 of twenty-one years or who was visibly intoxicated; and

3 (II) The civil action is commenced within one year after ~~such~~ THE
4 sale or service.

5 (b) No civil action may be brought pursuant to this subsection (3)
6 by the person to whom the alcohol beverage was sold or served or by his
7 or her estate, legal guardian, or dependent.

8 (c) In any civil action brought pursuant to this subsection (3), the
9 total liability in any such action shall not exceed one hundred fifty
10 thousand dollars.

11 (4) (a) No social host who furnishes any alcohol beverage is
12 civilly liable to any injured individual or his or her estate for any injury
13 to ~~such~~ THE individual or damage to any property suffered, including any
14 action for wrongful death, because of the intoxication of any person due
15 to the consumption of such alcohol beverages, except when:

16 (I) It is proven that the social host knowingly served any alcohol
17 beverage to ~~such~~ THE person who was under the age of twenty-one years
18 or knowingly provided the person under the age of twenty-one a place to
19 consume an alcoholic beverage; and

20 (II) The civil action is commenced within one year after ~~such~~ THE
21 service.

22 (b) No civil action may be brought pursuant to this subsection (4)
23 by the person to whom ~~such~~ THE alcohol beverage was served or by his
24 or her estate, legal guardian, or dependent.

25 (c) The total liability in any such action shall not exceed one
26 hundred fifty thousand dollars.

27 ~~(4.5)~~ (5) An instructor or entity that complies with section

1 18-13-122 (5)(c) ~~C.R.S.~~, shall not be liable for civil damages resulting
2 from the intoxication of a minor due to the minor's unauthorized
3 consumption of alcohol beverages during instruction in culinary arts, food
4 service, or restaurant management pursuant to section 18-13-122 (5)(c).
5 ~~C.R.S.~~

6 ~~(5)~~ (6) (a) The limitations on damages set forth in ~~paragraph (c)~~
7 ~~of subsection (3) and paragraph (c) of subsection (4)~~ SUBSECTIONS (3)(c)
8 AND (4)(c) of this section shall be adjusted for inflation as of January 1,
9 1998, and January 1, 2008. The adjustments made on January 1, 1998,
10 and January 1, 2008, shall be based on the cumulative annual adjustment
11 for inflation for each year since the effective date of the damages
12 limitations in ~~paragraph (c) of subsection (3) and paragraph (c) of~~
13 ~~subsection (4)~~ SUBSECTIONS (3)(c) AND (4)(c) of this section. The
14 adjustments made pursuant to this ~~paragraph (a)~~ SUBSECTION (6)(a) shall
15 be rounded upward or downward to the nearest ten-dollar increment.

16 (b) As used in this subsection ~~(5)~~ (6), "inflation" means the annual
17 percentage change in the United States department of labor, bureau of
18 labor statistics, consumer price index for Denver-Boulder, all items, all
19 urban consumers, or its successor index.

20 (c) The secretary of state shall certify the adjusted limitation on
21 damages within fourteen days after the appropriate information is
22 available, and:

23 (I) The adjusted limitation on damages as of January 1, 1998, shall
24 be the limitation applicable to all claims for relief that accrue on or after
25 January 1, 1998, and before January 1, 2008; and

26 (II) The adjusted limitation on damages as of January 1, 2008,
27 shall be the limitation applicable to all claims for relief that accrue on and

1 after January 1, 2008.

2 **44-3-802. [Formerly 12-47-802] Judicial review.** Any person
3 applying to the courts for a review of the state or any local licensing
4 authority's decision shall apply for review within thirty days after the date
5 of decision of refusal by a local licensing authority or, in the case of
6 approval by a local licensing authority, within thirty days after the date of
7 decision by the state licensing authority. and shall be required to pay the
8 cost of preparing a transcript of proceedings before the licensing authority
9 when ~~such~~ a transcript is demanded by the person taking the appeal or
10 when ~~such~~ a transcript is furnished by the licensing authority pursuant to
11 court order.

12 PART 9

13 UNLAWFUL ACTS - ENFORCEMENT

14 **44-3-901. [Formerly 12-47-901] Unlawful acts - exceptions -**
15 **definitions - repeal.** (1) Except as provided in section 18-13-122,
16 ~~C.R.S.~~, it is unlawful for any person:

17 (a) To sell, serve, give away, dispose of, exchange, or deliver, or
18 permit the sale, serving, giving, or procuring of, any alcohol beverage to
19 a visibly intoxicated person or to a known habitual drunkard;

20 ~~(a.5)~~ (b) (I) To sell, serve, give away, dispose of, exchange, or
21 deliver or permit the sale, serving, giving, or procuring of any alcohol
22 beverage to or for any person under the age of twenty-one years.

23 (II) If a person is convicted of an offense pursuant to
24 ~~subparagraph (I) of this paragraph (a.5)~~ SUBSECTION (1)(b)(I) OF THIS
25 SECTION for serving, giving away, disposing of, exchanging, or delivering
26 or permitting the serving, giving, or procuring of any alcohol beverage to
27 a person under the age of twenty-one years, the court shall consider the

1 following in mitigation:

2 (A) After consuming the alcohol, the underage person was in need
3 of medical assistance as a result of consuming alcohol; and

4 (B) Within six hours after the underage person consumed the
5 alcohol, the defendant contacted the police or emergency medical
6 personnel to report that the underage person was in need of medical
7 assistance as a result of consuming alcohol.

8 ~~(b)~~ (c) To obtain or attempt to obtain any alcohol beverage by
9 misrepresentation of age or by any other method in any place where
10 alcohol beverages are sold when ~~such~~ A person is under twenty-one years
11 of age;

12 ~~(c)~~ (d) To possess alcohol beverages in any store, in any public
13 place, including public streets, alleys, roads, or highways, or upon
14 property owned by the state of Colorado or any subdivision thereof, or
15 inside vehicles while upon the public streets, alleys, roads, or highways
16 when ~~such~~ A person is under twenty-one years of age;

17 ~~(d)~~ (e) To knowingly, or under conditions that an average parent
18 or guardian should have knowledge of, suffer or permit any person under
19 twenty-one years of age, of whom such person may be a parent or
20 guardian, to violate the provisions of ~~paragraph (b) or (c) of this~~
21 ~~subsection (1)~~ SUBSECTION (1)(c) OR (1)(d) OF THIS SECTION;

22 ~~(e)~~ (f) To buy any vinous or spirituous liquor from any person not
23 licensed to sell at retail as provided by this ~~article~~ ARTICLE 3 except as
24 otherwise provided in this ~~article~~ ARTICLE 3;

25 ~~(f)~~ (g) To sell at retail any malt, vinous, or spirituous liquors in
26 sealed containers without holding a retail liquor store or liquor-licensed
27 drugstore license, except as permitted by ~~section 12-47-301 (6)(b)~~

1 SECTION 44-3-301 (6)(b) or any other provision of this ~~article~~ ARTICLE 3;

2 ~~(g)~~ (h) To manufacture, sell, or possess for sale any alcohol
3 beverage unless licensed to do so as provided by this ~~article or article 46~~
4 ~~or 48 of this title~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF THIS TITLE 44 and
5 unless all licenses required are in full force and effect;

6 ~~(h)~~ (i) (I) To consume malt, vinous, or spirituous liquor in any
7 public place except on any licensed premises permitted under this ~~article~~
8 ARTICLE 3 to sell such liquor by the drink for consumption thereon; to
9 consume any alcohol beverage upon any premises licensed to sell liquor
10 for consumption on the licensed premises, the sale of which is not
11 authorized by the state licensing authority; to consume alcohol beverages
12 at any time on such premises other than ~~such~~ THE alcohol beverage as is
13 purchased from such establishment; or to consume alcohol beverages in
14 any public room on such premises during ~~such~~ hours as the sale of such
15 beverage is prohibited under this ~~article~~ ARTICLE 3.

16 (II) Notwithstanding ~~subparagraph (I) of this paragraph (h)~~
17 SUBSECTION (1)(i)(I) OF THIS SECTION, it is not unlawful for a person who
18 is at least twenty-one years of age to consume malt, vinous, or spirituous
19 liquors while the person is a passenger aboard a luxury limousine or a
20 charter bus, as those terms are defined in section 40-10.1-301. ~~C.R.S.~~
21 Nothing in this ~~subparagraph (H)~~ SUBSECTION (1)(i)(II) authorizes an
22 owner or operator of a luxury limousine or charter bus to sell or distribute
23 alcohol beverages without obtaining a public transportation system
24 license pursuant to ~~section 12-47-419~~ SECTION 44-3-421.

25 (III) Notwithstanding ~~subparagraph (I) of this paragraph (h)~~
26 SUBSECTION (1)(i)(I) OF THIS SECTION, it shall not be unlawful for adult
27 patrons of a retail liquor store or liquor-licensed drugstore licensee to

1 consume malt, vinous, or spirituous liquors on the licensed premises
2 when the consumption is conducted within the limitations of the licensee's
3 license and is part of a tasting if authorization for the tasting has been
4 granted pursuant to ~~section 12-47-301~~ SECTION 44-3-301.

5 (IV) Notwithstanding ~~subparagraph (I) of this paragraph (h)~~
6 SUBSECTION (1)(i)(I) OF THIS SECTION, it is not unlawful for adult patrons
7 of an art gallery permittee to consume alcohol beverages on the premises
8 when the consumption is conducted within the limitations of a valid
9 permit granted pursuant to ~~section 12-47-422~~ SECTION 44-3-424.

10 (V) Notwithstanding ~~subparagraph (I) of this paragraph (h)~~
11 SUBSECTION (1)(i)(I) OF THIS SECTION, it is not unlawful for adult patrons
12 of the Colorado state fair to consume malt, vinous, or spirituous liquor
13 upon unlicensed areas within the designated fairgrounds of the Colorado
14 state fair authority or at a licensed premises on the fairgrounds when not
15 purchased at the licensed premises, but this ~~subparagraph (V)~~
16 SUBSECTION (1)(i)(V) does not authorize a patron to remove an alcohol
17 beverage from the fairgrounds.

18 (VI) Notwithstanding ~~subparagraph (I) of this paragraph (h)~~
19 SUBSECTION (1)(i)(I) OF THIS SECTION, it is not unlawful for adult patrons
20 of a licensed premises that is attached to a common consumption area to
21 consume alcohol beverages upon unlicensed areas within a common
22 consumption area, but this ~~subparagraph (VI)~~ SUBSECTION (1)(i)(VI) does
23 not authorize a patron to remove an alcohol beverage from the common
24 consumption area.

25 (†) (j) To regularly provide premises, or any portion thereof
26 together with soft drinks or other mix, ice, glasses, or containers at a
27 direct or indirect cost or charge to any person who brings alcohol

1 beverages upon ~~such~~ THE premises for the purpose of consuming ~~such~~
2 THE beverages on ~~said~~ THE premises during the hours in which the sale of
3 such beverages is prohibited or to consume such beverages upon premises
4 operated in the manner described in this ~~paragraph (i)~~ SUBSECTION (1)(j);

5 (j) (k) To possess any package, parcel, or container on which the
6 excise tax has not been paid;

7 (k) (l) With knowledge, to permit or fail to prevent the use of his
8 or her identification, including a driver's license, by a person who is under
9 twenty-one years of age, for the unlawful purchase of any alcohol
10 beverage;

11 (l) (m) Who is a common carrier regulated under article 10 or 11
12 of title 40, C.R.S., or is an agent or employee of such common carrier, to
13 deliver alcohol beverages for any person who has not been issued a
14 license or permit pursuant to this ~~article~~ ARTICLE 3;

15 (m) (n) To remove an alcohol beverage from a licensed premises
16 where the liquor license for the licensed premises allows only
17 on-premises consumption of alcohol beverages, except as permitted under
18 ~~subparagraph (VI) of paragraph (h) of this subsection (1)~~ SUBSECTION
19 (1)(i)(VI) OF THIS SECTION.

20 (1.5) (2) (a) An underage person is immune from arrest and
21 prosecution under ~~paragraph (b) or (c) of subsection (1)~~ SUBSECTION
22 (1)(c) OR (1)(d) of this section if he or she establishes the following:

23 (I) The underage person called 911 and reported that another
24 underage person was in need of medical assistance due to alcohol
25 consumption;

26 (II) The underage person who called 911 provided his or her name
27 to the 911 operator;

1 (III) The underage person was the first person to make the 911
2 report; and

3 (IV) The underage person who made the 911 call remained on the
4 scene with the underage person in need of medical assistance until
5 assistance arrived and cooperated with medical assistance or law
6 enforcement personnel on the scene.

7 (b) The immunity described in ~~paragraph (a) of this subsection~~
8 ~~(1.5)~~ SUBSECTION (2)(a) OF THIS SECTION also extends to the underage
9 person who was in need of medical assistance due to alcohol consumption
10 if the conditions of ~~said paragraph (a)~~ SUBSECTION (2)(a) OF THIS SECTION
11 are satisfied.

12 ~~(2)~~ (3) It is unlawful for any person licensed as a manufacturer,
13 limited winery, brew pub, or distillery pub pursuant to this ~~article or~~
14 ~~article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44 to
15 manufacture alcohol beverages in any location other than the permanent
16 location specifically designated in the license for manufacturing, except
17 as allowed pursuant to ~~section 12-46-104 (1)(a), 12-47-402 (2.5),~~
18 ~~12-47-403 (2)(a), or 12-47-415 (1)(b)~~ SECTION 44-3-402 (3), 44-3-403
19 (2)(a), 44-3-417 (1)(b), OR 44-4-104 (1)(a).

20 ~~(3)~~ (4) (a) It is unlawful for any person to import or sell any
21 imported alcohol beverage in this state unless ~~such~~ THAT person is the
22 primary source of supply in the United States for the brand of such liquor
23 to be imported into or sold within this state and unless ~~such~~ THAT person
24 holds a valid importer's license issued under the provisions of this ~~article~~
25 ARTICLE 3.

26 (b) If it is determined by the state licensing authority, in its
27 discretion, as not constituting unfair competition or unfair practice, any

1 importer may be authorized by ~~said~~ THE state licensing authority to import
2 and sell under and subject to the provisions of ~~such~~ THE importer's license
3 any brand of alcohol beverage for which he or she is not the primary
4 source of supply in the United States if ~~such~~ THE licensee is the sole
5 source of supply of that brand of alcohol beverage in the state of
6 Colorado and ~~such~~ authorization is determined by the state licensing
7 authority as not constituting a violation of ~~section 12-47-308~~ SECTION
8 44-3-308.

9 (c) Any such manufacturer or importer shall, at least thirty days
10 before the importation or sale of any such alcohol beverage in this state,
11 file with the state licensing authority notice of intent to import one or
12 more specified brands of ~~such~~ THE ALCOHOL beverage, together with a
13 statement that ~~such~~ THE manufacturer or importer is the primary source
14 of supply in the United States for any such brand, unless exempted
15 pursuant to ~~paragraph (b) of this subsection (3)~~ SUBSECTION (4)(b) OF
16 THIS SECTION, in which case, a statement that ~~such~~ THE manufacturer or
17 importer is the sole source of supply of that brand of beverage in the state
18 of Colorado, and, upon the request of the state licensing authority, a copy
19 of the manufacturer's federal brand label approval form as required by the
20 federal bureau of alcohol, tobacco, and firearms or any of its successor
21 agencies. Thereafter, ~~said~~ THE licensee shall file with the state licensing
22 authority a copy of each sales invoice with a monthly sales report as
23 required by ~~section 12-47-503 (4) and (5)~~ SECTION 44-3-503 (4) AND (6).

24 (d) As used in this ~~subsection (3)~~ SUBSECTION (4), the term
25 "primary source of supply in the United States" means the manufacturer,
26 the producer, the owner of such alcohol beverage at the time it becomes
27 a marketable product, the bottler in the United States, or the exclusive

1 agent within the United States, or any of the states, of any such
2 manufacturer, producer, owner, or bottler outside the United States. To
3 be the "primary source of supply in the United States", the said
4 manufacturer or importer must be the first source, such as the
5 manufacturer or the source closest to the manufacturer, in the channel of
6 commerce from which the product can be secured by Colorado alcohol
7 beverage wholesalers.

8 (e) It is unlawful for any person licensed as an importer of alcohol
9 beverages pursuant to this ~~article~~ ARTICLE 3 to deliver any such ALCOHOL
10 beverages to any person not in possession of a valid wholesaler's license.

11 ~~(4)~~ (5) It is unlawful for any person licensed to sell at wholesale
12 pursuant to this ~~article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4
13 OF THIS TITLE 44:

14 (a) To peddle malt, vinous, or spirituous liquor at wholesale or by
15 means of a truck or other vehicle if the sale is consummated and delivery
16 made concurrently, but nothing in this ~~paragraph (a)~~ SUBSECTION (5)(a)
17 shall prevent delivery from a truck or other vehicle of orders previously
18 taken;

19 (b) To deliver fermented malt beverages or malt liquors to any
20 retail licensee located outside the geographic territory designated on the
21 license application filed with the state licensing authority if ~~such~~ THE
22 person holds a wholesaler's beer license;

23 (c) To purchase or receive any alcohol beverage from any person
24 not licensed pursuant to this ~~article or article 46 of this title~~ ARTICLE 3 OR
25 ARTICLE 4 OF THIS TITLE 44, unless otherwise provided in this ~~article~~
26 ARTICLE 3;

27 (d) To sell or serve any alcohol beverage to consumers for

1 consumption on or off the licensed premises during any hours retailers are
2 prohibited from selling or serving such liquors pursuant to ~~subsection (5)~~
3 SUBSECTION (6) of this section.

4 ~~(5)~~ (6) It is unlawful for any person licensed to sell at retail
5 pursuant to this ~~article 47 or article 46 of this title 12~~ ARTICLE 3 OR
6 ARTICLE 4 OF THIS TITLE 44:

7 (a) (I) To sell an alcohol beverage to any person under the age of
8 twenty-one years, to a habitual drunkard, or to a visibly intoxicated
9 person. If a person who, in fact, is not twenty-one years of age exhibits a
10 fraudulent proof of age, any action relying on such fraudulent proof of
11 age shall not constitute grounds for the revocation or suspension of any
12 license issued under this ~~article or article 46 of this title~~ ARTICLE 3 OR
13 ARTICLE 4 OF THIS TITLE 44.

14 (II) (A) If a licensee or a licensee's employee has reasonable cause
15 to believe that a person is under twenty-one years of age and is exhibiting
16 fraudulent proof of age in an attempt to obtain any alcohol beverage, the
17 licensee or employee shall be authorized to confiscate ~~such~~ THE
18 fraudulent proof of age, if possible, and shall, within seventy-two hours
19 after the confiscation, turn it over to a state or local law enforcement
20 agency. The failure to confiscate such fraudulent proof of age or to turn
21 it over to a state or local law enforcement agency within seventy-two
22 hours after the confiscation shall not constitute a criminal offense,
23 notwithstanding ~~section 12-47-903 (1)(a)~~ SECTION 44-3-904 (1)(a).

24 (B) If a licensee or a licensee's employee believes that a person is
25 under twenty-one years of age and is exhibiting fraudulent proof of age
26 in an attempt to obtain any alcohol beverage, the licensee or the licensee's
27 employee or any peace or police officer, acting in good faith and upon

1 probable cause based upon reasonable grounds, therefor, may detain and
2 question ~~such~~ THE person in a reasonable manner for the purpose of
3 ascertaining whether the person is guilty of any unlawful act under this
4 section. ~~Such~~ Questioning of a person by a licensee or a licensee's
5 employee or a peace or police officer does not render the licensee, the
6 licensee's employee, or a peace or police officer civilly or criminally
7 liable for slander, false arrest, false imprisonment, malicious prosecution,
8 or unlawful detention.

9 (III) Each licensee shall display a printed card that contains notice
10 of the provisions of this ~~paragraph (a)~~ SUBSECTION (6)(a).

11 (IV) Any licensee or licensee's employee acting in good faith in
12 accordance with the provisions of ~~subparagraph (H) of this paragraph (a)~~
13 SUBSECTION (6)(a)(II) OF THIS SECTION shall be immune from any
14 liability, civil or criminal; except that a licensee or employee acting
15 willfully or wantonly shall not be immune from liability pursuant to
16 ~~subparagraph (H) of this paragraph (a)~~ SUBSECTION (6)(a)(II) OF THIS
17 SECTION.

18 (b) To sell, serve, or distribute any malt, vinous, or spirituous
19 liquors at any time other than the following:

20 (I) For consumption on the premises on any day of the week,
21 except between the hours of 2 a.m. and 7 a.m.;

22 (II) In sealed containers, beginning at 8 a.m. until 12 midnight
23 each day; except that no malt, vinous, or spirituous liquors shall be sold,
24 served, or distributed in a sealed container on Christmas day;

25 (c) Except as provided in section 18-13-122, ~~C.R.S.~~, to sell
26 fermented malt beverages to any person under the age of twenty-one years
27 or to any person between the hours of 12 midnight and 8 a.m.;

1 (d) To offer for sale or solicit any order for vinous or spirituous
2 liquors in person at retail except within the licensed premises;

3 (e) To have in possession or upon the licensed premises any
4 alcohol beverage, the sale of which is not permitted by said license;

5 (f) To buy any alcohol beverages from any person not licensed to
6 sell at wholesale as provided by this ~~article~~ ARTICLE 3 except as otherwise
7 provided in this ~~article~~ ARTICLE 3;

8 (g) To sell at retail alcohol beverages except in the permanent
9 location specifically designated in the license for such sale;

10 (h) To fail to display at all times in a prominent place a printed
11 card with a minimum height of fourteen inches and a width of eleven
12 inches with each letter to be a minimum of one-half inch in height, which
13 shall read as follows:

14 WARNING

15 IT IS ILLEGAL TO SELL WHISKEY, WINE, OR BEER TO
16 ANY PERSON UNDER TWENTY-ONE YEARS OF AGE, AND IT IS
17 ILLEGAL FOR ANY PERSON UNDER TWENTY-ONE YEARS OF
18 AGE TO POSSESS OR TO ATTEMPT TO PURCHASE THE SAME.

19 IDENTIFICATION CARDS WHICH APPEAR TO BE
20 FRAUDULENT WHEN PRESENTED BY PURCHASERS MAY BE
21 CONFISCATED BY THE ESTABLISHMENT AND TURNED OVER
22 TO A LAW ENFORCEMENT AGENCY.

23 IT IS ILLEGAL IF YOU ARE TWENTY-ONE YEARS OF AGE
24 OR OLDER FOR YOU TO PURCHASE WHISKEY, WINE, OR BEER
25 FOR A PERSON UNDER TWENTY-ONE YEARS OF AGE.

26 FINES AND IMPRISONMENT MAY BE IMPOSED BY THE
27 COURTS FOR VIOLATION OF THESE PROVISIONS.

1 (i) (I) To sell malt, vinous, or spirituous liquors or fermented malt
2 beverages in a place where the alcohol beverages are to be consumed,
3 unless the place is a hotel, restaurant, tavern, lodging and entertainment
4 facility, racetrack, club, retail gaming tavern, or arts licensed premises or
5 unless the place is a dining, club, or parlor car; plane; bus; or other
6 conveyance or facility of a public transportation system.

7 (II) Notwithstanding ~~subparagraph (I) of this paragraph (i)~~
8 SUBSECTION (6)(i)(I) OF THIS SECTION, it shall not be unlawful for a retail
9 liquor store or liquor-licensed drugstore licensee to allow tastings to be
10 conducted on his or her licensed premises if authorization for the tastings
11 has been granted pursuant to ~~section 12-47-301~~ SECTION 44-3-301.

12 (j) To display or cause to be displayed, on the licensed premises,
13 any exterior sign advertising any particular brand of malt liquors or
14 fermented malt beverages, unless the particular brand so designated in the
15 sign is dispensed on draft or in sealed containers within the licensed
16 premises wherein the sign is displayed;

17 (k) (I) To have on the licensed premises, if licensed as a retail
18 liquor store or liquor-licensed drugstore, any container that shows
19 evidence of having once been opened or that contains a volume of liquor
20 less than that specified on the label of such container; except that a person
21 holding a retail liquor store or liquor-licensed drugstore license may have
22 upon the licensed premises malt, vinous, or spirituous liquors in open
23 containers, when the open containers were brought on the licensed
24 premises by and remain solely in the possession of the sales personnel of
25 a person licensed to sell at wholesale pursuant to this ~~article~~ ARTICLE 3 for
26 the purpose of sampling malt, vinous, or spirituous liquors by the retail
27 licensee only. Nothing in this ~~paragraph (k)~~ SUBSECTION (6)(k) shall apply

1 to any liquor-licensed drugstore where the contents, or a portion thereof,
2 have been used in compounding prescriptions.

3 (II) Notwithstanding ~~subparagraph (I) of this paragraph (k)~~
4 SUBSECTION (6)(k)(I) OF THIS SECTION, it shall not be unlawful for a retail
5 liquor store or liquor-licensed drugstore licensee to allow tastings to be
6 conducted on his or her licensed premises if authorization for the tastings
7 has been granted pursuant to ~~section 12-47-301~~ SECTION 44-3-301.

8 (l) To employ or permit, if ~~such~~ THE person is licensed to sell
9 alcohol beverages for on-premises consumption or is the agent or
10 manager of said licensee, any employee, waiter, waitress, entertainer,
11 host, hostess, or agent of said licensee to solicit from patrons in any
12 manner, for himself or herself or for any other employee, the purchase of
13 any food, beverage, or any other thing of value;

14 (m) To require a wholesaler to make delivery to any premises
15 other than the specific hotel and restaurant premises where the alcohol
16 beverage is to be sold and consumed if the person is a hotel and restaurant
17 licensee or the registered manager of a hotel and restaurant license
18 requires the delivery;

19 (n) (I) To authorize or permit any gambling, or the use of any
20 gambling machine or device, except as provided by the "Bingo and
21 Raffles Law", part 6 of article 21 of title 24. This ~~subsection (5)(n)~~
22 SUBSECTION (6)(n) does not apply to those activities, equipment, and
23 devices authorized and legally operated pursuant to articles 47.1 and 60
24 of ~~this~~ title 12.

25 (II) ~~Any~~ A person who violates any provision of this ~~paragraph (n)~~
26 SUBSECTION (6)(n) is guilty of a class 5 felony and, upon conviction,
27 thereof, shall be punished as provided in section 18-1.3-401. ~~C.R.S.~~

1 (o) To authorize or permit toughperson fighting as defined in
2 section 12-10-103;

3 (p) (I) (A) To permit a person under eighteen years of age to sell,
4 dispense, or participate in the sale or dispensing of any alcohol beverage;
5 or

6 (B) Except as provided in ~~subparagraph (II) of this paragraph (p)~~
7 SUBSECTION (6)(p)(II) OF THIS SECTION, to employ a person who is at least
8 eighteen years of age but under twenty-one years of age to sell or
9 dispense malt, vinous, or spirituous liquors, unless the employee is
10 supervised by another person who is on the licensed premises and is at
11 least twenty-one years of age;

12 (II) If licensed as a tavern under ~~section 12-47-412~~ SECTION
13 44-3-414 that does not regularly serve meals, a lodging and entertainment
14 facility under ~~section 12-47-426~~ SECTION 44-3-428 that does not regularly
15 serve meals, a retail liquor store under ~~section 12-47-407~~ SECTION
16 44-3-409, or a liquor-licensed drugstore under ~~section 12-47-408~~ SECTION
17 44-3-410, to permit an employee who is under twenty-one years of age to
18 sell malt, vinous, or spirituous liquors; or

19 (III) If licensed as a retail liquor store under ~~section 12-47-407~~
20 SECTION 44-3-409 or a liquor-licensed drugstore under ~~section 12-47-408~~
21 SECTION 44-3-410, to permit an employee who is under twenty-one years
22 of age to deliver or otherwise have any contact with malt, vinous, or
23 spirituous liquors offered for sale on, or sold and removed from, the
24 licensed premises of the retail liquor store or liquor-licensed drugstore.

25 ~~(6)~~ (7) It is unlawful for any importer, manufacturer, or brewer to
26 sell or to bring into this state for purposes of sale any fermented malt
27 beverage or any malt liquor without causing the same to be unloaded and

1 placed in the physical possession of a licensed wholesaler at the
2 wholesaler's licensed premises in this state and to be inventoried for
3 purposes of tax collection prior to delivery to a retailer or consumer.

4 ~~(7)~~ (8) (a) It is unlawful for any person licensed pursuant to this
5 ~~article or article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44
6 to give away fermented malt beverages for the purpose of influencing the
7 sale of any particular kind, make, or brand of any malt beverage and to
8 furnish or supply any commodity or article at less than its market price for
9 said purpose, except advertising material and signs.

10 (b) Notwithstanding ~~paragraph (a) of this subsection (7)~~
11 SUBSECTION (8)(a) OF THIS SECTION, it shall not be unlawful for a retail
12 liquor store or liquor-licensed drugstore licensee to allow tastings to be
13 conducted on his or her licensed premises if authorization for the tastings
14 has been granted pursuant ~~section 12-47-301~~ TO SECTION 44-3-301.

15 ~~(8)~~ (9) (a) It is unlawful for any manufacturer or wholesaler
16 licensed pursuant to ~~article 46 of this title~~ ARTICLE 4 OF THIS TITLE 44 to
17 sell, deliver, or cause to be delivered to any person licensed pursuant to
18 ~~section 12-47-407 or 12-47-408~~ SECTION 44-3-409 OR 44-3-410 any
19 beverage containing alcohol in excess of three and two-tenths percent by
20 weight or four percent by volume, or for any fermented malt beverage
21 retailer licensed pursuant to ~~article 46 of this title~~ ARTICLE 4 OF THIS TITLE
22 44 to sell, possess, or permit the consumption on the premises of any of
23 the ALCOHOL beverages containing alcohol in excess of three and
24 two-tenths percent by weight or four percent by volume, or for any
25 fermented malt beverage retail licensee licensed pursuant to ~~article 46 of~~
26 ~~this title~~ ARTICLE 4 OF THIS TITLE 44 to hold or operate under any license
27 for the sale of any beverages containing alcohol in excess of three and

1 two-tenths percent by weight or four percent by volume for the same
2 premises. Any violation of this ~~subsection (8)~~ SUBSECTION (9) by any
3 fermented malt beverage licensee licensed pursuant to ~~article 46 of this~~
4 ~~title~~ ARTICLE 4 OF THIS TITLE 44 immediately invalidates the license
5 granted under ~~article 46 of this title~~ ARTICLE 4 OF THIS TITLE 44.

6 (b) This ~~subsection (8)~~ SUBSECTION (9) is repealed, effective
7 January 1, 2019.

8 ~~(9)~~ (10) (a) (I) Except as provided in ~~paragraph (c) of this~~
9 ~~subsection (9)~~ SUBSECTION (10)(c) OF THIS SECTION, it is unlawful for a
10 person who is licensed to sell alcohol beverages for consumption on the
11 licensed premises to knowingly permit the removal of an alcohol
12 beverage from the licensed premises.

13 (II) (A) Except as provided in ~~sub-subparagraph (C) of this~~
14 ~~subparagraph (H)~~ SUBSECTION (10)(a)(II)(C) OF THIS SECTION, the
15 licensee shall not be charged with permitting the removal of an alcohol
16 beverage from the licensed premises when the licensee has posted a sign
17 at least ten inches wide and six inches high by each exit used by the
18 public that contains the following notice in type that is at least one-half
19 inch in height:

20 WARNING

21 DO NOT LEAVE THE PREMISES OF THIS
22 ESTABLISHMENT WITH AN ALCOHOL BEVERAGE.

23 IT IS ILLEGAL TO CONSUME AN ALCOHOL BEVERAGE IN
24 A PUBLIC PLACE.

25 A FINE OF UP TO \$250 MAY BE IMPOSED BY THE COURTS
26 FOR A VIOLATION OF THIS PROVISION.

27 (B) A person licensed pursuant to ~~section 12-47-414~~ SECTION

1 44-3-416 must post a sign with the specified notice and in the minimum
2 type size required by ~~sub-subparagraph (A) of this subparagraph (H)~~
3 SUBSECTION (10)(a)(II)(A) OF THIS SECTION that is at least twelve inches
4 wide and eighteen inches high.

5 (C) Regardless of whether a licensee posts a sign as specified in
6 ~~this subparagraph (H)~~ SUBSECTION (10)(a)(II) OF THIS SECTION, the
7 licensee may be charged with knowingly permitting the removal of an
8 alcohol beverage from the licensed premises if the licensee shows
9 reckless disregard for the prohibition against alcohol beverage removal
10 from the licensed premises, which may include permitting the removal of
11 an alcohol beverage from the licensed premises three times within a
12 twelve-month period, regardless of whether the three incidents occur on
13 the same day or separate days. A licensee may be charged with knowingly
14 permitting the removal of an alcohol beverage from the licensed premises
15 upon the third occurrence of alcohol beverage removal from the licensed
16 premises.

17 (III) In addition to posting a sign as described in ~~subparagraph (H)~~
18 ~~of this paragraph (a)~~ SUBSECTION (10)(a)(II) OF THIS SECTION, a licensee
19 may also station personnel at each exit used by the public in order to
20 prevent the removal of an alcohol beverage from the licensed premises.

21 (b) This ~~subsection (9)~~ SUBSECTION (10) applies to persons
22 licensed or permitted to sell or serve alcohol beverages for consumption
23 on the licensed premises pursuant to ~~section 12-47-403, 12-47-409,~~
24 ~~12-47-410, 12-47-411, 12-47-412, 12-47-413, 12-47-414, 12-47-415,~~
25 ~~12-47-416, 12-47-417, 12-47-418, 12-47-419, 12-47-420, 12-47-422,~~
26 ~~12-47-424, or 12-47-426~~ SECTION 44-3-403, 44-3-411, 44-3-412,
27 44-3-413, 44-3-414, 44-3-415, 44-3-416, 44-3-417, 44-3-418, 44-3-419,

1 44-3-420, 44-3-421, 44-3-422, 44-3-424, 44-3-426, OR 44-3-428.

2 (c) This ~~subsection (9)~~ SUBSECTION (10) does not preclude a
3 licensee described in ~~section 12-47-421 (2)~~ SECTION 44-3-423 (2) from
4 permitting a customer to remove from the licensed premises one opened
5 container of partially consumed vinous liquor that was purchased on the
6 licensed premises and has been resealed, as permitted by ~~section~~
7 ~~12-47-421 (1)~~ SECTION 44-3-423 (1).

8 ~~(10)~~ (11) (a) Except as provided in ~~paragraph (b) of this~~
9 ~~subsection (10)~~ SUBSECTION (11)(b) OF THIS SECTION, it is unlawful for
10 a retail licensee or an employee of a retail licensee to sell malt, vinous, or
11 spirituous liquors to a consumer for consumption off the licensed
12 premises unless the retail licensee or employee verifies that the consumer
13 is at least twenty-one years of age by requiring the consumer to present
14 a valid identification, as determined by the state licensing authority by
15 rule. The retail licensee or employee shall make a determination from the
16 information presented whether the purchaser is at least twenty-one years
17 of age.

18 (b) It is not unlawful for a retail licensee or employee of a retail
19 licensee to sell malt, vinous, or spirituous liquors to a consumer who is
20 or reasonably appears to be over fifty years of age and who failed to
21 present an acceptable form of identification.

22 (c) As used in this ~~subsection (10)~~ SUBSECTION (11), "retail
23 licensee" means a person licensed under ~~section 12-46-104 (1)(c),~~
24 ~~12-47-407, or 12-47-408~~ SECTION 44-3-409, 44-3-410, OR 44-4-104 (1)(c).

25 **44-3-902. [Formerly 12-47-902] Testing for intoxication by law**
26 **enforcement officers - when prohibited.** (1) No person who is
27 patronizing a licensed premises as defined in ~~sections 12-47-103 (14) and~~

1 ~~12-46-103(3)~~ SECTIONS 44-3-103 (24) AND 44-4-103 (3) shall be required
2 or solicited by any law enforcement officer to submit to any mechanical
3 test for the purpose of determining the alcohol content of ~~such~~ THE
4 person's blood or breath while ~~such person~~ HE OR SHE is upon ~~such~~ THE
5 licensed premises except to determine if there is a violation of section
6 42-4-1301 ~~C.R.S.~~, by a driver of a motor vehicle, unless the law
7 enforcement officer is acting pursuant to a court order obtained in the
8 manner described in subsection (2) of this section. No such test may be
9 performed upon any licensed premises to obtain evidence of alleged
10 intoxication, except pursuant to a court order as provided in this section
11 or in case of a medical emergency, regardless of whether ~~such~~ THE
12 alleged intoxication is a violation of any provision of this ~~article~~ ARTICLE
13 3.

14 (2) An ex parte order to permit any law enforcement officer to
15 solicit any person who is patronizing a licensed premises, as defined in
16 ~~sections 12-47-103 (14) and 12-46-103 (3)~~ SECTIONS 44-3-103 (24) AND
17 44-4-103 (3), to submit to any mechanical test for the purpose of
18 determining the alcohol content of ~~such~~ THE person's blood or breath
19 while ~~such person~~ HE OR SHE is upon such licensed premises may be
20 issued by any judge of competent jurisdiction in the state of Colorado,
21 including a district, county, or municipal court judge, upon application of
22 a district attorney or a law enforcement agency showing probable cause
23 to believe that evidence will be obtained of the commission of the crime
24 of providing any alcohol beverage to a visibly intoxicated person or minor
25 in violation of ~~section 12-47-901 (1)(a) or (5)(a)(I)~~ SECTION 44-3-901
26 (1)(a) OR (6)(a)(I).

27 (3) Each application for an ex parte order as described in

1 subsection (2) of this section shall be made in writing upon oath or
2 affirmation to a judge of competent jurisdiction, including a district,
3 county, or municipal court judge, and shall state the applicant's authority
4 to make ~~such~~ THE application. Each application shall include the
5 following information:

6 (a) The identity of the investigative or law enforcement officer
7 making the application, and the officer authorizing the application;

8 (b) A complete statement of the facts and circumstances relied
9 upon by the applicant to justify his or her belief that an order should be
10 issued, which shall include, but not be limited to:

11 (I) A sufficient description of the licensed premises that is
12 proposed to be the subject of the court order;

13 (II) Evidence that shows probable cause to believe that there have
14 been frequent and continuing violations of ~~section 12-47-901 (1)(a) or~~
15 ~~(5)(a)(I)~~ SECTION 44-3-901 (1)(a) OR (6)(a)(I) regarding the crime of
16 providing any alcohol beverage to a visibly intoxicated person or minor;
17 and

18 (III) A complete statement as to whether or not other investigative
19 procedures have been tried and failed, or why other investigative
20 procedures reasonably appear to be impractical for economic or other
21 reasons or unlikely to succeed if tried.

22 (4) Upon an application being made in accordance with subsection
23 (3) of this section, the judge may enter an ex parte order, as requested or
24 as modified, authorizing or approving testing as described in subsection
25 (2) of this section in a particular licensed premises located within the
26 territorial jurisdiction of the court in which the judge is sitting, and within
27 the jurisdiction of the district attorney or law enforcement agency making

1 the request, if the judge determines on the basis of the facts submitted by
2 the applicant that:

3 (a) There is probable cause to believe that there have been
4 frequent and continuing violations of ~~section 12-47-901 (1)(a) or (5)(a)(I)~~
5 SECTION 44-3-901 (1)(a) OR (6)(a)(I) regarding the crime of providing an
6 alcohol beverage to a visibly intoxicated person or minor; and

7 (b) Normal investigative procedures have been tried and failed, or
8 reasonably appear impractical for economic or other reasons or unlikely
9 to succeed if tried.

10 (5) Any order issued pursuant to subsection (4) of this section, the
11 application for such order, and any information or evidence submitted to
12 the court in support of such order, shall not be disclosed to any person
13 other than the law enforcement officer or agency that applied for the order
14 until the order has been executed at the licensed premises to which the
15 order applies.

16 (6) Any evidence obtained through any violation of this section
17 shall not be admissible in any court of this state or in any administrative
18 proceeding in this state.

19 **44-3-903. [Formerly 12-47-902.5] Alcohol-without-liquid**
20 **devices - legislative declaration - definition - unlawful acts.**

21 (1) (a) The general assembly hereby finds and declares that:

22 (I) Alcohol-without-liquid (AWOL) devices create alcohol vapor
23 by pouring alcohol into a diffuser capsule connected to an oxygen pipe;

24 (II) AWOL devices enable individuals to inhale or snort the
25 alcohol vapor created from certain alcohol beverages through a tube into
26 the nose or mouth rather than drink the alcohol beverage in its liquid form
27 through the mouth;

1 (III) Alcohol vapor ingested from an AWOL device bypasses the
2 stomach and the filtering capabilities of the liver and is absorbed through
3 blood vessels in the nose or lungs creating a faster and more intense
4 "high" or intoxicating effect on the brain;

5 (IV) The popularity of AWOL devices is increasing in the
6 nightclub and bar businesses throughout the nation; and

7 (V) AWOL devices are being marketed as a way to become
8 intoxicated without a hangover and as a "dieter's dream" because there are
9 no calories associated with inhaling or snorting alcohol vapor.

10 (b) The general assembly, therefore, determines that:

11 (I) AWOL devices will substantially increase the economic costs
12 of alcohol abuse in Colorado;

13 (II) AWOL devices are not conducive to the health, safety, and
14 welfare of the citizens of Colorado; and

15 (III) The possession, sale, purchase, and use of AWOL devices in
16 this state should be prohibited.

17 (2) For purposes of this section, "AWOL device" means a device,
18 machine, apparatus, or appliance that mixes an alcohol beverage with
19 pure or diluted oxygen to produce an alcohol vapor that an individual can
20 inhale or snort. "AWOL device" does not include an inhaler, nebulizer,
21 atomizer, or other device that is designed and intended by the
22 manufacturer to dispense a prescribed or over-the-counter medication.

23 (3) Except as otherwise provided in subsection (5) of this section,
24 it is unlawful for a person to possess, purchase, sell, offer to sell, or use
25 an AWOL device in this state. A person who violates this section shall be
26 punished in accordance with the provisions of ~~section 12-47-903 (2)~~
27 SECTION 44-3-904 (2).

1 (4) In addition to the penalty imposed by this section, if a person
2 that violates subsection (3) of this section is a licensee, the state or local
3 licensing authority may suspend or revoke the license of the licensee in
4 accordance with the provisions of ~~section 12-47-601~~ SECTION 44-3-601.

5 (5) (a) Subsection (3) of this section shall not apply to a hospital
6 that operates primarily for the purpose of conducting scientific research,
7 a state institution conducting bona fide research, a private college or
8 university, as defined in section 23-2-102 (11), ~~C.R.S.~~, conducting bona
9 fide research, or to a pharmaceutical company or biotechnology company
10 conducting bona fide research and that complies with the provisions of
11 this subsection (5).

12 (b) A hospital, state institution, private college or university,
13 pharmaceutical company, or biotechnology company that possesses an
14 AWOL device or that intends to acquire an AWOL device, shall, by
15 September 1, 2005, or within thirty days prior to the acquisition,
16 whichever is later, file with the Colorado department of public health and
17 environment or its designee a notice of possession of AWOL device or a
18 notice of acquisition of AWOL device, as appropriate.

19 **44-3-904. [Formerly 12-47-903] Violations - penalties.**

20 (1) (a) Any person violating any of the provisions of this ~~article or article~~
21 ~~46 or 48 of this title~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF THIS TITLE 44 or any
22 of the rules ~~and regulations~~ authorized and adopted pursuant to such
23 articles is guilty of a class 2 petty offense and, upon conviction, thereof,
24 shall be punished by a fine of not more than two hundred fifty dollars for
25 each offense.

26 (b) The penalties provided in this section shall not be affected by
27 the penalties provided in any other section of this ~~article or article 46 or~~

1 ~~48 of this title~~ ARTICLE 3 OR ARTICLE 4 OR 5 OF THIS TITLE 44 but shall be
2 construed to be in addition to any other penalties.

3 (2) Any person violating any of the provisions of ~~section~~
4 ~~12-47-901 (1)(a), (1)(f), (1)(g), (1)(i), (1)(k), (1)(l), (5)(a)(I), or (5)(b) or~~
5 ~~section 12-47-902.5~~ SECTION 44-3-901 (1)(a), (1)(g), (1)(h), (1)(j), (1)(l),
6 (1)(m), (6)(a)(I), OR (6)(b) OR SECTION 44-3-903 commits a class 2
7 misdemeanor and shall be punished as provided in section 18-1.3-501.
8 ~~C.R.S.~~

9 ~~(2.5)~~ (3) A person violating the provisions of ~~section 12-47-901~~
10 ~~(1)(a.5)~~ SECTION 44-3-901 (1)(b) commits a class 1 misdemeanor and
11 shall be punished as provided in section 18-1.3-501. ~~C.R.S.~~

12 ~~(3)~~ (4) Any person violating any of the provisions of ~~section~~
13 ~~12-47-901 (1)(b) or (1)(c)~~ SECTION 44-3-901 (1)(c) OR (1)(d) commits a
14 class 2 misdemeanor and shall be punished as provided in section
15 18-1.3-501. ~~C.R.S.~~ For the second conviction and for all subsequent
16 convictions of violating the provisions of ~~section 12-47-901 (1)(b) or~~
17 ~~(1)(c)~~ SECTION 44-3-901 (1)(c) OR (1)(d), the court shall impose at least
18 the minimum fine and shall have no discretion to suspend any fine so
19 imposed; except that the court may provide for the payment of such fine
20 as provided in ~~subsection (4)~~ SUBSECTION (5) of this section.

21 ~~(4)~~ (5) At the discretion of the court, the fines provided for
22 violations of ~~section 12-47-901 (1)(b) and (1)(c)~~ SECTION 44-3-901 (1)(c)
23 AND (1)(d) may be ordered to be paid by public work only at a reasonable
24 hourly rate to be established by the court, who shall designate the time
25 within which ~~such~~ THE public work is to be completed.

26 ~~(5)~~ (6) Any person who knowingly violates the provisions of
27 ~~section 12-47-901 (1)(a.5), (1)(d), or (1)(k)~~ SECTION 44-3-901 (1)(b),

1 (1)(e), OR (1)(l) or any person who knowingly induces, aids, or
2 encourages a person under the age of eighteen years to violate the
3 provisions of ~~section 12-47-901 (1)(a.5), (1)(b), or (1)(c)~~ SECTION
4 44-3-901 (1)(b), (1)(c), OR (1)(d) may be proceeded against pursuant to
5 section 18-6-701 ~~C.R.S.~~, for contributing to the delinquency of a minor.

6 **44-3-905. [Formerly 12-47-904] Duties of inspectors and police**
7 **officers.** (1) The inspectors of the liquor enforcement division and their
8 supervisors, while actually engaged in performing their duties and while
9 acting under proper orders or regulations, shall have and exercise all the
10 powers vested in peace officers of this state. In the exercise of their
11 duties, ~~such~~ THE inspectors and their supervisors shall have the power to
12 arrest. ~~Such~~ THE inspectors and their supervisors shall also have the
13 authority to issue summons for violations of the provisions of this ~~article~~
14 ~~and articles 46 and 48 of this title~~ ARTICLE 3 AND ARTICLES 4 AND 5 OF
15 THIS TITLE 44.

16 (2) It is the duty of all sheriffs and police officers to enforce the
17 provisions of this ~~article and articles 46 and 48 of this title~~ ARTICLE 3 AND
18 ARTICLES 4 AND 5 OF THIS TITLE 44 and the rules ~~and regulations~~ made
19 pursuant to said articles and to arrest and complain against any person
20 violating any of the provisions of this ~~article~~ ARTICLE 3 or rules ~~and~~
21 ~~regulations~~ pertaining thereto. It is the duty of the district attorney of the
22 respective judicial districts of this state to prosecute all violations of said
23 articles in the manner and form as is now provided by law for the
24 prosecution of crimes and misdemeanors, and it is a violation of said
25 articles for any such person, knowingly, to fail to perform any duties
26 pursuant to this section.

27 **44-3-906. [Formerly 12-47-905] Warrants - searches and**

1 **seizures.** (1) If any person makes an affidavit before the judge of any
2 county or district court stating that he or she has reason to and does
3 believe that alcohol beverages are being sold, bartered, exchanged,
4 divided, or unlawfully given away, or kept for such purposes, or carried
5 in violation of this ~~article and article 46 of this title~~ ARTICLE 3 AND
6 ARTICLE 4 OF THIS TITLE 44 within the jurisdiction of such court, and
7 describing in ~~such~~ THE affidavit the premises, wagon, automobile, truck,
8 vehicle, contrivance, thing, or device to be searched, the judge of ~~such~~
9 THE court shall issue a warrant to any officer, which the complainant may
10 designate, having power to serve original process commanding ~~such~~ THE
11 officer to search the premises (other than a home), wagon, automobile,
12 truck, vehicle, contrivance, thing, or device described in ~~such~~ THE
13 affidavit.

14 (2) ~~Such~~ THE warrant shall be substantially as follows:

15 STATE OF COLORADO)
16) ss.
17 County of.....)
18 The People of the State of Colorado to.....

19 Greeting:

20 Whereas, there has been filed with the undersigned an affidavit of
21 which the following is a copy:

22 (Here copy of affidavit)

23 Therefore you are hereby commanded, in the name of the people
24 of the State of Colorado, forthwith, together with the necessary and
25 proper assistance to enter into.....

26 (Here describe place mentioned in the affidavit)

27 of the said situated in the county of aforesaid and there

1 bar to any suit for the recovery of any ~~such~~ property so seized or the value
2 of same or for damages alleged to arise by reason of ~~such~~ THE seizure and
3 detention. The judgment entered shall find said alcohol beverages to be
4 unlawful and shall direct its destruction or sale forthwith, in the manner
5 provided by subsection (7) of this section. The wagon, automobile, truck,
6 vehicle, contrivance, thing, or device, vessels, implements, and furniture
7 shall likewise be ordered disposed of in the same manner as personal
8 property is sold under execution, and the proceeds therefrom applied, first
9 in the payment of the cost of the prosecution and of any fine imposed, and
10 the balance, if any, paid into the general school fund of the county in
11 which ~~such~~ THE conviction is had.

12 (3) The officer serving the warrant shall forthwith proceed in the
13 manner required for the institution of a criminal action in the court issuing
14 the warrant, charging ~~such~~ A violation of law as the evidence in the case
15 justifies. If ~~such~~ THE officer refuses or neglects to so proceed as specified,
16 then the person filing the affidavit for the search warrant, or any other
17 person, may so proceed.

18 (4) If, during the trial of a person charged with a violation of this
19 ~~article~~ ARTICLE 3, the evidence presented discloses that fluids were
20 poured out, or otherwise destroyed, manifestly for the purpose of
21 preventing seizure, said fluids shall be held to be prima facie alcohol
22 beverages and intended for unlawful use, sale, barter, exchange, or gift.

23 (5) If no person is in possession of the premises where illegal
24 alcohol beverages are found, the officer seizing ~~such~~ THE ALCOHOL
25 beverages shall post in a conspicuous place on said premises a copy of the
26 warrant, and if at the time fixed for any hearing concerning the ALCOHOL
27 beverages seized, or within thirty days thereafter, no person appears, the

1 court in which the hearing was to be held shall order ~~such~~ THE ALCOHOL
2 beverages destroyed or sold in the manner provided in subsection (7) of
3 this section.

4 (6) No warrant issued pursuant to this ~~article~~ ARTICLE 3 shall
5 authorize the search of any place where a person may lawfully keep
6 alcohol beverages as provided in this ~~article~~ ARTICLE 3. No warrant shall
7 be issued to search a home occupied as such, as provided in this section,
8 unless it or some part of it is used in connection with or as a store, shop,
9 hotel, boardinghouse, rooming house, or place of public resort.

10 (7) Any sale of alcohol beverages conducted upon order of court
11 pursuant to this section shall be conducted in the following manner:

12 (a) The officer ordered by the court to conduct the sale shall give
13 notice of the time and place of the sale by posting a notice in a prominent
14 place in the county for a period of five consecutive days prior to the day
15 of the sale. The notice shall describe as fully as possible the property to
16 be sold and shall state the time and place of the sale.

17 (b) The sale shall be conducted as a public auction in some
18 suitable public place on the specified day at some time between the hours
19 of 9 a.m. and 5 p.m., and the time chosen for the sale shall be indicated
20 in the notice.

21 **44-3-908. [Formerly 12-47-907] Loss of property rights.** There
22 shall be no property rights of any kind in any alcohol beverages, vessels,
23 appliances, fixtures, bars, furniture, implements, wagons, automobiles,
24 trucks, vehicles, contrivances, or any other things or devices used in or
25 kept for the purpose of violating any of the provisions of this ~~article or~~
26 ~~article 46 of this title~~ ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44.

27 **44-3-909. [Formerly 12-47-908] Colorado state fair or**

1 **common consumption area - consumption on premises.**

2 Notwithstanding any other provision of this ~~article~~ ARTICLE 3, a person
3 who purchases an alcohol beverage for consumption from a vendor
4 licensed under this ~~article~~ ARTICLE 3 that is either attached to a common
5 consumption area or licensed for the fairgrounds of the Colorado state fair
6 authority may leave the licensed premises with the ALCOHOL beverage
7 and possess and consume the ALCOHOL beverage at any place within the
8 common consumption area or fairgrounds if the person does not remove
9 the ALCOHOL beverage from the common consumption area or
10 fairgrounds. This section does not authorize a person to bring into the
11 common consumption area or fairgrounds an alcohol beverage purchased
12 outside of the common consumption area or fairgrounds.

13 **44-3-910. [Formerly 12-47-909] Common consumption areas.**

14 (1) A promotional association or attached licensed premises shall not:

15 (a) Employ a person to serve alcohol beverages or provide
16 security within the common consumption area unless the server has
17 completed the server and seller training program established by the
18 director of the liquor enforcement division of the department of revenue;

19 (b) Sell or provide an alcohol beverage to a customer for
20 consumption within the common consumption area but not within the
21 licensed premises in a container that is larger than sixteen ounces;

22 (c) Sell or provide an alcohol beverage to a customer for
23 consumption within the common consumption area but not within the
24 licensed premises unless the container is disposable and contains the
25 name of the vendor in at least twenty-four-point font;

26 (d) Permit customers to leave the licensed premises with an
27 alcohol beverage unless the beverage container complies with ~~paragraphs~~

1 ~~(b) and (c) of this subsection (1)~~ SUBSECTIONS (1)(b) AND (1)(c) OF THIS
2 SECTION;

3 (e) Operate the common consumption area during hours the
4 licensed premises cannot sell alcohol under this ~~article~~ ARTICLE 3 or the
5 limitations imposed by the local licensing authority;

6 (f) Operate the common consumption area in an area that exceeds
7 the maximum authorized by this ~~article~~ ARTICLE 3 or by the local
8 licensing authority;

9 (g) Sell, serve, dispose of, exchange, or deliver, or permit the sale,
10 serving, giving, or procuring of, an alcohol beverage to a visibly
11 intoxicated person or to a known habitual drunkard;

12 (h) Sell, serve, dispose of, exchange, or deliver, or permit the sale,
13 serving, or giving of an alcohol beverage to a person under twenty-one
14 years of age; or

15 (i) Permit a visibly intoxicated person to loiter within the common
16 consumption area.

17 (2) The promotional association shall promptly remove all alcohol
18 beverages from the common consumption area at the end of the hours of
19 operation.

20 (3) A person shall not consume AN alcohol BEVERAGE within the
21 common consumption area unless it was purchased from an attached,
22 licensed premises.

23 (4) This section does not apply to a special event permit issued
24 under ~~article 48 of this title~~ ARTICLE 5 OF THIS TITLE 44 or the holder
25 thereof unless the permit holder desires to use an existing common
26 consumption area and agrees in writing to the requirements of this ~~article~~
27 ARTICLE 3 and the local licensing authority concerning the common

1 consumption area.

2

PART 10

3

RESPONSIBLE ALCOHOL BEVERAGE VENDOR ACT

4

44-3-1001. [Formerly 12-47-1001] Short title. THE SHORT TITLE

5

OF this part 10 ~~shall be known and may be cited as~~ IS the "Responsible

6

Alcohol Beverage Vendor Act".

7

44-3-1002. [Formerly 12-47-1002] Responsible vendors -

8

standards. (1) To be a responsible alcohol beverage vendor, a vendor

9

shall comply with the server and seller training program established by

10

the director of the liquor enforcement division of the department of

11

revenue.

12

(2) The director of the liquor enforcement division shall set

13

standards for compliance with the server and seller training program.

14

When creating standards, the director shall consider input from local and

15

state government, the alcohol beverage industry, and any other state or

16

national seller and server programs.

17

ARTICLE 4

18

Fermented Malt Beverages

19

44-4-101. [Formerly 12-46-101] Short title. ~~This article shall be~~

20

~~known and may be cited as~~ THE SHORT TITLE OF THIS ARTICLE 4 IS the

21

"Colorado Beer Code".

22

44-4-102. [Formerly 12-46-102] Legislative declaration.

23

[Editor's note: This version of this section is effective until January 1,

24

2019.] (1) The general assembly hereby declares that it is in the public

25

interest that fermented malt beverages shall be manufactured, imported,

26

and sold only by persons licensed as provided in this ~~article~~ ARTICLE 4.

27

The general assembly further declares that it is lawful to manufacture and

1 sell fermented malt beverages containing not more than three and
2 two-tenths percent alcohol by weight subject to the provisions of this
3 ~~article~~ ARTICLE 4 and applicable provisions of ~~articles 47 and 48 of this~~
4 ~~title~~ ARTICLES 3 AND 5 OF THIS TITLE 44.

5 (2) The general assembly recognizes that fermented malt
6 beverages are separate and distinct from malt, vinous, and spirituous
7 liquors, and as such require a separate and distinct regulatory framework
8 under this ~~article~~ ARTICLE 4. To aid administrative efficiency, however,
9 the provisions in ~~article 47 of this title~~ ARTICLE 3 OF THIS TITLE 44 shall
10 apply to the regulation of fermented malt beverages, except when
11 otherwise expressly provided for in this ~~article~~ ARTICLE 4.

12 **44-4-102. [Formerly 12-46-102] Legislative declaration.**
13 ***[Editor's note: This version of this section is effective January 1, 2019.]***

14 (1) The general assembly hereby declares that it is in the public interest
15 that fermented malt beverages shall be manufactured, imported, and sold
16 only by persons licensed as provided in this ~~article~~ ARTICLE 4 and ~~article~~
17 ~~47 of this title~~ ARTICLE 3 OF THIS TITLE 44. The general assembly further
18 declares that it is lawful to manufacture and sell fermented malt
19 beverages subject to this ~~article~~ ARTICLE 4 and applicable provisions of
20 ~~articles 47 and 48 of this title~~ ARTICLES 3 AND 5 OF THIS TITLE 44.

21 (2) The general assembly further recognizes that fermented malt
22 beverages and malt liquors are separate and distinct from, and have a
23 unique regulatory history in relation to, vinous and spirituous liquors, and
24 as such require the retention of a separate and distinct regulatory
25 framework under this ~~article~~ ARTICLE 4. To aid administrative efficiency,
26 however, ~~article 47 of this title~~ ARTICLE 3 OF THIS TITLE 44 applies to the
27 regulation of fermented malt beverages, except when otherwise expressly

1 provided for in this ~~article~~ ARTICLE 4.

2 **44-4-103. [Formerly 12-46-103] Definitions.** Definitions
3 applicable to this ~~article~~ ARTICLE 4 also appear in ~~article 47~~ of this title
4 ARTICLE 3 OF THIS TITLE 44. As used in this ~~article~~ ARTICLE 4, unless the
5 context otherwise requires:

6 (1) *[Editor's note: This version of subsection (1) is effective until*
7 *January 1, 2019.]* "Fermented malt beverage" means any beverage
8 obtained by the fermentation of any infusion or decoction of barley, malt,
9 hops, or any similar product or any combination thereof in water
10 containing not less than one-half of one percent alcohol by volume and
11 not more than three and two-tenths percent alcohol by weight or four
12 percent alcohol by volume; except that "fermented malt beverage" shall
13 not include confectionery containing alcohol within the limits prescribed
14 by section 25-5-410 (1)(i)(II). ~~C.R.S.~~

15 (1) *[Editor's note: This version of subsection (1) is effective*
16 *January 1, 2019.]* (a) "Fermented malt beverage" means beer and any
17 other beverage obtained by the fermentation of any infusion or decoction
18 of barley, malt, hops, or any similar product or any combination thereof
19 in water containing not less than one half of one percent alcohol by
20 volume.

21 (b) "Fermented malt beverage" does not include confectionery
22 containing alcohol within the limits prescribed by section 25-5-410
23 (1)(i)(II). ~~C.R.S.~~

24 (2) "License" means a grant to a licensee to manufacture or sell
25 fermented malt beverages as provided by this ~~article~~ ARTICLE 4.

26 (3) "Licensed premises" means the premises specified in an
27 application for a license under this ~~article~~ ~~which~~ ARTICLE 4 THAT are

1 owned or in possession of the licensee and within which ~~such~~ THE
2 licensee is authorized to sell, dispense, or serve fermented malt beverages
3 in accordance with the provisions of this ~~article~~ ARTICLE 4.

4 (4) "Local licensing authority" means the governing body of a
5 municipality or city and county, the board of county commissioners of a
6 county, or any authority designated by municipal or county charter,
7 municipal ordinance, or county resolution.

8 (5) "Sell at wholesale" means selling to any other than the
9 intended consumer of fermented malt beverages. "Sell at wholesale" shall
10 not be construed to prevent a brewer or wholesale beer dealer from selling
11 fermented malt beverages to the intended consumer thereof or to prevent
12 a licensed manufacturer or importer from selling such beverages to a
13 licensed wholesaler.

14 (6) "State licensing authority" means the executive director of the
15 department of revenue or the deputy director of the department of revenue
16 if the executive director so designates.

17 **44-4-104. [Formerly 12-46-104] Licenses - state license fees -**
18 **requirements.** (1) The licenses to be granted and issued by the state
19 licensing authority pursuant to this ~~article~~ ARTICLE 4 for the manufacture,
20 importation, and sale of fermented malt beverages shall be as follows:

21 (a) (I) A manufacturer's license shall be granted and issued to any
22 person, partnership, association, organization, or corporation qualifying
23 under ~~section 12-47-301~~ SECTION 44-3-301 and not prohibited from
24 licensure under ~~section 12-47-307~~ SECTION 44-3-307 to manufacture and
25 sell fermented malt beverages upon the payment of an annual license fee
26 of one hundred fifty dollars to the state licensing authority. A
27 manufacturer so licensed may have additional warehouses in the state

1 upon payment of the wholesaler's license fee as provided in this section.

2 (II) A manufacturer that has received a license pursuant to this
3 ~~paragraph (a)~~ SUBSECTION (1)(a) shall be authorized to manufacture
4 fermented malt beverages upon an alternating proprietor licensed
5 premises, as defined in ~~section 12-47-103~~ SECTION 44-3-103, as approved
6 by the state licensing authority, but the manufacturer shall not conduct
7 retail sales of fermented malt beverages from an area licensed or defined
8 as an alternating proprietor licensed premises.

9 (b) A wholesaler's license shall be granted and issued to any
10 person, partnership, association, organization, or corporation qualifying
11 under ~~section 12-47-301~~ SECTION 44-3-301 and not prohibited from
12 licensure under ~~section 12-47-307~~ SECTION 44-3-307 to sell fermented
13 malt beverages upon the payment of an annual license fee of one hundred
14 fifty dollars to the state licensing authority. Each wholesaler's license
15 application shall designate the territory within which the licensee may sell
16 the designated products of any manufacturer, as agreed upon by the
17 licensee and the manufacturer of such products.

18 (c) A retailer's license shall be granted and issued to any person,
19 partnership, association, organization, or corporation qualifying under
20 ~~section 12-47-301~~ SECTION 44-3-301 and not prohibited from licensure
21 under ~~section 12-47-307~~ SECTION 44-3-307 to sell at retail the said
22 fermented malt beverages upon paying an annual license fee of
23 seventy-five dollars to the state licensing authority.

24 (d) (I) A nonresident manufacturer's license shall be granted and
25 issued to any person manufacturing fermented malt beverages outside of
26 the state of Colorado for the sole purposes listed in ~~subparagraph (III) of~~
27 ~~this paragraph (d)~~ SUBSECTION (1)(d)(III) OF THIS SECTION, upon the

1 payment of an annual license fee of one hundred fifty dollars to the state
2 licensing authority.

3 (II) An importer's license shall be granted and issued to any
4 person importing fermented malt beverages into this state for the sole
5 purposes listed in ~~subparagraph (III) of this paragraph (d)~~ SUBSECTION
6 (1)(d)(III) OF THIS SECTION, upon the payment of an annual license fee of
7 one hundred fifty dollars to the state licensing authority.

8 (III) The licenses referred to in ~~subparagraphs (I) and (II) of this~~
9 ~~paragraph (d)~~ SUBSECTIONS (1)(d)(I) AND (1)(d)(II) OF THIS SECTION shall
10 be issued for the following purposes only:

11 (A) To import and sell fermented malt beverages within this state
12 to a person licensed as a wholesaler pursuant to this section;

13 (B) To maintain stocks of fermented malt beverages and to
14 operate fermented malt beverages warehouses by procuring a wholesaler's
15 license as provided in this section;

16 (C) To solicit orders from retail licensees and fill such orders
17 through licensed wholesalers.

18 (IV) Each applicant for a license as a manufacturer, nonresident
19 manufacturer, or importer of fermented malt beverages shall enter into a
20 written contract with each wholesaler with which the applicant intends to
21 do business, which contract shall designate the territory within which the
22 product of such applicant shall be sold by the respective wholesaler. The
23 contract shall be submitted to the state licensing authority with an
24 application, and ~~such~~ THE applicant, if licensed, shall have a continuing
25 duty to submit any subsequent revisions, amendments, or superseding
26 contracts to the state licensing authority.

27 (V) A manufacturer, nonresident manufacturer, or importer

1 licensed to sell fermented malt beverages under this ~~article~~ ARTICLE 4
2 shall not contract with more than one wholesaler to sell the products of
3 such manufacturer, nonresident manufacturer, or importer in the same
4 territory.

5 ~~(1.5)~~ (2) Notwithstanding the amount specified for any fee in
6 subsection (1) of this section, the state licensing authority, by rule or as
7 otherwise provided by law, may reduce the amount of one or more of the
8 fees if necessary pursuant to section 24-75-402 (3) ~~C.R.S.~~, to reduce the
9 uncommitted reserves of the fund to which all or any portion of one or
10 more of the fees is credited. After the uncommitted reserves of the fund
11 are sufficiently reduced, the state licensing authority, by rule or as
12 otherwise provided by law, may increase the amount of one or more of
13 the fees as provided in section 24-75-402 (4). ~~C.R.S.~~

14 ~~(2)~~ (3) The manufacturer's or wholesaler's licenses provided by
15 this ~~article~~ ARTICLE 4 shall permit the licensee to sell fermented malt
16 beverages in sealed containers to retailers and consumers, thereof, as long
17 as the beverages have been unloaded and placed in the physical
18 possession of a licensed wholesaler at its licensed premises in this state
19 and inventoried for purposes of tax collection before being delivered to
20 any such retailer or consumer. Wholesalers of fermented malt beverages
21 receiving products to be held as required by this ~~subsection~~ (2)
22 SUBSECTION (3) shall be liable for the payment of any tax due on ~~such~~ THE
23 products under ~~section 12-47-503~~ SECTION 44-3-503.

24 ~~(3)~~ (4) It is unlawful for any manufacturer or wholesaler or any
25 person, partnership, association, organization, or corporation interested
26 financially in or with any of the licensees described in this ~~article~~ ARTICLE
27 4 to be interested financially, directly or indirectly, in the business of any

1 retail licensee licensed pursuant to this ~~article~~ ARTICLE 4, or for any retail
2 licensee under this ~~article~~ ARTICLE 4, to be interested financially, directly
3 or indirectly, in the business of any manufacturer or wholesaler or any
4 person, partnership, association, organization, or corporation interested
5 in or with any of the manufacturers or wholesalers licensed pursuant to
6 this ~~article~~ ARTICLE 4.

7 **44-4-105. [Formerly 12-46-105] Fees and taxes - allocation.**

8 (1) (a) The state licensing authority shall establish fees for processing the
9 following types of applications, notices, or reports required to be
10 submitted to the state licensing authority: Applications for new fermented
11 malt beverage licenses pursuant to ~~section 12-47-301~~ SECTION 44-3-301
12 and ~~regulations~~ RULES thereunder; applications for change of location
13 pursuant to ~~section 12-47-301~~ SECTION 44-3-301 and ~~regulations~~ RULES
14 thereunder; applications for changing, altering, or modifying licensed
15 premises pursuant to ~~section 12-47-301~~ SECTION 44-3-301 and ~~regulations~~
16 RULES thereunder; applications for warehouse or branch house permits
17 pursuant to ~~section 12-46-104~~ SECTION 44-4-104 and ~~regulations~~ RULES
18 thereunder; applications for duplicate licenses; and notices of change of
19 name or trade name pursuant to ~~section 12-47-301~~ SECTION 44-3-301 and
20 ~~regulations~~ RULES thereunder. The amounts of such fees, when added to
21 the other fees and taxes transferred to the liquor enforcement division and
22 state licensing authority cash fund pursuant to subsection (2) of this
23 section and ~~section 12-47-502 (1)~~ SECTION 44-3-502 (1), shall reflect the
24 direct and indirect costs of the liquor enforcement division and the state
25 licensing authority in the administration and enforcement of this ~~article~~
26 ~~and articles 47 and 48 of this title~~ ARTICLE 4 AND ARTICLES 3 AND 5 OF
27 THIS TITLE 44. At least annually, the amounts of the fees shall be reviewed

1 and, if necessary, adjusted to reflect such direct and indirect costs.

2 (b) Except as provided in ~~paragraph (c) of this subsection (1)~~
3 SUBSECTION (1)(c) OF THIS SECTION, the state licensing authority shall
4 establish a basic fee that shall be paid at the time of service of any
5 subpoena upon the state licensing authority or upon any employee of the
6 division, plus a fee for meals and a fee for mileage at the rate prescribed
7 for state officers and employees in section 24-9-104 ~~C.R.S.~~, for each mile
8 actually and necessarily traveled in going to and returning from the place
9 named in the subpoena. If the person named in the subpoena is required
10 to attend the place named in the subpoena for more than one day, there
11 shall be paid, in advance, a sum to be established by the state licensing
12 authority for each day of attendance to cover the expenses of the person
13 named in the subpoena.

14 (c) The subpoena fee established pursuant to ~~paragraph (b) of this~~
15 ~~subsection (1)~~ SUBSECTION (1)(b) OF THIS SECTION shall not be applicable
16 to any state or local governmental agency.

17 (2) (a) All state license fees provided for by this ~~article~~ ARTICLE
18 4 and all fees provided for by ~~paragraphs (a) and (b) of subsection (1)~~
19 SUBSECTIONS (1)(a) AND (1)(b) of this section for processing applications,
20 reports, and notices shall be paid to the department of revenue, which
21 shall transmit the fees and taxes to the state treasurer. The state treasurer
22 shall credit eighty-five percent of the fees and taxes to the old age pension
23 fund and the balance to the general fund.

24 (b) An amount equal to the revenues attributable to fifty dollars
25 of each state license fee provided for by this ~~article~~ ARTICLE 4 and the
26 processing fees provided for by ~~paragraphs (a) and (b) of subsection (1)~~
27 SUBSECTIONS (1)(a) AND (1)(b) of this section shall be transferred out of

1 the general fund to the liquor enforcement division and state licensing
2 authority cash fund. ~~Such~~ THE transfer shall be made by the state treasurer
3 as soon as possible after the twentieth day of the month following the
4 payment of ~~such~~ THE fees.

5 (c) The expenditures of the state licensing authority and the liquor
6 enforcement division shall be paid out of appropriations from the liquor
7 enforcement division and state licensing authority cash fund as provided
8 in section 24-35-401. ~~C.R.S.~~

9 (3) Eighty-five percent of the local license fees set forth in ~~section~~
10 ~~12-46-107 (2)~~ SECTION 44-4-107 (2) shall be paid to the department of
11 revenue, which shall transmit the fees to the state treasurer to be credited
12 to the old age pension fund.

13 **44-4-106. [Formerly 12-46-106] Lawful acts.** It is lawful for a
14 person under eighteen years of age who is under the supervision of a
15 person on the premises over eighteen years of age to be employed in a
16 place of business where fermented malt beverages are sold at retail in
17 containers for off-premises consumption. During the normal course of
18 such employment, any person under eighteen years of age may handle and
19 otherwise act with respect to fermented malt beverages in the same
20 manner as that person does with other items sold at retail; except that no
21 person under eighteen years of age shall sell or dispense fermented malt
22 beverages, check age identification, or make deliveries beyond the
23 customary parking area for the customers of the retail outlet. This section
24 shall not be construed to permit the violation of any other provisions of
25 this section under circumstances not specified in this section.

26 **44-4-107. [Formerly 12-46-107] Local licensing authority -**
27 **rules - application - fees.** (1) The local licensing authority shall issue

1 only the following classes of fermented malt beverage licenses:
2 (a) Sales for consumption off the premises of the licensee;
3 (b) Sales for consumption on the premises of the licensee;
4 (c) Sales for consumption both on and off the premises of the
5 licensee. A person licensed pursuant to this ~~paragraph (c)~~ SUBSECTION
6 (1)(c) may deliver at retail fermented malt beverages in factory-sealed
7 containers in conjunction with the delivery of food products if ~~such~~ THE
8 person has obtained a permit for the delivery of fermented malt beverages
9 from the state licensing authority. The state licensing authority shall
10 promulgate rules as are necessary for the proper delivery of fermented
11 malt beverages pursuant to this ~~paragraph (c)~~ SUBSECTION (1)(c) and shall
12 have the authority to issue a permit to any person who is licensed
13 pursuant to and delivers fermented malt beverages under this ~~paragraph~~
14 ~~(c)~~ SUBSECTION (1)(c).

15 (2) The local licensing authority shall collect an annual license fee
16 of twenty-five dollars if the licensed premises is located in a municipality
17 or city and county and fifty dollars if the licensed premises is located
18 outside the corporate limits of a municipality or city and county.

19 **44-4-108. [Formerly 12-46-108] Exemption.** This ~~article~~
20 ARTICLE 4 does not apply to a state institution of higher education when
21 the institution is engaged in the manufacture and tasting, at the place of
22 manufacture or at a licensed premises, of fermented malt beverages for
23 teaching or research purposes, so long as the fermented malt beverages
24 are not sold or offered for sale and are only tasted by a qualified
25 employee, qualified student, or expert taster. Any unused fermented malt
26 beverage product that is produced by a state institution of higher
27 education in accordance with this section must be removed from a

1 licensed premises at the end of an event if the event is held at a licensed
2 premises located off campus.

3 **44-4-109. [Formerly 12-46-109] Liquor industry working**
4 **group - creation - duties - report - repeal.** (1) The state licensing
5 authority shall convene a liquor industry working group to develop an
6 implementation process for grocery and convenience stores to apply for
7 a license to sell malt liquor and fermented malt beverages containing at
8 least one-half percent alcohol by volume starting January 1, 2019. The
9 working group shall analyze the impact that removing the alcohol content
10 limit on fermented malt beverages will have on the alcohol beverage
11 industry as a whole, as well as on current retail licensees, and shall
12 consider other legislative, regulatory, or administrative changes necessary
13 to promote the three-tiered distribution system in Colorado. Additionally,
14 the working group shall examine and make recommendations regarding
15 laws governing tastings conducted on retail premises licensed under
16 ~~article 47 of this title~~ ARTICLE 3 OF THIS TITLE 44 and the ability of retail
17 liquor stores licensed under ~~section 12-47-407~~ SECTION 44-3-409 to sell
18 growlers containing malt liquors.

19 (2) The executive director of the department of revenue shall
20 appoint the following members to serve on the liquor industry working
21 group:

- 22 (a) A member from the department of revenue;
- 23 (b) A member from the liquor enforcement division in the
24 department of revenue;
- 25 (c) A member from the attorney general's office;
- 26 (d) A member representing municipal government;
- 27 (e) A member representing county government;

- 1 (f) A member representing community prevention;
- 2 (g) A member representing law enforcement;
- 3 (h) Two members representing large breweries;
- 4 (i) Two members representing small breweries;
- 5 (j) One member representing a national distillery;
- 6 (k) One member representing a Colorado distillery;
- 7 (l) Three members representing retail liquor store licensees, one
- 8 of which must represent a small retail liquor store licensee;
- 9 (m) One member representing a statewide off-premises retail
- 10 licensee;
- 11 (n) Two members representing persons licensed under ~~section~~
- 12 ~~12-47-411~~ SECTION 44-3-413;
- 13 (o) One member representing persons licensed under ~~section~~
- 14 ~~12-47-412~~ SECTION 44-3-414;
- 15 (p) Two members representing licensed wholesalers;
- 16 (q) One member representing a national vinous liquors
- 17 manufacturer;
- 18 (r) One member representing a Colorado vinous liquors
- 19 manufacturer;
- 20 (s) Two attorneys who practice in the area of liquor law and
- 21 regulation;
- 22 (t) One member representing Mothers Against Drunk Driving or
- 23 its successor organization;
- 24 (u) Two members representing grocery stores;
- 25 (v) Two members representing convenience stores; and
- 26 (w) Two members of the public.
- 27 (3) The liquor industry working group shall convene as soon as

1 practicable after July 1, 2016, but no later than August 1, 2016, and by
2 January 1, 2018, shall report its findings and recommendations for an
3 implementation process, including any legislative or administrative
4 recommendations, to the senate business, labor, and technology
5 committee and the house of representatives business affairs and labor
6 committee, or their successor committees.

7 (4) This section is repealed, effective July 1, 2019.

8

ARTICLE 5

9

Special Event Liquor Permits

10 **44-5-101. [Formerly 12-48-101] Special licenses authorized.**

11 The state or local licensing authority, as defined in ~~articles 46 and 47 of~~
12 ~~this title~~ ARTICLES 3 AND 4 OF THIS TITLE 44, may issue a special event
13 permit for the sale, by the drink only, of fermented malt beverages, as
14 defined in ~~section 12-46-103~~ SECTION 44-4-103, or the sale, by the drink
15 only, of malt, spirituous, or vinous liquors, as defined in ~~section~~
16 ~~12-47-103~~ SECTION 44-3-103, to organizations and political candidates
17 qualifying under this ~~article~~ ARTICLE 5, subject to the applicable
18 provisions of ~~articles 46 and 47 of this title~~ ARTICLES 3 AND 4 OF THIS
19 TITLE 44 and to the limitations imposed by this ~~article~~ ARTICLE 5.

20 **44-5-102. [Formerly 12-48-102] Qualifications for permit.**

21 (1) A special event permit issued under this ~~article~~ ARTICLE 5 may be
22 issued to an organization, whether or not presently licensed under ~~articles~~
23 ~~46 and 47 of this title~~ ARTICLES 3 AND 4 OF THIS TITLE 44, which has been
24 incorporated under the laws of this state for purposes of a social,
25 fraternal, patriotic, political, or athletic nature, and not for pecuniary gain,
26 or which is a regularly chartered branch, lodge, or chapter of a national
27 organization or society organized for such purposes and being nonprofit

1 in nature, or which is a regularly established religious or philanthropic
2 institution, or which is a state institution of higher education; and to any
3 political candidate who has filed the necessary reports and statements
4 with the secretary of state pursuant to article 45 of title 1. ~~C.R.S.~~ For
5 purposes of this ~~article~~ ARTICLE 5, a state institution of higher education
6 includes each principal campus of a state system of higher education.

7 (2) A special event permit may be issued to any municipality
8 owning arts facilities at which productions or performances of an artistic
9 or cultural nature are presented for use at such facilities, subject to the
10 provisions of this ~~article~~ ARTICLE 5.

11 (3) Notwithstanding any law to the contrary, and subject to this
12 ~~article 48~~ ARTICLE 5, the state or local licensing authority may issue a
13 special event permit to a state agency, the Colorado wine industry
14 development board, created in section 35-29.5-103, or an instrumentality
15 of a municipality or county that promotes:

16 (a) Alcohol beverages manufactured in the state; or

17 (b) Tourism in an area of the state where alcohol beverages are
18 manufactured.

19 **44-5-103. [Formerly 12-48-103] Grounds for issuance of**
20 **special permits.**

21 ~~(1) Repealed.~~

22 ~~(2)~~ (1) (a) A special event permit may be issued under this section
23 notwithstanding the fact that the special event is to be held on premises
24 licensed under the provisions of ~~section 12-47-403, 12-47-403.5,~~
25 ~~12-47-411 (2.5), 12-47-416, 12-47-417, or 12-47-422~~ SECTION 44-3-403,
26 44-3-404, 44-3-413 (3), 44-3-418, 44-3-419, OR 44-3-424. The holder of
27 a special event permit issued pursuant to this ~~subsection (2)~~ SUBSECTION

1 (1) is responsible for any violation of ~~article 47 of this title~~ ARTICLE 3 OF
2 THIS TITLE 44.

3 (b) If a violation of this ~~article or of article 47 of this title~~ ARTICLE
4 5 OR ARTICLE 3 OF THIS TITLE 44 occurs during a special event wine
5 festival and the responsible licensee can be identified, such licensee may
6 be charged and the appropriate penalties may apply. If the responsible
7 licensee cannot be identified, the state licensing authority may send
8 written notice to every licensee identified on the permit applications and
9 may fine each the same dollar amount. ~~Such~~ THE fine shall not exceed
10 twenty-five dollars per licensee or two hundred dollars in the aggregate.
11 No joint fine levied pursuant to this ~~paragraph (b)~~ SUBSECTION (1)(b)
12 shall apply to the revocation of a limited wineries license under ~~section~~
13 ~~12-47-601~~ SECTION 44-3-601.

14 ~~(3)~~ (2) Nothing in this ~~article~~ ARTICLE 5 shall be construed to
15 prohibit the sale or dispensing of malt, vinous, or spirituous liquors on
16 any closed street, highway, or public byway for which a special event
17 permit has been issued.

18 **44-5-104. [Formerly 12-48-104] Fees for special permits.**

19 (1) Special event permit fees are:

- 20 (a) Ten dollars per day for a malt beverage permit;
- 21 (b) Twenty-five dollars per day for a malt, vinous, and spirituous
22 liquor permit.

23 (2) All fees are payable in advance to the department of revenue
24 for applications for special event permits submitted to the state licensing
25 authority for approval.

26 **44-5-105. [Formerly 12-48-105] Restrictions related to**
27 **permits.** (1) Each special event permit shall be issued for a specific

1 location and is not valid for any other location.

2 (2) A special event permit authorizes sale of the beverage or the
3 liquors specified only during the following hours:

4 (a) Between the hours of five a.m. of the day specified in a malt
5 beverage permit and until twelve midnight on the same day;

6 (b) Between the hours of seven a.m. of the day specified in a malt,
7 vinous, and spirituous liquor permit and until two a.m. of the day
8 immediately following.

9 (3) The state or a local licensing authority shall not issue a special
10 event permit to any organization for more than fifteen days in one
11 calendar year.

12 (4) No issuance of a special event permit shall have the effect of
13 requiring the state or local licensing authority to issue such a permit upon
14 any subsequent application by an organization.

15 (5) Sandwiches or other food snacks shall be available during all
16 hours of service of malt, spirituous, or vinous liquors, but prepared meals
17 need not be served.

18 **44-5-106. [Formerly 12-48-106] Grounds for denial of special**
19 **permit.** (1) The state or local licensing authority may deny the issuance
20 of a special event permit upon the grounds that the issuance would be
21 injurious to the public welfare because of the nature of the special event,
22 its location within the community, or the failure of the applicant in a past
23 special event to conduct the event in compliance with applicable laws.

24 (2) Public notice of the proposed permit and of the procedure for
25 protesting issuance of the permit shall be conspicuously posted at the
26 proposed location for at least ten days before approval of the permit by
27 the local licensing authority.

1 **44-5-107. [Formerly 12-48-107] Applications for special**
2 **permit.** (1) Applications for a special event permit shall be made with
3 the appropriate local licensing authority on forms provided by the state
4 licensing authority and shall be verified by oath or affirmation of an
5 officer of the organization or of the political candidate making
6 application.

7 (2) In addition to the fees provided in ~~section 12-48-104~~ SECTION
8 44-5-104, an applicant shall include payment of a fee established by the
9 local licensing authority, not to exceed one hundred dollars, for both
10 investigation and issuance of a permit. Upon approval of any application,
11 the local licensing authority shall notify the state licensing authority of the
12 approval, except as provided by subsection (5) of this section. The state
13 licensing authority shall promptly act and either approve or disapprove
14 the application. In reviewing an application, the local licensing authority
15 shall apply the same standards for approval and denial applicable to the
16 state licensing authority under this ~~article~~ ARTICLE 5.

17 (3) The local licensing authority shall cause a hearing to be held
18 if, after investigation and upon review of the contents of any protest filed
19 by affected persons, sufficient grounds appear to exist for denial of a
20 permit. Any protest shall be filed by affected persons within ten days after
21 the date of notice pursuant to ~~section 12-48-106(2)~~ SECTION 44-5-106(2).
22 Any hearing required by this subsection (3) or any hearing held at the
23 discretion of the local licensing authority shall be held at least ten days
24 after the initial posting of the notice, and notice thereof shall be provided
25 TO the applicant and any person who has filed a protest.

26 (4) The local licensing authority may assign all or any portion of
27 its functions under this ~~article~~ ARTICLE 5 to an administrative officer.

1 (5) (a) A local licensing authority may elect not to notify the state
2 licensing authority to obtain the state licensing authority's approval or
3 disapproval of an application for a special event permit. The local
4 licensing authority is required only to report to the liquor enforcement
5 division, within ten days after it issues a permit, the name of the
6 organization to which a permit was issued, the address of the permitted
7 location, and the permitted dates of alcohol beverage service.

8 (b) A local licensing authority electing not to notify the state
9 licensing authority shall promptly act upon each application and either
10 approve or disapprove each application for a special event permit.

11 (c) The state licensing authority shall establish and maintain a
12 website containing the statewide permitting activity of organizations that
13 receive permits under this ~~article~~ ARTICLE 5. In order to ensure
14 compliance with ~~section 12-48-105 (3)~~ SECTION 44-5-105 (3), which
15 restricts the number of permits issued to an organization in a calendar
16 year, the local licensing authority shall access information made available
17 on the website of the state licensing authority to determine the statewide
18 permitting activity of the organization applying for the permit. The local
19 licensing authority shall consider compliance with ~~section 12-48-105 (3)~~
20 SECTION 44-5-105 (3) before approving any application.

21 **44-5-108. [Formerly 12-48-108] Exemptions.** An organization
22 otherwise qualifying under ~~section 12-48-102~~ SECTION 44-5-102 shall be
23 exempt from the provisions of this ~~article~~ ARTICLE 5 and shall be deemed
24 to be dispensing gratuitously and not to be selling fermented malt
25 beverages or malt, spirituous, or vinous liquors when it serves, by the
26 drink, fermented malt beverages or malt, spirituous, or vinous liquors to
27 its members and their guests at a private function held by ~~such~~ THE

1 organization on unlicensed premises, so long as any admission or other
2 charge, if any, required to be paid or given by any such member as a
3 condition to entry or participation in the event is uniform as to all without
4 regard to whether or not a member or such member's guest consumes or
5 does not consume such beverages or liquors. For purposes of this section,
6 all invited attendees at a private function held by a state institution of
7 higher education shall be considered members or guests of the institution.

8 **SECTION 3. Repeal of relocated provisions in this act.** In
9 Colorado Revised Statutes, **repeal** articles 46, 47, and 48 of title 12.

10 **SECTION 4.** In Colorado Revised Statutes, 6-25-201, **amend** (2)
11 as follows:

12 **6-25-201. Definitions.** As used in this part 2, unless the context
13 otherwise requires:

14 (2) "Lodging establishment" means a bed and breakfast, as
15 defined in ~~section 12-47-103 (3)~~ SECTION 44-3-103 (4), or a hotel, motel,
16 resort, or public inn, as defined in section 6-25-101 (3).

17 **SECTION 5.** In Colorado Revised Statutes, 10-3-1104, **amend**
18 (4)(a) as follows:

19 **10-3-1104. Unfair methods of competition - unfair or deceptive**
20 **acts or practices.** (4) The following is defined as an unfair practice in
21 the business of insurance: For an insurer to deny, refuse to issue, refuse
22 to renew, refuse to reissue, cancel, or otherwise terminate a motor vehicle
23 insurance policy, to restrict motor vehicle insurance coverage on any
24 person, or to add any surcharge or rating factor to a premium of a motor
25 vehicle insurance policy solely because of:

26 (a) A conviction under ~~section 12-47-901 (1)(b)~~, ~~C.R.S.~~ SECTION
27 44-3-901 (1)(c), or section 18-13-122 (3), ~~C.R.S.~~, or any counterpart

1 municipal charter or ordinance offense or because of any driver's license
2 revocation resulting from such conviction. This ~~paragraph (a)~~
3 SUBSECTION (4)(a) includes, but is not limited to, a driver's license
4 revocation imposed under section 42-2-125 (1)(m). ~~C.R.S.~~

5 **SECTION 6.** In Colorado Revised Statutes, **amend** 16-2.5-121
6 as follows:

7 **16-2.5-121. Executive director of the department of revenue**
8 **- senior director of enforcement for the department of revenue.** The
9 executive director and the senior director of enforcement of the
10 department of revenue are peace officers while engaged in the
11 performance of their duties whose authority includes the enforcement of
12 laws and rules regarding automobile dealers pursuant to section 12-6-105
13 (3), the lottery pursuant to sections 24-35-205 (3) and 24-35-206 (7),
14 medical marijuana pursuant to article 43.3 of title 12, limited gaming
15 pursuant to section 12-47.1-204, liquor pursuant to ~~section 12-47-904 (1)~~
16 SECTION 44-3-905 (1), and racing events pursuant to section 12-60-203
17 (1), and the enforcement of all laws of the state of Colorado and who may
18 be certified by the P.O.S.T. board.

19 **SECTION 7.** In Colorado Revised Statutes, **amend** 16-2.5-124
20 as follows:

21 **16-2.5-124. Liquor enforcement investigator.** A liquor
22 enforcement investigator is a peace officer while engaged in the
23 performance of his or her duties and while acting under proper orders or
24 regulations whose primary authority shall be as stated in ~~sections~~
25 ~~12-47-904 (1)~~ SECTIONS 44-3-905 (1) and 24-35-504 ~~C.R.S.~~, and shall
26 also include the enforcement of all laws of the state of Colorado and who
27 may be certified by the P.O.S.T. board.

1 **SECTION 8.** In Colorado Revised Statutes, 18-8-203, **amend**
2 (1)(a) as follows:

3 **18-8-203. Introducing contraband in the first degree.** (1) A
4 person commits introducing contraband in the first degree if he or she
5 knowingly and unlawfully:

6 (a) Introduces or attempts to introduce a dangerous instrument;
7 malt, vinous, or spirituous liquor, as defined in ~~section 12-47-103, C.R.S.~~
8 SECTION 44-3-103; fermented malt beverage, as defined in ~~section~~
9 ~~12-46-103, C.R.S.~~ SECTION 44-4-103; controlled substance, as defined in
10 section 18-18-102 (5); or marijuana or marijuana concentrate, as defined
11 in section 27-80-203 (15) and (16), ~~C.R.S.~~, into a detention facility or at
12 any location where an inmate is or is likely to be located, while the inmate
13 is in the custody and under the jurisdiction of a political subdivision of
14 the state of Colorado or the department of corrections, but not on parole;
15 or

16 **SECTION 9.** In Colorado Revised Statutes, 18-9-123, **amend**
17 (1)(a) introductory portion and (1)(a)(I) as follows:

18 **18-9-123. Bringing alcohol beverages, bottles, or cans into the**
19 **major league baseball stadium.** (1) (a) It shall be unlawful for any
20 person to carry or bring into the Denver metropolitan major league
21 baseball stadium district stadium, as defined in section 32-14-103 (5) and
22 (10), ~~C.R.S.~~, and referred to in this section as the "stadium", the
23 following:

24 (I) Any alcohol beverage as defined in ~~section 12-47-103 (2),~~
25 ~~C.R.S.~~ SECTION 44-3-103 (2); or

26 **SECTION 10.** In Colorado Revised Statutes, 24-35-101, **amend**
27 (1)(d) as follows:

1 **24-35-101. Functions of department of revenue.** (1) There is
2 hereby created the department of revenue, the functions of which are the
3 collection of the following:

4 (d) Taxes levied and the license fees imposed by the provisions of
5 ~~article 46 and part 5 of article 47 of title 12, C.R.S.~~ ARTICLE 4 AND PART
6 5 OF ARTICLE 3 OF TITLE 44, and the administration and enforcement of
7 said provisions;

8 **SECTION 11.** In Colorado Revised Statutes, **amend** 24-35-401
9 as follows:

10 **24-35-401. Liquor enforcement division and state licensing**
11 **authority cash fund.** There is hereby created in the state treasury the
12 liquor enforcement division and state licensing authority cash fund. The
13 fund shall consist of ~~moneys~~ MONEY transferred thereto in accordance
14 with ~~sections 12-46-105 (2) and 12-47-502 (1), C.R.S.~~ SECTIONS 44-3-502
15 (1) AND 44-4-105 (2). The general assembly shall make annual
16 appropriations from the fund for a portion of the direct and indirect costs
17 of the liquor enforcement division and the state licensing authority in the
18 administration and enforcement of ~~articles 46, 47, and 48 of title 12,~~
19 ~~C.R.S.~~ ARTICLES 3 TO 5 OF TITLE 44. Any money remaining in the fund at
20 the end of each fiscal year shall remain in the fund and shall not revert to
21 the general fund or any other fund. The fund shall be maintained in
22 accordance with section 24-75-402.

23 **SECTION 12.** In Colorado Revised Statutes, 24-79.5-101,
24 **amend** the introductory portion, (2) introductory portion, and (2)(g) as
25 follows:

26 **24-79.5-101. Definitions.** As used in this ~~article~~ ARTICLE 79.5,
27 unless the context otherwise requires:

1 (2) "Delinquency charge" means a separate fee, fine, or penalty
2 levied as a result of the late payment of an amount due. For purposes of
3 this ~~article~~ ARTICLE 79.5, a delinquency charge shall not include any fee,
4 fine, or other penalty imposed:

5 (g) By a local liquor licensing authority pursuant to ~~article 47 of~~
6 ~~title 12, C.R.S.~~ ARTICLE 3 OF TITLE 44.

7 **SECTION 13.** In Colorado Revised Statutes, 25-14-203, **amend**
8 (3) as follows:

9 **25-14-203. Definitions.** As used in this part 2, unless the context
10 otherwise requires:

11 (3) "Bar" means any indoor area that is operated and licensed
12 under ~~article 47 of title 12, C.R.S.~~ ARTICLE 3 OF TITLE 44, primarily for
13 the sale and service of alcohol beverages for on-premises consumption
14 and where the service of food is secondary to the consumption of such
15 ALCOHOL beverages.

16 **SECTION 14.** In Colorado Revised Statutes, 26-2-104, **amend**
17 (2)(a)(II)(C) and (2)(h)(I)(B) as follows:

18 **26-2-104. Public assistance programs - electronic benefits**
19 **transfer service - joint reports with department of revenue - signs -**
20 **rules - repeal.** (2) (a) (II) Only those businesses that offer products or
21 services related to the purpose of the public assistance benefits are
22 allowed to participate in the electronic benefits transfer service through
23 the use of point-of-sale terminals. Clients shall not be allowed to access
24 cash benefits through the electronic benefits transfer service from
25 automated teller machines in this state located in:

26 (C) Retail establishments licensed to sell malt, vinous, or
27 spirituous liquors pursuant to part 3 of ~~article 47 of title 12~~ ARTICLE 3 OF

1 TITLE 44; except that the prohibition in this subsection (2)(a)(II)(C) does
2 not apply to establishments licensed as liquor-licensed drugstores under
3 ~~section 12-47-408~~ SECTION 44-3-410;

4 (h) (I) On or before January 1, 2016, the department of revenue
5 shall adopt rules pursuant to the "State Administrative Procedure Act",
6 article 4 of title 24, that relate to a client's use of automated teller
7 machines at locations where such use is prohibited. The rules must apply
8 to the following establishments:

9 (B) Retail establishments licensed to sell malt, vinous, or
10 spirituous liquors pursuant to part 3 of ~~article 47 of title 12~~ ARTICLE 3 OF
11 TITLE 44, excluding establishments licensed as liquor-licensed drugstores
12 under ~~section 12-47-408~~ SECTION 44-3-410;

13 **SECTION 15.** In Colorado Revised Statutes, 26-2-703, **amend**
14 (5.5) as follows:

15 **26-2-703. Definitions.** As used in this part 7, unless the context
16 otherwise requires:

17 (5.5) "Controlled substance" means a substance, a drug, or an
18 immediate precursor included in schedules I to V of part 2 of article 18
19 of title 18, ~~C.R.S.~~; and any "alcohol beverage" as defined in ~~section~~
20 ~~12-47-103 (2), C.R.S.~~ SECTION 44-3-103 (2).

21 **SECTION 16.** In Colorado Revised Statutes, 27-80-116, **amend**
22 (3) as follows:

23 **27-80-116. Fetal alcohol spectrum disorders - legislative**
24 **declaration - health warning signs.** (3) Each person licensed pursuant
25 to ~~section 12-47-401 (1)(h) to (1)(t) or 12-47-401 (1)(v), C.R.S.~~, SECTION
26 44-3-401 (1)(h) TO (1)(t) OR 44-3-401 (1)(v) to sell malt, vinous, and
27 spirituous liquors or licensed pursuant to ~~section 12-46-104 (1)(c), C.R.S.~~,

1 SECTION 44-4-104 (1)(c) to sell fermented malt beverages is hereby
2 encouraged to post a health warning sign informing patrons that the
3 consumption of alcohol during pregnancy may cause birth defects,
4 including fetal alcohol spectrum disorders.

5 **SECTION 17.** In Colorado Revised Statutes, 29-1-1101, **amend**
6 (2)(g) as follows:

7 **29-1-1101. Definitions.** As used in this part 11, unless the context
8 otherwise requires:

9 (2) "Delinquency charge" means a separate fee, fine, or penalty
10 levied as a result of the late payment of an amount due. For purposes of
11 this part 11, a delinquency charge shall not include any fee, fine, or other
12 penalty imposed:

13 (g) By a local liquor licensing authority pursuant to ~~article 47 of~~
14 ~~title 12, C.R.S.~~ ARTICLE 3 OF TITLE 44.

15 **SECTION 18.** In Colorado Revised Statutes, 35-29.5-105,
16 **amend** (1) as follows:

17 **35-29.5-105. Colorado wine industry development fund - use**
18 **of money.** (1) There is hereby created in the state treasury the Colorado
19 wine industry development fund. The fund shall consist of ~~moneys~~
20 MONEY credited thereto pursuant to ~~section 12-47-503 (1)(b) and (1)(c),~~
21 ~~C.R.S.~~ SECTION 44-3-503 (1)(c) AND (1)(d). All ~~moneys~~ MONEY in ~~such~~
22 THE fund ~~are~~ IS hereby continuously appropriated to the board for the
23 expenses of the board in implementing the provisions of this ~~article~~
24 ARTICLE 29.5.

25 **SECTION 19.** In Colorado Revised Statutes, 39-21-102, **amend**
26 (1) as follows:

27 **39-21-102. Scope.** (1) Unless otherwise indicated, the provisions

1 of this ~~article~~ ARTICLE 21 apply to the taxes or fees imposed by articles 22
2 to 35 of this ~~title~~ TITLE 39 and article 60 of title 34, ~~C.R.S.~~, section 21 of
3 article X of the state constitution, article 3 of title 42, part 5 of ~~article 47~~
4 ~~of title 12~~ ARTICLE 3 OF TITLE 44, articles 11 and 20 of title 30, article 4
5 of title 43, article 2 of title 40, and part 2 of article 20 of title 8. ~~C.R.S.~~

6 **SECTION 20.** In Colorado Revised Statutes, 39-22-104, **amend**
7 (3)(e)(I) as follows:

8 **39-22-104. Income tax imposed on individuals, estates, and**
9 **trusts - single rate - legislative declaration - definitions - repeal.**

10 (3) There shall be added to the federal taxable income:

11 (e) (I) Any expenses incurred by a taxpayer with respect to
12 expenditures made at, or payments made to, a club licensed pursuant to
13 ~~section 12-47-416, C.R.S., which~~ SECTION 44-3-418 THAT has a policy to
14 restrict membership on the basis of sex, sexual orientation, marital status,
15 race, creed, religion, color, ancestry, or national origin. Any such club
16 shall provide on each receipt furnished to a taxpayer a printed statement
17 as follows:

18 The expenditures covered by this receipt are
19 nondeductible for state income tax purposes.

20 **SECTION 21.** In Colorado Revised Statutes, 39-22-304, **amend**
21 (2)(e)(I) as follows:

22 **39-22-304. Net income of corporation - legislative declaration**
23 **- definitions - repeal.** (2) There shall be added to federal taxable income:

24 (e) (I) Any expenses incurred by a taxpayer with respect to
25 expenditures made at, or payments made to, a club licensed pursuant to
26 ~~section 12-47-416, C.R.S., which~~ SECTION 44-3-418 THAT has a policy to
27 restrict membership on the basis of sex, sexual orientation, marital status,

1 race, creed, religion, color, ancestry, or national origin. Any such club
2 shall provide on each receipt furnished to a taxpayer a printed statement
3 as follows:

4 The expenditures covered by this receipt are
5 nondeductible for state income tax purposes.

6 **SECTION 22.** In Colorado Revised Statutes, 42-1-206, **amend**
7 (6) as follows:

8 **42-1-206. Records open to inspection - furnishing of copies -**
9 **rules.** (6) The record of conviction and actions taken by the department
10 for violating section 18-13-122 or ~~12-47-901 (1)(c)~~, C.R.S. 44-3-901
11 (1)(d), held by the department of revenue, shall not be a public record
12 after the period of revocation imposed under such sections has been
13 concluded; except that this subsection (6) shall not prevent the department
14 from sharing such information with a criminal justice agency as defined
15 in section 24-72-302 (3). ~~C.R.S.~~

16 **SECTION 23.** In Colorado Revised Statutes, 42-2-125, **amend**
17 (1)(m) as follows:

18 **42-2-125. Mandatory revocation of license and permit.** (1) The
19 department shall immediately revoke the license or permit of any driver
20 or minor driver upon receiving a record showing that the driver has:

21 (m) (I) Been convicted of violating ~~section 12-47-901 (1)(b) or~~
22 ~~(1)(c)~~ SECTION 44-3-901 (1)(c) OR (1)(d) or 18-13-122 (3) ~~C.R.S.~~, or any
23 counterpart municipal charter or ordinance offense to such sections and
24 having failed to complete an alcohol evaluation or assessment, an alcohol
25 education program, or an alcohol treatment program ordered by the court
26 in connection with such conviction; or

27 (II) Been convicted of violating ~~section 12-47-901 (1)(b) or (1)(c)~~

1 SECTION 44-3-901 (1)(c) OR (1)(d) or 18-13-122 (3) ~~C.R.S.~~, or any
2 counterpart municipal charter or ordinance offense to such sections and
3 has a previous conviction for such offenses;

4 **SECTION 24.** In Colorado Revised Statutes, 42-2-127.6, **amend**
5 (1)(a) as follows:

6 **42-2-127.6. Authority to suspend license - providing alcohol to**
7 **an underage person.** (1) (a) Whenever the department receives notice
8 that a person, other than a business licensed pursuant to ~~article 46, 47, or~~
9 ~~48 of title 12, C.R.S.~~ ARTICLE 3, 4, OR 5 OF TITLE 44, or an employee or
10 agent of the business acting in the scope of his or her employment, has
11 been convicted of an offense pursuant to ~~section 12-47-901 (1)(a.5) or~~
12 ~~(1)(k), C.R.S.~~ SECTION 44-3-901 (1)(b) OR (1)(l), the department shall
13 immediately suspend the license of the person for a period of not less than
14 six months.

15 **SECTION 25.** In Colorado Revised Statutes, **amend** 42-2-131 as
16 follows:

17 **42-2-131. Revocation of license or permit for failing to comply**
18 **with a court order relating to nondriving alcohol convictions.** Upon
19 a plea of guilty or nolo contendere or a verdict of guilty by the court or a
20 jury to an offense under ~~section 12-47-901 (1)(b) or (1)(c)~~ SECTION
21 44-3-901 (1)(c) OR (1)(d) or 18-13-122 (3) ~~C.R.S.~~, or any counterpart
22 municipal charter or ordinance offense to such section and upon a failure
23 to complete an alcohol evaluation or assessment, an alcohol education
24 program, or an alcohol treatment program ordered by the court in
25 connection with such plea or verdict, the court shall forward to the
26 department a notice of plea or verdict or ~~such~~ THE failure to complete on
27 the form prescribed by the department. Any revocation pursuant to

1 section 42-2-125 (1)(m) shall begin when the department gives notice of
2 the revocation to the person in accordance with section 42-2-119 (2).

3 **SECTION 26. Appropriation.** (1) For the 2018-19 state fiscal
4 year, \$3,091 is appropriated to the department of revenue for use by the
5 liquor and tobacco enforcement division. This appropriation is from the
6 liquor enforcement division and state licensing authority cash fund
7 created in section 24-35-401, C.R.S. To implement this act, the division
8 may use this appropriation as follows:

9 (a) \$2,400 for personal services; and

10 (b) \$691 for operating expenses.

11 **SECTION 27. Act subject to petition - effective date.** This
12 act takes effect October 1, 2018; except that, if a referendum petition is
13 filed pursuant to section 1 (3) of article V of the state constitution against
14 this act or an item, section, or part of this act within the ninety-day period
15 after final adjournment of the general assembly, then the act, item,
16 section, or part will not take effect unless approved by the people at the
17 general election to be held in November 2018 and, in such case, will take
18 effect on the date of the official declaration of the vote thereon by the
19 governor.