

**Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

REVISED

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

LLS NO. 18-0180.01 Christy Chase x2008

SENATE BILL 18-243

SENATE SPONSORSHIP

Holbert and Guzman,

HOUSE SPONSORSHIP

Esgar and McKean,

Senate Committees

State, Veterans, & Military Affairs
Appropriations

House Committees

Public Health Care & Human Services
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE RETAIL SALE OF ALCOHOL BEVERAGES, AND, IN**
102 **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>.)

Under current law, effective January 1, 2019, the limitation on the maximum alcohol content of fermented malt beverages, also referred to as "3.2% beer", is eliminated, thereby allowing grocery stores, convenience stores, and any other person currently licensed or licensed in the future to sell fermented malt beverages for consumption on or off the licensed premises to sell fermented malt beverages containing more

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.

HOUSE
Amended 2nd Reading
May 7, 2018

SENATE
3rd Reading Unamended
May 1, 2018

SENATE
Amended 2nd Reading
April 30, 2018

than 3.2% alcohol by weight or 4% alcohol by volume, referred to as "malt liquor".

The bill modifies laws governing the retail sale of fermented malt beverages, which will be synonymous with malt liquor as of January 1, 2019, as follows:

- ! Effective January 1, 2019, prohibits a fermented malt beverage retailer's employees who are under 21 years of age from selling, dispensing, delivering, handling, or otherwise having any contact with malt liquor for sale on or sold and removed from the licensed premises (**sections 3 and 11** of the bill);
- ! As of the effective date of the bill, eliminates the fermented malt beverage retailer's license type that allows a retailer to sell malt liquor for consumption both on and off the licensed premises and prohibits renewal of existing on- and off-premises licenses on or after that date (**sections 2 and 4**);
- ! For fermented malt beverage retailer licenses authorizing the sale of malt liquor for off-premises consumption issued or renewed on or after January 1, 2019, the retailer: Must derive at least 20% of its gross annual sales revenues from the sale of food items and, for an establishment that is less than 10,000 square feet in size, must limit the shelf space dedicated to the sale of malt liquor to 100 linear feet, or, for a licensed premises that is 10,000 square feet or more in size, must limit the shelf space dedicated to the sale of malt liquor to 300 linear feet; cannot sell malt liquor to consumers at a price that is below the retailer's cost to purchase the malt liquor, with limited exceptions; cannot allow customers to use a self-checkout mechanism to purchase malt liquor; and may operate under a single or consolidated corporate entity but cannot commingle purchases for multiple licensed premises to secure a better wholesale price based on total product volume purchased (**section 4**);
- ! As of the effective date of the bill, allows a local licensing authority to deny a new fermented malt beverage retailer's license if issuance of the new license would create an undue concentration of licenses that allow the sale of alcohol beverages at retail for off-premises consumption and require additional law enforcement resources (**sections 5 and 7**);
- ! As of the effective date of the bill, prohibits the state and local licensing authorities from issuing a new fermented malt beverage retailer's license authorizing the sale of malt

liquor for off-premises consumption or allowing a fermented malt beverage retailer to relocate its licensed premises, if the licensed premises is or will be located within 1,500 feet of a licensed retail liquor store; for a premises located in a municipality with a population of 10,000 or fewer, within 3,000 feet of a licensed retail liquor store; or for a premises located in a municipality with a population of 10,000 or fewer that is contiguous to the city and county of Denver, within 1,500 feet of a licensed retail liquor store (**section 5**);

- ! As of the effective date of the bill, precludes issuance of a new fermented malt beverage retailer's license or the relocation of an existing fermented malt beverage retail licensed premises if the building in which malt liquor will be sold is located within 500 feet of a school, unless an exception applies or the local licensing authority or local governing body authorizes an exception within its jurisdiction (**section 7**);
- ! Allows a local licensing authority to adopt a temporary moratorium on the issuance of new fermented malt beverage retailer's licenses between the effective date of the bill and December 31, 2018 (**section 7**);
- ! Prohibits the sale of malt liquor in a sealed container by a fermented malt beverage retailer on Christmas day (**section 11**); and
- ! Requires a licensed fermented malt beverage retailer to check the identification of its customers who attempt to purchase malt liquor to verify each customer is at least 21 years of age (**section 11**).

With regard to the retail sale of malt, vinous, or spirituous liquors by retail liquor stores or liquor-licensed drugstores, the bill:

- ! Modifies requirements pertaining to the delivery of malt, vinous, or spirituous liquors by a retail liquor store or liquor-licensed drugstore to: Require the delivery to be made by a store employee who is at least 21 years of age and is using a store-owned or store-leased vehicle; require the person delivering the product to verify that the person receiving the delivery is at least 21 years of age; restrict the licensee to delivering alcohol beverages and items related to the service or consumption of alcohol beverages only; and limit total sales revenues from delivered alcohol beverage products to 50% of gross annual alcohol beverage sales (**sections 8 and 9**);
- ! Modifies provisions governing tastings conducted at a retail liquor store or liquor-licensed drugstore, including

- allowing tastings to be conducted: Between 11 a.m. and 9 p.m.; on up to 156 days per year; and by a representative of the alcohol beverage supplier (**section 5**);
- ! Specifies that if an employee or representative of an alcohol beverage supplier pours or serves the supplier's product during a tasting at a retail establishment, that service does not constitute labor provided by a supplier to a retail licensee (**section 6**);
 - ! Allows a local licensing authority, when reviewing an application for a new retail liquor store license, to deny the application if issuance of the license would create an undue concentration of licenses that allow the sale of alcohol beverages at retail for off-premises consumption, rather than an undue concentration of the same class of license (**sections 5 and 7**);
 - ! Applies the 1,500-foot radius restriction, rather than the 3,000-foot restriction, to a retail liquor store or liquor-licensed drugstore premises located in a municipality with a population of 10,000 or fewer that is contiguous to the city and county of Denver (**sections 5, 8, and 9**);
 - ! Prohibits a retail liquor store from selling alcohol beverages to consumers at a price that is below the retailer's cost to purchase the alcohol beverages, with limited exceptions, and allows the same exceptions to the restriction on below-cost sales applicable to liquor-licensed drugstores under current law (**sections 8 and 9**);
 - ! Allows retail liquor store and liquor-licensed drugstore licensees with multiple locations to operate under a single or consolidated corporate entity but prohibits commingled purchases for multiple licensed premises to secure a better wholesale price based on total product volume purchased (**sections 8 and 9**); and
 - ! Allows a liquor-licensed drugstore that applied for its license after July 1, 2016, to obtain additional liquor-licensed drugstore licenses, if obtained in the manner specified in current law for other liquor-licensed drugstores to obtain additional licenses, as follows: a maximum of 2 licenses between January 1, 2019, and January 1, 2022; a maximum of 3 licenses between January 1, 2022, and January 1, 2027; and a maximum of 4 licenses on or after January 1, 2027 (**section 9**).

Current law prohibits the public consumption of malt, vinous, and spirituous liquors except on a premises licensed to sell alcohol beverages for consumption on the licensed premises. **Section 11** includes fermented malt beverages within the prohibition against public consumption and

authorizes a local government, by rule, regulation, ordinance, or resolution, as applicable, and the parks and wildlife commission to authorize public consumption within their respective jurisdictions.

With regard to the enforcement authority of the state and local licensing authorities, **section 10**:

! Specifies the fine amount, if a fine is imposed, when a licensed retail establishment sells alcohol beverages to minors or to visibly intoxicated persons; and

! In determining the suspension or fine to impose for that violation, precludes consideration of violations that occurred more than 5 years before the current violation.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Prior to July 1, 2016, Colorado liquor laws strictly limited the
5 ability of retail establishments to sell various alcohol beverage products
6 in sealed containers for off-premises consumption by, among other
7 provisions, imposing the following restrictions:

8 (I) With regard to persons licensed as a retail liquor store or
9 liquor-licensed drugstore, which is a retail establishment that operates a
10 state-licensed pharmacy on site, which license authorizes the retail sale
11 of beer, wine, and spirits for off-premises consumption only, limiting
12 those persons to having an interest in only one such retail license; and

13 (II) For retail establishments such as grocery stores, convenience
14 stores, and other chain-type establishments that consist of multiple
15 locations, those persons were permitted to obtain only a fermented malt
16 beverage retailer's license under the "Colorado Beer Code" that
17 authorized the sale of beer with a maximum alcohol content of 3.2%
18 alcohol by weight or 4% alcohol by volume; except that a grocery store
19 that operates a state-licensed pharmacy could obtain one liquor-licensed

1 drugstore license for a single location;

2 (b) In 2016, the general assembly enacted Senate Bill 16-197,
3 which dramatically altered the landscape of the off-premises retail liquor
4 industry by:

5 (I) Permitting retail liquor stores and liquor-licensed drugstores
6 to obtain multiple licenses to sell beer, wine, and spirits at more than one
7 licensed establishment, subject to restrictions based on proximity to an
8 existing retail liquor business and other requirements; and

9 (II) Eliminating, as of January 1, 2019, the maximum alcohol
10 content of beer sold by fermented malt beverage retailers;

11 (c) In an effort to ease the effect of these dramatic changes in the
12 law on the liquor industry, the legislation directed the state licensing
13 authority to convene a working group consisting of members of the
14 industry to develop an implementation process for the transition,
15 including a process for grocery and convenience stores to apply for a
16 license to sell beer with no alcohol content limits;

17 (d) While the working group convened for over a year following
18 the passage of SB16-197, the group was not able to come to a consensus
19 on how to implement the transition and thus did not develop an
20 application process; and

21 (e) Accordingly, effective January 1, 2019, the definition of
22 fermented malt beverages will no longer contain an alcohol content limit,
23 and it is therefore important to enact legislation to establish safeguards
24 and parity among retail establishments and ensure public health and safety
25 given that, as of January 1, 2019, a fermented malt beverage retailer will
26 be able to sell beer with no maximum alcohol content under its existing
27 license and without having to apply for or obtain a new license.

1 **SECTION 2.** In Colorado Revised Statutes, 12-46-104, **amend**
2 (1) introductory portion and (1)(c) as follows:

3 **12-46-104. Licenses - state license fees - requirements - repeal.**

4 (1) The licenses to be granted and issued by the state licensing authority
5 pursuant to this article **46** for the manufacture, importation, and sale of
6 fermented malt beverages ~~shall be~~ ARE as follows:

7 (c) (I) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION
8 (1)(c), AS AMENDED, a retailer's license shall be granted and issued to any
9 person, partnership, association, organization, or corporation qualifying
10 under section 12-47-301 and not prohibited from licensure under section
11 12-47-307 to sell at retail ~~the said~~ fermented malt beverages EITHER FOR
12 CONSUMPTION OFF THE LICENSED PREMISES OR ON THE LICENSED
13 PREMISES, BUT NOT FOR CONSUMPTION ON AND OFF THE LICENSED
14 PREMISES, upon paying an annual license fee of seventy-five dollars to the
15 state licensing authority.

16 (II) (A) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION
17 (1)(c), AS AMENDED, THE STATE LICENSING AUTHORITY SHALL NOT ISSUE
18 A NEW OR RENEW A FERMENTED MALT BEVERAGE RETAILER'S LICENSE FOR
19 THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND
20 OFF THE LICENSED PREMISES. ANY LICENSEE HOLDING A FERMENTED MALT
21 BEVERAGE LICENSE AUTHORIZING THE SALE OF FERMENTED MALT
22 BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES THAT
23 WAS ISSUED BY THE STATE LICENSING AUTHORITY UNDER THIS
24 SUBSECTION (1)(c) BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION
25 (1)(c), AS AMENDED, THAT APPLIES TO RENEW THE LICENSE ON OR AFTER
26 THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, MUST
27 SIMULTANEOUSLY APPLY TO CONVERT THE LICENSE EITHER TO A LICENSE

1 FOR THE SALE OF FERMENTED MALT BEVERAGES AT RETAIL FOR
2 CONSUMPTION OFF THE LICENSED PREMISES OR TO A LICENSE FOR THE SALE
3 OF FERMENTED MALT BEVERAGES AT RETAIL FOR CONSUMPTION ON THE
4 LICENSED PREMISES.

5 (B) THIS SUBSECTION (1)(c)(II) IS REPEALED, EFFECTIVE JULY 1,
6 2019.

7 **SECTION 3.** In Colorado Revised Statutes, **amend** 12-46-106 as
8 follows:

9 **12-46-106. Lawful acts.** (1) It is lawful for a person under
10 eighteen years of age who is under the supervision of a person on the
11 premises ~~over~~ eighteen years of age OR OLDER to be employed in a place
12 of business where fermented malt beverages are sold at retail in
13 containers for off-premises consumption. During the normal course of
14 such employment, any person under ~~eighteen~~ TWENTY-ONE years of age
15 may handle and otherwise act with respect to fermented malt beverages
16 in the same manner as that person does with other items sold at retail;
17 except that: ~~no~~

18 (a) A person under eighteen years of age shall NOT sell or dispense
19 fermented malt beverages, check age identification, or make deliveries
20 beyond the customary parking area for the customers of the retail outlet;
21 AND

22 (b) A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE SHALL
23 NOT DELIVER FERMENTED MALT BEVERAGES IN SEALED CONTAINERS TO
24 CUSTOMERS UNDER SECTION 12-46-107 (6).

25 (2) This section shall DOES not ~~be construed to~~ permit the
26 violation of any other provisions of this section under circumstances not
27 specified in this section.

1 **SECTION 4.** In Colorado Revised Statutes, 12-46-107, **amend**
2 (1)(c); and **add** (3), (4), (5), and (6) as follows:

3 **12-46-107. Local licensing authority - application - fees -**
4 **definition - rules - repeal.** (1) The local licensing authority shall issue
5 only the following classes of fermented malt beverage licenses:

6 (c) (I) Sales for consumption both on and off the premises of the
7 licensee; ~~A person licensed pursuant to this paragraph (c) may deliver at~~
8 ~~retail fermented malt beverages in factory-sealed containers in~~
9 ~~conjunction with the delivery of food products if such person has~~
10 ~~obtained a permit for the delivery of fermented malt beverages from the~~
11 ~~state licensing authority. The state licensing authority shall promulgate~~
12 ~~rules as are necessary for the proper delivery of fermented malt beverages~~
13 ~~pursuant to this paragraph (c) and shall have the authority to issue a~~
14 ~~permit to any person who is licensed pursuant to and delivers fermented~~
15 ~~malt beverages under this paragraph (c)~~ EXCEPT THAT ON OR AFTER THE
16 EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, A LOCAL
17 LICENSING AUTHORITY SHALL NOT ISSUE A NEW FERMENTED MALT
18 BEVERAGE LICENSE OR RENEW AN EXISTING FERMENTED MALT BEVERAGE
19 LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR
20 CONSUMPTION ON AND OFF THE LICENSED PREMISES. ANY LICENSEE
21 HOLDING A FERMENTED MALT BEVERAGE LICENSE ISSUED UNDER THIS
22 SUBSECTION (1)(c) PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION
23 (1)(c), AS AMENDED, THAT APPLIES TO RENEW THE LICENSE ON OR AFTER
24 THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, MUST
25 SIMULTANEOUSLY APPLY TO CONVERT THE LICENSE EITHER TO A LICENSE
26 FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION OFF
27 THE LICENSED PREMISES AS SPECIFIED IN SUBSECTION (1)(a) OF THIS

1 SECTION OR TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES
2 FOR CONSUMPTION ON THE LICENSED PREMISES AS SPECIFIED IN
3 SUBSECTION (1)(b) OF THIS SECTION.

4 (II) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE JULY 1, 2019.

5 (3) (a) IN ADDITION TO ANY OTHER REQUIREMENTS SPECIFIED IN
6 THIS ARTICLE 46 OR ARTICLE 47 OF THIS TITLE 12, TO QUALIFY FOR A NEW
7 LICENSE UNDER SUBSECTION (1)(a) OF THIS SECTION ON OR AFTER THE
8 EFFECTIVE DATE OF THIS SUBSECTION (3) OR TO RENEW A LICENSE THAT
9 WAS ISSUED UNDER SUBSECTION (1)(a) OF THIS SECTION ON OR AFTER THE
10 EFFECTIVE DATE OF THIS SUBSECTION (3), A PERSON MUST DERIVE AT
11 LEAST TWENTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL
12 SALES FROM THE SALE OF FOOD ITEMS FOR CONSUMPTION OFF THE
13 PREMISES.

14
15 (b) FOR PURPOSES OF CALCULATING GROSS ANNUAL REVENUES
16 FROM TOTAL SALES, REVENUES DERIVED FROM THE SALE OF THE
17 FOLLOWING PRODUCTS ARE EXCLUDED:

18 (I) FUEL PRODUCTS, AS DEFINED IN SECTION 8-20-201 (2);

19 (II) CIGARETTES, TOBACCO PRODUCTS, AND NICOTINE PRODUCTS,
20 AS DEFINED IN SECTION 18-13-121 (5); AND

21 (III) LOTTERY PRODUCTS.

22 (c) THE STATE LICENSING AUTHORITY MAY ADOPT RULES
23 SPECIFYING THE FORM AND MANNER IN WHICH AN APPLICANT FOR A NEW
24 OR RENEWAL LICENSE MAY DEMONSTRATE COMPLIANCE WITH THIS
25 SUBSECTION (3).

26 (d) THIS SUBSECTION (3) DOES NOT APPLY TO A PERSON THAT
27 OWNS OR LEASES A PROPOSED FERMENTED MALT BEVERAGE RETAILER

1 LICENSED PREMISES AND HAS APPLIED FOR OR RECEIVED FROM THE
2 MUNICIPALITY, CITY AND COUNTY, OR COUNTY IN WHICH THE PREMISES
3 ARE LOCATED:

4 (I) A BUILDING PERMIT FOR THE STRUCTURE TO BE USED FOR THE
5 FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES, WHICH
6 PERMIT IS CURRENTLY ACTIVE AND WILL NOT EXPIRE BEFORE THE
7 COMPLETION OF THE LIQUOR LICENSING PROCESS; OR

8 (II) A CERTIFICATE OF OCCUPANCY FOR THE STRUCTURE TO BE
9 USED FOR THE FERMENTED MALT BEVERAGE RETAILER LICENSED
10 PREMISES.

11 (e) AS USED IN THIS SUBSECTION (3), "FOOD ITEMS" MEANS ANY
12 RAW, COOKED, OR PROCESSED EDIBLE SUBSTANCE, ICE, OR BEVERAGE,
13 OTHER THAN A BEVERAGE CONTAINING ALCOHOL, THAT IS INTENDED FOR
14 USE OR FOR SALE, IN WHOLE OR IN PART, FOR HUMAN CONSUMPTION.

15 (4) ON OR AFTER JANUARY 1, 2019, A FERMENTED MALT
16 BEVERAGE RETAILER LICENSED UNDER SUBSECTION (1)(a) OF THIS
17 SECTION:

18 (a) (I) SHALL NOT SELL FERMENTED MALT BEVERAGES TO
19 CONSUMERS AT A PRICE THAT IS BELOW THE RETAILER'S COST, AS LISTED
20 ON THE INVOICE, TO PURCHASE THE FERMENTED MALT BEVERAGES,
21 UNLESS THE SALE IS OF DISCONTINUED OR CLOSE-OUT FERMENTED MALT
22 BEVERAGES.

23 (II) THIS SUBSECTION (4)(a) DOES NOT PROHIBIT A FERMENTED
24 MALT BEVERAGE RETAILER FROM OPERATING A BONA FIDE LOYALTY OR
25 REWARDS PROGRAM FOR FERMENTED MALT BEVERAGES SO LONG AS THE
26 PRICE FOR THE PRODUCT IS NOT BELOW THE RETAILER'S COSTS AS LISTED
27 ON THE INVOICE. THE STATE LICENSING AUTHORITY MAY ADOPT RULES TO

1 IMPLEMENT THIS SUBSECTION (4)(a).

2 (b) SHALL NOT ALLOW CONSUMERS TO PURCHASE FERMENTED
3 MALT BEVERAGES AT A SELF-CHECKOUT OR OTHER MECHANISM THAT
4 ALLOWS THE CONSUMER TO COMPLETE THE FERMENTED MALT BEVERAGES
5 PURCHASE WITHOUT ASSISTANCE FROM AND COMPLETION OF THE ENTIRE
6 TRANSACTION BY AN EMPLOYEE OF THE FERMENTED MALT BEVERAGE
7 RETAILER.

8 (5) A PERSON LICENSED UNDER SUBSECTION (1)(a) OF THIS
9 SECTION THAT HOLDS MULTIPLE FERMENTED MALT BEVERAGE RETAILER'S
10 LICENSES FOR MULTIPLE LICENSED PREMISES MAY OPERATE UNDER A
11 SINGLE OR CONSOLIDATED CORPORATE ENTITY BUT SHALL NOT
12 COMMINGLE PURCHASES OF OR CREDIT EXTENSIONS FOR PURCHASES OF
13 FERMENTED MALT BEVERAGES FROM A WHOLESALER LICENSED UNDER
14 THIS ARTICLE 46 OR ARTICLE 47 OF THIS TITLE 12 FOR MORE THAN ONE
15 LICENSED PREMISES. A WHOLESALER LICENSED UNDER THIS ARTICLE 46 OR
16 ARTICLE 47 OF THIS TITLE 12 SHALL NOT BASE THE PRICE FOR THE
17 FERMENTED MALT BEVERAGES IT SELLS TO A FERMENTED MALT BEVERAGE
18 RETAILER LICENSED UNDER SUBSECTION (1)(a) OF THIS SECTION ON THE
19 TOTAL VOLUME OF FERMENTED MALT BEVERAGES THAT THE RETAILER
20 PURCHASES FOR MULTIPLE LICENSED PREMISES.

21 (6) (a) A PERSON LICENSED UNDER SUBSECTION (1)(a) OF THIS
22 SECTION WHO COMPLIES WITH THIS SUBSECTION (6) AND RULES
23 PROMULGATED UNDER THIS SUBSECTION (6) MAY DELIVER FERMENTED
24 MALT BEVERAGES IN SEALED CONTAINERS TO A PERSON OF LEGAL AGE IF:

25 (I) THE PERSON RECEIVING THE DELIVERY OF FERMENTED MALT
26 BEVERAGES IS LOCATED AT A PLACE THAT IS NOT LICENSED PURSUANT TO
27 THIS SECTION;

1 (II) THE DELIVERY IS MADE BY A PERSON WHO IS AT LEAST
2 TWENTY-ONE YEARS OF AGE;

3 (III) THE PERSON MAKING THE DELIVERY VERIFIES, IN
4 ACCORDANCE WITH SECTION 12-47-901 (10), THAT THE PERSON RECEIVING
5 THE DELIVERY OF FERMENTED MALT BEVERAGES IS AT LEAST TWENTY-ONE
6 YEARS OF AGE; AND

7 (IV) THE FERMENTED MALT BEVERAGE RETAILER DERIVES NO
8 MORE THAN FIFTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL
9 SALES OF FERMENTED MALT BEVERAGES FROM THE SALE OF FERMENTED
10 MALT BEVERAGES THAT THE FERMENTED MALT BEVERAGE RETAILER
11 DELIVERS.

12 (b) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES
13 AS NECESSARY FOR THE PROPER DELIVERY OF FERMENTED MALT
14 BEVERAGES PURSUANT TO THIS SUBSECTION (6) AND MAY ISSUE A PERMIT
15 TO ANY PERSON WHO IS LICENSED PURSUANT TO AND DELIVERS
16 FERMENTED MALT BEVERAGES UNDER SUBSECTION (1)(a) OF THIS
17 SECTION. A PERMIT ISSUED UNDER THIS SUBSECTION (6) IS SUBJECT TO THE
18 SAME SUSPENSION AND REVOCATION PROVISIONS AS ARE SET FORTH IN
19 SECTION 12-47-601 FOR OTHER LICENSES GRANTED PURSUANT TO ARTICLE
20 47 OF THIS TITLE 12.

21 **SECTION 5.** In Colorado Revised Statutes, 12-47-301, **amend**
22 **(2)(a), (8), (9)(a), (10)(c)(I), (10)(c)(V), (10)(c)(VII), (10)(c)(XI),**
23 **(10)(c)(XII), (10)(d), and (12) as follows:**

24 **12-47-301. Licensing in general.** (2) (a) Before granting any
25 license, all licensing authorities shall consider, except where this ~~article~~
26 ARTICLE 47 and article 46 of this ~~title~~ TITLE 12 specifically provide
27 otherwise, the reasonable requirements of the neighborhood, the desires

1 of the adult inhabitants as evidenced by petitions, remonstrances, or
2 otherwise, and all other reasonable restrictions that are or may be placed
3 upon the neighborhood by the local licensing authority. With respect to
4 a second or additional license described in section 12-47-401 (1)(j) to
5 (1)(t), (1)(v), or (1)(w) or 12-47-410 (1) or in a financial institution
6 referred to in section 12-47-308 (4) for the same licensee, all licensing
7 authorities shall consider the effect on competition of the granting or
8 disapproving of additional licenses to such licensee and shall not approve
9 an application for a second or additional ~~hotel and restaurant or vintner's~~
10 ~~restaurant~~ license that would have the effect of restraining competition.
11 ~~shall be approved.~~

12

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

24 (9) (a) (I) (A) SUBJECT TO SUBSECTIONS (9)(a)(I)(B) AND
25 (9)(a)(I)(C) OF THIS SECTION, a licensee may move ~~his or her~~ ITS
26 permanent location to any other place in the same city, town, or city and
27 county for which the license was originally granted, or in the same county

1 if ~~such~~ THE license was granted for a place outside the corporate limits of
2 any city, town, or city and county, but it ~~shall be~~ IS unlawful to sell any
3 alcohol beverage at ~~any such place~~ THE NEW LOCATION until permission
4 ~~to do so~~ is granted by ~~all~~ the STATE AND LOCAL licensing authorities.
5 ~~provided for in this article.~~

6 (B) THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT
7 GRANT PERMISSION UNDER THIS SUBSECTION (9)(a)(I) TO A FERMENTED
8 MALT BEVERAGE RETAILER LICENSED UNDER SECTION 12-46-107 (1)(a) TO
9 MOVE ITS PERMANENT LOCATION IF THE NEW LOCATION IS: WITHIN ONE
10 THOUSAND FIVE HUNDRED FEET OF A RETAIL LIQUOR STORE LICENSED
11 UNDER SECTION 12-47-407; FOR A PREMISES LOCATED IN A MUNICIPALITY
12 WITH A POPULATION OF TEN THOUSAND OR FEWER, WITHIN THREE
13 THOUSAND FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION
14 12-47-407; OR, FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A
15 POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE
16 CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED
17 FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407.

18 (C) THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT
19 GRANT PERMISSION UNDER THIS SUBSECTION (9)(a)(I) TO A RETAIL LIQUOR
20 STORE LICENSED UNDER SECTION 12-47-407 TO MOVE ITS PERMANENT
21 LOCATION IF THE NEW LOCATION IS: WITHIN ONE THOUSAND FIVE
22 HUNDRED FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER
23 SECTION 12-47-407; FOR A PREMISES LOCATED IN A MUNICIPALITY WITH
24 A POPULATION OF TEN THOUSAND OR FEWER, WITHIN THREE THOUSAND
25 FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER SECTION
26 12-47-407; OR, FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A
27 POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE

1 CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED
2 FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER SECTION
3 12-47-407.

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

12 (10) (c) Tastings are subject to the following limitations:

13 (I) Tastings shall be conducted only:

14 (A) By a person who: Has completed a server training program
15 that meets the standards established by the liquor enforcement division in
16 the department of revenue and ~~who is either~~ a retail liquor store licensee
17 or a liquor-licensed drugstore licensee, ~~or~~ an employee of a RETAIL
18 LIQUOR STORE OR LIQUOR-LICENSED DRUGSTORE licensee, OR A
19 REPRESENTATIVE, EMPLOYEE, OR AGENT OF THE LICENSED WHOLESALER,
20 BREWPUB, DISTILLERY PUB, MANUFACTURER, LIMITED WINERY, IMPORTER,
21 OR VINTNER'S RESTAURANT PROMOTING THE ALCOHOL BEVERAGES FOR
22 THE TASTING; and ~~only~~

23 (B) On a licensee's licensed premises.

24 (V) THE LICENSEE MAY CONDUCT tastings ~~shall be conducted~~ only
25 during the operating hours in which the licensee on whose premises the
26 tastings occur is permitted to sell alcohol beverages, and in no case earlier
27 than 11 a.m. or later than ~~7 p.m.~~ 9 P.M.

1 (VII) The licensee shall promptly remove all open and
2 unconsumed alcohol beverage samples from the licensed premises, ~~or~~
3 ~~shall~~ destroy the samples immediately following the completion of the
4 tasting, OR STORE ANY OPEN CONTAINERS OF UNCONSUMED ALCOHOL
5 BEVERAGES IN A SECURE AREA OUTSIDE THE SALES AREA OF THE LICENSED
6 PREMISES FOR USE AT A TASTING CONDUCTED AT A LATER TIME OR DATE.

7 (XI) THE LICENSEE MAY CONDUCT tastings ~~may occur~~ on no more
8 than ~~four of the six days from a Monday to the following Saturday, not to~~
9 ~~exceed one hundred four~~ ONE HUNDRED FIFTY-SIX days per year.

10 (XII) No manufacturer of spirituous or vinous liquors shall induce
11 a licensee through free goods or financial or in-kind assistance to favor
12 the manufacturer's products being sampled at a tasting. The RETAIL
13 LIQUOR STORE OR LIQUOR-LICENSED DRUGSTORE licensee ~~shall bear~~
14 BEARS the financial and all other responsibility for a tasting CONDUCTED
15 ON ITS LICENSED PREMISES.

16 (d) A violation of a limitation specified in this subsection (10) ~~or~~
17 ~~of section 12-47-801~~ by a retail liquor store or liquor-licensed drugstore
18 licensee, whether by ~~his or her~~ THE LICENSEE'S employees, agents, or
19 otherwise ~~shall be~~ OR BY A REPRESENTATIVE, EMPLOYEE, OR AGENT OF
20 THE LICENSED WHOLESALER, BREW PUB, DISTILLERY PUB, MANUFACTURER,
21 LIMITED WINERY, IMPORTER, OR VINTNER'S RESTAURANT THAT PROMOTED
22 THE ALCOHOL BEVERAGES FOR THE TASTING, IS the responsibility of, AND
23 SECTION 12-47-801 APPLIES TO, the retail liquor store or liquor-licensed
24 drugstore licensee ~~who is conducting~~ THAT CONDUCTED the tasting.

25 (12) (a) Notwithstanding any other provision of this article ~~47~~, on
26 and after July 1, 2016, the state and local licensing authorities shall not
27 issue a new license under this article ~~47~~ authorizing the sale at retail of

1 malt, vinous, or spirituous liquors in sealed containers for consumption
2 off the licensed premises if the premises for which the retail license is
3 sought is located:

4 (I) Within one thousand five hundred feet of another licensed
5 premises licensed to sell malt, vinous, or spirituous liquors at retail for
6 off-premises consumption; ~~or~~

7 (II) For a premises located in a municipality with a population of
8 ten thousand or fewer, within three thousand feet of another licensed
9 premises licensed to sell malt, vinous, or spirituous liquors at retail for
10 off-premises consumption; OR

11 (III) FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A
12 POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE
13 CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED
14 FEET OF ANOTHER LICENSED PREMISES LICENSED TO SELL MALT, VINOUS,
15 OR SPIRITUOUS LIQUORS AT RETAIL FOR OFF-PREMISES CONSUMPTION.

16 (a.5) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
17 ARTICLE 47, ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION
18 (12)(a.5), THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT
19 ISSUE A NEW FERMENTED MALT BEVERAGE RETAILER'S LICENSE UNDER
20 ARTICLE 46 OF THIS TITLE 12 AUTHORIZING THE SALE AT RETAIL OF
21 FERMENTED MALT BEVERAGES IN SEALED CONTAINERS FOR CONSUMPTION
22 OFF THE LICENSED PREMISES IF THE PREMISES FOR WHICH THE RETAIL
23 LICENSE IS SOUGHT IS LOCATED WITHIN FIVE HUNDRED FEET OF A RETAIL
24 LIQUOR STORE LICENSED UNDER SECTION 12-47-407.

25 (II) THIS SUBSECTION (12)(a.5) DOES NOT APPLY TO A PERSON
26 THAT OWNS OR LEASES A PROPOSED FERMENTED MALT BEVERAGE
27 RETAILER LICENSED PREMISES AND HAS APPLIED FOR OR RECEIVED FROM

1 THE MUNICIPALITY, CITY AND COUNTY, OR COUNTY IN WHICH THE
2 PREMISES ARE LOCATED:

3 (A) A BUILDING PERMIT FOR THE STRUCTURE TO BE USED FOR THE
4 FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES, WHICH
5 PERMIT IS CURRENTLY ACTIVE AND WILL NOT EXPIRE BEFORE THE
6 COMPLETION OF THE LIQUOR LICENSING PROCESS; OR

7 (B) A CERTIFICATE OF OCCUPANCY FOR THE STRUCTURE TO BE
8 USED FOR THE FERMENTED MALT BEVERAGE RETAILER LICENSED
9 PREMISES.

10 (b) For purposes of ~~this subsection (12)~~ SUBSECTION (12)(a) OF
11 THIS SECTION, a license under this ~~article~~ ARTICLE 47 authorizing the sale
12 at retail of malt, vinous, or spirituous liquors in sealed containers for
13 consumption off the licensed premises includes a license under this ~~article~~
14 ARTICLE 47 authorizing the sale of malt and vinous liquors in sealed
15 containers not to be consumed at the place where the malt and vinous
16 liquors are sold.

17 (c) For purposes of determining whether the distance requirements
18 specified in ~~paragraph (a) of this subsection (12)~~ SUBSECTIONS (12)(a)
19 AND (12)(a.5) OF THIS SECTION are satisfied, the distance shall be
20 determined by a radius measurement that begins at the principal doorway
21 of the premises for which the application is made and ends at the
22 principal doorway of the other retail licensed premises.

23 **SECTION 6.** In Colorado Revised Statutes, 12-47-308, **amend**
24 (1)(a), (3)(a), and (5) as follows:

25 **12-47-308. Unlawful financial assistance.** (1) (a) (I) It is
26 unlawful for any person licensed pursuant to this ~~article~~ ARTICLE 47 or
27 article 46 of this ~~title~~ TITLE 12 as a manufacturer, limited winery, licensee,

1 wholesaler, or importer, or any person, partnership, association,
2 organization, or corporation interested financially in or with any of said
3 licensees, to furnish, supply, or loan, in any manner, directly or indirectly,
4 to any person licensed to sell at retail pursuant to this ~~article~~ ARTICLE 47
5 or article 46 or 48 of this ~~title~~ TITLE 12:

6 (A) Any financial assistance, including the extension of credit for
7 more than thirty days, as specified in section 12-47-202 (2)(b) or in rules
8 of the state licensing authority; or

9 (B) Any equipment, fixtures, chattels, or furnishings used in the
10 storing, handling, serving, or dispensing of food or alcohol beverages
11 within the premises or for making any structural alterations or
12 improvements in or on the building in which ~~such~~ THE premises ~~are~~ IS
13 located.

14 (II) This ~~section shall~~ SUBSECTION (1) DOES not:

15 (A) Apply to signs or displays within ~~such~~ THE LICENSED
16 premises; OR

17 (B) PREVENT A REPRESENTATIVE, EMPLOYEE, OR AGENT OF A
18 PERSON LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12
19 AS A MANUFACTURER, LIMITED WINERY, WHOLESALER, OR IMPORTER FROM
20 POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGE PRODUCTS AS
21 PART OF A TASTING BEING CONDUCTED ON THE LICENSED PREMISES OF A
22 PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES
23 AT RETAIL FOR OFF-PREMISES CONSUMPTION, AND POURING OR SERVING
24 THE LICENSEE'S ALCOHOL BEVERAGES DOES NOT CONSTITUTE LABOR
25 PROVIDED BY A PERSON LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46
26 OF THIS TITLE 12 AS A MANUFACTURER, LIMITED WINERY, WHOLESALER,
27 OR IMPORTER TO A PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL

1 ALCOHOL BEVERAGES AT RETAIL.

2 (3) (a) (I) It is unlawful for any person licensed to sell at retail
3 pursuant to this ~~article~~ ARTICLE 47 or article 46 of this ~~title~~ TITLE 12 to
4 receive and obtain from the persons or parties described and referred to
5 in subsection (1)(a) of this section, directly or indirectly, any financial
6 assistance or any equipment, fixtures, chattels, or furnishings used in the
7 storing, handling, serving, or dispensing of food or alcohol beverages
8 within the premises or from making any structural alterations or
9 improvements in or on the building on which ~~such~~ THE premises ~~are~~ IS
10 located.

11 (II) This subsection (3) ~~shall~~ DOES not:

12 (A) Apply to signs or displays within ~~such~~ THE premises or to
13 advertising materials that are intended primarily to advertise the product
14 of the wholesaler or manufacturer and that have only negligible value in
15 themselves or to the inspection and servicing of malt or vinous
16 liquor-dispensing equipment to the extent necessary for the maintenance
17 of reasonable standards of purity, cleanliness, and health; OR

18 (B) PREVENT A REPRESENTATIVE, EMPLOYEE, OR AGENT OF A
19 LICENSEE DESCRIBED AND REFERRED TO IN SUBSECTION (1)(a) OF THIS
20 SECTION FROM POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGE
21 PRODUCTS AS PART OF A TASTING BEING CONDUCTED ON THE LICENSED
22 PREMISES OF THE PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL
23 ALCOHOL BEVERAGES AT RETAIL FOR OFF-PREMISES CONSUMPTION, AND
24 POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGES DOES NOT
25 CONSTITUTE LABOR PROVIDED BY A LICENSEE DESCRIBED IN SUBSECTION
26 (1)(a) OF THIS SECTION TO A PERSON LICENSED UNDER THIS ARTICLE 47 TO
27 SELL ALCOHOL BEVERAGES AT RETAIL.

1 (5) (a) It is unlawful for any owner, part owner, shareholder,
2 stockholder, or person interested, directly or indirectly, in any retail
3 business or establishment of a person licensed to sell at retail pursuant to
4 ~~the provisions of this article~~ ARTICLE 47 or article 46 or 48 of this ~~title~~
5 TITLE 12 to enter into any agreement with any person or party or to
6 receive, possess, or accept any money, fixtures, supplies, or things of
7 value from any person or party, whereby a person licensed to sell at retail
8 pursuant to this ~~article~~ ARTICLE 47 or article 46 or 48 of this ~~title~~ TITLE 12
9 may be influenced or caused, directly or indirectly, to buy, sell, dispense,
10 or handle the product of any manufacturer of alcohol beverages.

11 (b) This subsection (5) ~~shall~~ DOES not:

12 (I) Apply to displays within ~~such~~ THE premises; OR

13 (II) PREVENT A REPRESENTATIVE, EMPLOYEE, OR AGENT OF A
14 PERSON LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12
15 AS A MANUFACTURER, LIMITED WINERY, WHOLESALER, OR IMPORTER FROM
16 POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGE PRODUCTS AS
17 PART OF A TASTING BEING CONDUCTED ON THE LICENSED PREMISES OF A
18 PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES
19 AT RETAIL FOR OFF-PREMISES CONSUMPTION, AND POURING OR SERVING
20 THE LICENSEE'S ALCOHOL BEVERAGES DOES NOT CONSTITUTE LABOR
21 PROVIDED BY A PERSON LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46
22 OF THIS TITLE 12 AS A MANUFACTURER, LIMITED WINERY, WHOLESALER,
23 OR IMPORTER TO A PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL
24 ALCOHOL BEVERAGES AT RETAIL.

25 **SECTION 7.** In Colorado Revised Statutes, 12-47-313, **amend**
26 (1) introductory portion; and **add** (1)(e) as follows:

27 **12-47-313. Restrictions for applications for new license -**

1 **repeal.** (1) ~~No~~ AN application for the issuance of any license specified
2 in section 12-47-309 (1) or 12-46-107 (1) shall NOT be received or acted
3 upon:

4 (e) (I) IF THE BUILDING IN WHICH THE FERMENTED MALT
5 BEVERAGES ARE TO BE SOLD PURSUANT TO A LICENSE UNDER SECTION
6 12-46-107 (1)(a) IS LOCATED WITHIN FIVE HUNDRED FEET OF ANY PUBLIC
7 OR PAROCHIAL SCHOOL OR THE PRINCIPAL CAMPUS OF ANY COLLEGE,
8 UNIVERSITY, OR SEMINARY; EXCEPT THAT THIS SUBSECTION (1)(e)(I) DOES
9 NOT APPLY TO:

10 (A) LICENSED PREMISES LOCATED OR TO BE LOCATED ON LAND
11 OWNED BY A MUNICIPALITY;

12 (B) AN EXISTING LICENSED PREMISES ON LAND OWNED BY THE
13 STATE;

14 (C) A FERMENTED MALT BEVERAGE RETAILER THAT HELD A VALID
15 LICENSE AND WAS ACTIVELY DOING BUSINESS BEFORE THE PRINCIPAL
16 CAMPUS WAS CONSTRUCTED;

17 (D) A CLUB LOCATED WITHIN THE PRINCIPAL CAMPUS OF ANY
18 COLLEGE, UNIVERSITY, OR SEMINARY THAT LIMITS ITS MEMBERSHIP TO THE
19 FACULTY OR STAFF OF THE INSTITUTION; OR

20 (E) A CAMPUS LIQUOR COMPLEX.

21 (II) THE DISTANCES REFERRED TO IN SUBSECTION (1)(e)(I) OF THIS
22 SECTION ARE TO BE COMPUTED BY DIRECT MEASUREMENT FROM THE
23 NEAREST PROPERTY LINE OF THE LAND USED FOR SCHOOL PURPOSES TO
24 THE NEAREST PORTION OF THE BUILDING IN WHICH FERMENTED MALT
25 BEVERAGES ARE TO BE SOLD, USING A ROUTE OF DIRECT PEDESTRIAN
26 ACCESS.

27 (III) THE LOCAL LICENSING AUTHORITY OF ANY CITY AND COUNTY,

1 BY RULE OR REGULATION, THE GOVERNING BODY OF ANY OTHER
2 MUNICIPALITY, BY ORDINANCE, OR THE GOVERNING BODY OF ANY OTHER
3 COUNTY, BY RESOLUTION, MAY:

4 (A) ELIMINATE OR MODIFY THE DISTANCE RESTRICTIONS IMPOSED
5 BY THIS SUBSECTION (1)(e); OR

6 (B) ELIMINATE ONE OR MORE TYPES OF SCHOOLS OR CAMPUSES
7 FROM THE APPLICATION OF ANY DISTANCE RESTRICTION ESTABLISHED BY
8 OR PURSUANT TO THIS SUBSECTION (1)(e).

9 (IV) IN ADDITION TO THE REQUIREMENTS OF SECTION 12-47-312
10 (2), THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE EVIDENCE
11 AND MAKE A SPECIFIC FINDING OF FACT AS TO WHETHER THE BUILDING IN
12 WHICH THE FERMENTED MALT BEVERAGES ARE TO BE SOLD IS LOCATED
13 WITHIN ANY DISTANCE RESTRICTION ESTABLISHED BY OR PURSUANT TO
14 THIS SUBSECTION (1)(e). THE FINDING IS SUBJECT TO JUDICIAL REVIEW
15 PURSUANT TO SECTION 12-47-802.

16 (V) THIS SUBSECTION (1)(e) APPLIES TO:

17 (A) APPLICATIONS FOR NEW FERMENTED MALT BEVERAGE
18 RETAILER'S LICENSES UNDER SECTION 12-46-107 (1)(a) SUBMITTED ON OR
19 AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(e); AND

20 (B) APPLICATIONS SUBMITTED ON OR AFTER THE EFFECTIVE DATE
21 OF THIS SUBSECTION (1)(e) UNDER SECTION 12-47-301 (9) BY FERMENTED
22 MALT BEVERAGE RETAILERS LICENSED UNDER SECTION 12-46-107 (1)(a)
23 TO CHANGE THE PERMANENT LOCATION OF THE FERMENTED MALT
24 BEVERAGE RETAILER'S LICENSED PREMISES.

25 == ==

26 **SECTION 8.** In Colorado Revised Statutes, 12-47-407, **amend**
27 (1)(a)(II), (2), and (3) as follows:

1 **12-47-407. Retail liquor store license - rules.** (1) (a) (II) On and
2 after July 1, 2016, the state and local licensing authorities shall not issue
3 a new retail liquor store license if the premises for which the retail liquor
4 store license is sought is located:

5 (A) Within one thousand five hundred feet of another retail liquor
6 store licensed under this section or a liquor-licensed drugstore licensed
7 under section 12-47-408; ~~or~~

8 (B) For a premises located in a municipality with a population of
9 ten thousand or fewer, within three thousand feet of another retail liquor
10 store licensed under this section or a liquor-licensed drugstore licensed
11 under section 12-47-408; OR

12 (C) FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A
13 POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE
14 CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED
15 FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER THIS SECTION
16 OR A LIQUOR-LICENSED DRUGSTORE LICENSED UNDER SECTION 12-47-408.

17 (2) (a) ~~Every~~ A person ~~selling~~ LICENSED UNDER THIS SECTION TO
18 SELL malt, vinous, and spirituous liquors in a retail liquor store:

19 (I) Shall purchase ~~such~~ THE malt, vinous, and spirituous liquors
20 only from a wholesaler licensed pursuant to this ~~article~~: ARTICLE 47; AND

21 (II) (A) SHALL NOT SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS
22 TO CONSUMERS AT A PRICE THAT IS BELOW THE RETAIL LIQUOR STORE'S
23 COST, AS LISTED ON THE INVOICE, TO PURCHASE THE MALT, VINOUS, OR
24 SPIRITUOUS LIQUORS, UNLESS THE SALE IS OF DISCONTINUED OR
25 CLOSE-OUT MALT, VINOUS, OR SPIRITUOUS LIQUORS.

26 (B) THIS SUBSECTION (2)(a)(II) DOES NOT PROHIBIT A RETAIL
27 LIQUOR STORE FROM OPERATING A BONA FIDE LOYALTY OR REWARDS

1 PROGRAM FOR MALT, VINOUS, OR SPIRITUOUS LIQUORS SO LONG AS THE
2 PRICE FOR THE PRODUCT IS NOT BELOW THE RETAIL LIQUOR STORE'S COSTS
3 AS LISTED ON THE INVOICE. THE STATE LICENSING AUTHORITY MAY ADOPT
4 RULES TO IMPLEMENT THIS SUBSECTION (2)(a)(II). ==

5 (b) A PERSON LICENSED UNDER THIS SECTION THAT OBTAINS
6 ADDITIONAL RETAIL LIQUOR STORE LICENSES IN ACCORDANCE WITH
7 SUBSECTION (4)(b)(III) OF THIS SECTION MAY OPERATE UNDER A SINGLE
8 OR CONSOLIDATED CORPORATE ENTITY BUT SHALL NOT COMMINGLE
9 PURCHASES OF OR CREDIT EXTENSIONS FOR PURCHASES OF MALT, VINOUS,
10 OR SPIRITUOUS LIQUORS FROM A WHOLESALER LICENSED UNDER THIS
11 ARTICLE 47 FOR MORE THAN ONE LICENSED PREMISES. A WHOLESALER
12 LICENSED UNDER THIS ARTICLE 47 SHALL NOT BASE THE PRICE FOR THE
13 MALT, VINOUS, OR SPIRITUOUS LIQUORS IT SELLS TO A RETAIL LIQUOR
14 STORE LICENSED UNDER THIS SECTION ON THE TOTAL VOLUME OF MALT,
15 VINOUS, OR SPIRITUOUS LIQUORS THAT THE LICENSEE PURCHASES FOR
16 MULTIPLE LICENSED PREMISES.

17 (3) (a) A person licensed to sell at retail who complies with this
18 subsection (3) and rules promulgated pursuant ~~thereto~~ TO THIS
19 SUBSECTION (3) may deliver malt, vinous, and spirituous liquors to a
20 person of legal age if: ~~such~~

21 (I) THE person RECEIVING THE DELIVERY OF MALT, VINOUS, OR
22 SPIRITUOUS LIQUORS is LOCATED at a place that is not licensed pursuant
23 to this section;

24 (II) THE DELIVERY IS MADE BY A PERSON WHO IS AT LEAST
25 TWENTY-ONE YEARS OF AGE;

26 (III) THE PERSON MAKING THE DELIVERY VERIFIES, IN
27 ACCORDANCE WITH SECTION 12-47-901 (10), THAT THE PERSON RECEIVING

1 THE DELIVERY OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IS AT LEAST
2 TWENTY-ONE YEARS OF AGE; AND

3

4 (IV) THE RETAIL LIQUOR STORE DERIVES NO MORE THAN FIFTY
5 PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES OF MALT,
6 VINOUS, AND SPIRITUOUS LIQUORS FROM THE SALE OF MALT, VINOUS, AND
7 SPIRITUOUS LIQUORS THAT THE RETAIL LIQUOR STORE DELIVERS.

8 (b) The state licensing authority shall promulgate rules as ~~are~~
9 necessary for the proper delivery of malt, vinous, and spirituous liquors
10 and ~~shall have the authority~~ IS AUTHORIZED to issue a permit to any
11 person who is licensed UNDER THIS SECTION to sell at retail and delivers
12 ~~such~~ THE liquors pursuant to this subsection (3). ~~Such permits shall be~~ A
13 PERMIT ISSUED UNDER THIS SUBSECTION (3) IS subject to the same
14 suspension and revocation provisions as are set forth in section 12-47-601
15 for other licenses granted pursuant to this ~~article~~ ARTICLE 47.

16 **SECTION 9.** In Colorado Revised Statutes, 12-47-408, **amend**
17 (1)(a)(I), (1)(b)(IV) introductory portion, (1)(b)(IV)(B), (2)(a)(II),
18 (2)(a)(III), (3), and (4)(b)(IV) introductory portion; and **add** (4)(b)(V),
19 (4)(c), and (8) as follows:

20 **12-47-408. Liquor-licensed drugstore license - multiple**
21 **licenses permitted - requirements - rules.** (1) (a) (I) A liquor-licensed
22 drugstore license shall be issued to persons selling malt, vinous, and
23 spirituous liquors in sealed containers not to be consumed at the place
24 where sold. On and after July 1, 2016, except as permitted under
25 ~~paragraph (b) of this subsection (1)~~ SUBSECTION (1)(b) OF THIS SECTION,
26 the state and local licensing authorities shall not issue a new
27 liquor-licensed drugstore license if the licensed premises for which a

1 liquor-licensed drugstore license is sought is located:

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

4 (B) For a drugstore premises located in a municipality with a
5 population of ten thousand or fewer, within three thousand feet of a retail
6 liquor store licensed under section 12-47-407; OR

7 (C) FOR A DRUGSTORE PREMISES LOCATED IN A MUNICIPALITY
8 WITH A POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO
9 THE CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED
10 FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407.

11 (b) (IV) In addition to any other requirements for licensure under
12 this section or ~~article~~ ARTICLE 47, a person applying for a new
13 liquor-licensed drugstore license in accordance with this ~~paragraph (b)~~
14 SUBSECTION (1)(b) on or after January 1, 2017, or to renew a
15 liquor-licensed drugstore license issued on or after January 1, 2017, under
16 this ~~paragraph (b)~~ SUBSECTION (1)(b) must:

17 (B) ~~Be~~ MAKE AND KEEP ITS PREMISES open to the public.

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

20 (II) (A) Not sell malt, vinous, or spirituous liquors to consumers
21 at a price that is below the liquor-licensed drugstore's cost, AS LISTED ON
22 THE INVOICE, to purchase the malt, vinous, or spirituous liquors, UNLESS
23 THE SALE IS OF DISCONTINUED OR CLOSE-OUT MALT, VINOUS, OR
24 SPIRITUOUS LIQUORS.

25 (B) THIS SUBSECTION (2)(a)(II) DOES NOT PROHIBIT A
26 LIQUOR-LICENSED DRUGSTORE FROM OPERATING A BONA FIDE LOYALTY
27 OR REWARDS PROGRAM FOR MALT, VINOUS, OR SPIRITUOUS LIQUORS SO

1 LONG AS THE PRICE FOR THE PRODUCT IS NOT BELOW THE
2 LIQUOR-LICENSED DRUGSTORE'S COSTS AS LISTED ON THE INVOICE. THE
3 STATE LICENSING AUTHORITY MAY ADOPT RULES TO IMPLEMENT THIS
4 SUBSECTION (2)(a)(II).

5 (III) Not allow consumers to purchase malt, vinous, or spirituous
6 liquors at a self-checkout or other mechanism that allows the consumer
7 to complete the alcohol beverage purchase without assistance from and
8 completion of the ENTIRE transaction by an employee of the
9 liquor-licensed drugstore;

10 (3) (a) A liquor-licensed drugstore licensee who complies with
11 this subsection (3) and rules promulgated pursuant ~~thereto~~ TO THIS
12 SUBSECTION (3) may deliver malt, vinous, and spirituous liquors to a
13 person of legal age if: ~~such~~

14 (I) THE person RECEIVING THE DELIVERY OF MALT, VINOUS, OR
15 SPIRITUOUS LIQUORS IS LOCATED at a place that is not licensed pursuant
16 to this section;

17 (II) THE DELIVERY IS MADE BY A PERSON WHO IS AT LEAST
18 TWENTY-ONE YEARS OF AGE;

19 (III) THE PERSON MAKING THE DELIVERY VERIFIES, IN
20 ACCORDANCE WITH SECTION 12-47-901 (10), THAT THE PERSON RECEIVING
21 THE DELIVERY OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IS AT LEAST
22 TWENTY-ONE YEARS OF AGE; AND

23 ==
24 (IV) THE LIQUOR-LICENSED DRUGSTORE DERIVES NO MORE THAN
25 FIFTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES OF
26 MALT, VINOUS, AND SPIRITUOUS LIQUORS FROM THE SALE OF MALT,
27 VINOUS, AND SPIRITUOUS LIQUORS THAT THE LIQUOR-LICENSED

1 DRUGSTORE DELIVERS.

2 (b) The state licensing authority shall promulgate rules as ~~are~~
3 necessary for the proper delivery of malt, vinous, and spirituous liquors
4 and ~~shall have the authority~~ IS AUTHORIZED to issue a permit to any
5 liquor-licensed drugstore licensee that will allow ~~such~~ THE licensee to
6 deliver ~~such~~ THE liquors pursuant to ~~such~~ THE rules and this subsection
7 (3). ~~Such permits shall be~~ A PERMIT ISSUED UNDER THIS SUBSECTION (3)
8 IS subject to the same suspension and revocation provisions as are set
9 forth in sections 12-47-306 and 12-47-601 for other licenses granted
10 pursuant to this ~~article~~ ARTICLE 47.

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

14 (IV) For a liquor-licensed drugstore licensed on or before January
15 1, 2016, OR A LIQUOR-LICENSED DRUGSTORE LICENSEE THAT WAS
16 LICENSED AS A LIQUOR-LICENSED DRUGSTORE ON FEBRUARY 21, 2016,
17 THAT CONVERTED ITS LICENSE TO A RETAIL LIQUOR STORE LICENSE AFTER
18 FEBRUARY 21, 2016, AND THAT APPLIED ON OR BEFORE MAY 1, 2017, TO
19 CONVERT ITS RETAIL LIQUOR STORE LICENSE BACK TO A LIQUOR-LICENSED
20 DRUGSTORE LICENSE, additional liquor-licensed drugstore licenses as
21 follows, but only if obtained in accordance with ~~paragraph (b) of~~
22 ~~subsection (1)~~ SUBSECTION (1)(b) of this section:

23 (V) FOR A LIQUOR-LICENSED DRUGSTORE THAT SUBMITTED AN
24 APPLICATION FOR A NEW LIQUOR-LICENSED DRUGSTORE LICENSE BEFORE
25 OCTOBER 1, 2016, ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES
26 AS FOLLOWS, BUT ONLY IF OBTAINED IN ACCORDANCE WITH SUBSECTION
27 (1)(b) OF THIS SECTION:

1 (A) ON OR AFTER JANUARY 1, 2019, AND BEFORE JANUARY 1,
2 2022, FOUR ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES, FOR A
3 MAXIMUM OF FIVE TOTAL LIQUOR-LICENSED DRUGSTORE LICENSES;

4 (B) ON OR AFTER JANUARY 1, 2022, AND BEFORE JANUARY 1,
5 2027, UP TO SEVEN ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES,
6 FOR A MAXIMUM OF EIGHT TOTAL LIQUOR-LICENSED DRUGSTORE
7 LICENSES;

8 (C) ON OR AFTER JANUARY 1, 2027, AND BEFORE JANUARY 1,
9 2032, UP TO TWELVE ADDITIONAL LIQUOR-LICENSED DRUGSTORE
10 LICENSES, FOR A MAXIMUM OF THIRTEEN TOTAL LIQUOR-LICENSED
11 DRUGSTORE LICENSES;

12 (D) ON OR AFTER JANUARY 1, 2032, AND BEFORE JANUARY 1,
13 2037, UP TO NINETEEN ADDITIONAL LIQUOR-LICENSED DRUGSTORE
14 LICENSES, FOR A MAXIMUM OF TWENTY TOTAL LIQUOR-LICENSED
15 DRUGSTORE LICENSES; AND

16 (E) ON OR AFTER JANUARY 1, 2037, AN UNLIMITED NUMBER OF
17 ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES.

18 (c) SUBSECTION (4)(b)(V) OF THIS SECTION DOES NOT APPLY TO A
19 LIQUOR-LICENSED DRUGSTORE LICENSEE THAT WAS LICENSED AS A
20 LIQUOR-LICENSED DRUGSTORE ON FEBRUARY 21, 2016, THAT CONVERTED
21 ITS LICENSE TO A RETAIL LIQUOR STORE LICENSE AFTER FEBRUARY 21,
22 2016, AND THAT APPLIED ON OR BEFORE MAY 1, 2017, TO CONVERT ITS
23 RETAIL LIQUOR STORE LICENSE BACK TO A LIQUOR-LICENSED DRUGSTORE
24 LICENSE.

25 (8) A PERSON LICENSED UNDER THIS SECTION THAT OBTAINS
26 ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES IN ACCORDANCE
27 WITH SUBSECTION (4)(b)(IV) OR (4)(b)(V) OF THIS SECTION MAY OPERATE

1 UNDER A SINGLE OR CONSOLIDATED CORPORATE ENTITY BUT SHALL NOT
2 COMMINGLE PURCHASES OF OR CREDIT EXTENSIONS FOR PURCHASES OF
3 MALT, VINOUS, OR SPIRITUOUS LIQUORS FROM A WHOLESALER LICENSED
4 UNDER THIS ARTICLE 47 FOR MORE THAN ONE LICENSED PREMISES. A
5 WHOLESALER LICENSED UNDER THIS ARTICLE 47 SHALL NOT BASE THE
6 PRICE FOR THE MALT, VINOUS, OR SPIRITUOUS LIQUORS IT SELLS TO A
7 LIQUOR-LICENSED DRUGSTORE LICENSED UNDER THIS SECTION ON THE
8 TOTAL VOLUME OF MALT, VINOUS, OR SPIRITUOUS LIQUORS THAT THE
9 LICENSEE PURCHASES FOR MULTIPLE LICENSED PREMISES.

10 **SECTION 10.** In Colorado Revised Statutes, 12-47-601, **add**
11 (7.5)(c) as follows:

12 [REDACTED]
13 **12-47-601. Suspension - revocation - fines.** (7.5) (c) WHEN
14 IMPOSING A SUSPENSION OR FINE FOR A VIOLATION OF SECTION 12-47-901
15 (5)(a)(I), THE LICENSING AUTHORITY SHALL NOT TAKE INTO
16 CONSIDERATION ANY VIOLATION OF SECTION 12-47-901 [REDACTED] (5)(a)(I) THAT
17 OCCURRED MORE THAN FIVE YEARS BEFORE THE DATE ON WHICH THE
18 VIOLATION FOR WHICH THE SUSPENSION OR FINE IS BEING IMPOSED
19 OCCURRED.

20 **SECTION 11.** In Colorado Revised Statutes, 12-47-901, **amend**
21 (1) introductory portion, (1)(f), (1)(h)(I), (1)(h)(II), (5)(c), (5)(k),
22 (5)(p)(I)(B), (5)(p)(II), (5)(p)(III), (9)(b), and (10); and **add (1)(h)(VII)**
23 as follows:

24 **12-47-901. Unlawful acts - exceptions - definitions.** (1) Except
25 as provided in section 18-13-122, ~~C.R.S.~~, it is unlawful for any person:

26 (f) To sell at retail any malt, vinous, or spirituous liquors in sealed
27 containers without holding a retail liquor store or liquor-licensed

1 drugstore license, except as permitted by section 12-47-301 (6)(b) or any
2 other provision of this ~~article~~ ARTICLE 47, OR TO SELL AT RETAIL ANY
3 FERMENTED MALT BEVERAGES IN SEALED CONTAINERS WITHOUT HOLDING
4 A FERMENTED MALT BEVERAGE RETAILER'S LICENSE UNDER SECTIONS
5 12-46-104 (1)(c) AND 12-46-107 (1)(a);

6 (h) (I) To consume ANY FERMENTED MALT BEVERAGE OR malt,
7 vinous, or spirituous liquor:

8 (A) In any public place except on any licensed premises permitted
9 under this ~~article~~ ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 to sell ~~such~~
10 ~~liquor~~ ANY FERMENTED MALT BEVERAGES OR MALT, VINOUS, OR
11 SPIRITUOUS LIQUORS by the drink for consumption ~~thereon; to consume~~
12 ~~any alcohol beverage~~ ON THE LICENSED PREMISES; ==

13 (B) Upon any premises licensed to sell ~~liquor~~ ALCOHOL
14 BEVERAGES for consumption on the licensed premises, the sale of which
15 is not authorized by the state licensing authority; ~~to consume alcohol~~
16 ~~beverages~~

17 (C) At any time on such premises other than ~~such~~ alcohol
18 ~~beverage as is~~ BEVERAGES purchased from ~~such~~ THE establishment; or ~~to~~
19 ~~consume alcohol beverages~~

20 (D) In any public room on ~~such~~ THE LICENSED premises during
21 ~~such~~ hours ~~as~~ DURING WHICH the sale of ~~such~~ THE ALCOHOL beverage is
22 prohibited under this ~~article~~ ARTICLE 47.

23 (II) Notwithstanding ~~subparagraph (I) of this paragraph (h), it is~~
24 ~~not unlawful for~~ SUBSECTION (1)(h)(I) OF THIS SECTION, a person who is
25 at least twenty-one years of age ~~to~~ MAY consume ~~malt, vinous, or~~
26 ~~spirituous liquors~~ ALCOHOL BEVERAGES while the person is a passenger
27 aboard a luxury limousine or a charter bus, as those terms are defined in

1 section 40-10.1-301. ~~C.R.S.~~ Nothing in this ~~subparagraph (H)~~
2 SUBSECTION (1)(h)(II) authorizes an owner or operator of a luxury
3 limousine or charter bus to sell or distribute alcohol beverages without
4 obtaining a public transportation system license pursuant to section
5 12-47-419.

6 (VII) NOTWITHSTANDING SUBSECTION (1)(h)(I) OF THIS SECTION,
7 IT IS NOT UNLAWFUL FOR A PERSON WHO IS AT LEAST TWENTY-ONE YEARS
8 OF AGE TO CONSUME ANY FERMENTED MALT BEVERAGE OR MALT, VINOUS,
9 OR SPIRITUOUS LIQUOR IN ANY PUBLIC PLACE, OTHER THAN A PUBLIC RIGHT
10 OF WAY, WHERE CONSUMPTION OF THE FERMENTED MALT BEVERAGE OR
11 MALT, VINOUS, OR SPIRITUOUS LIQUOR HAS BEEN SPECIFICALLY
12 AUTHORIZED BY ORDINANCE, RESOLUTION, OR RULE ADOPTED BY A
13 MUNICIPALITY, CITY AND COUNTY, OR COUNTY OR, FOR PURPOSES OF
14 STATE PARKS, STATE WILDLIFE AREAS, OR OTHER PROPERTIES OPEN TO
15 RECREATION THAT ARE UNDER THE SUPERVISION OF THE PARKS AND
16 WILDLIFE COMMISSION CREATED IN ARTICLE 9 OF TITLE 33, BY THE PARKS
17 AND WILDLIFE COMMISSION.

18 (5) It is unlawful for any person licensed to sell at retail pursuant
19 to this article 47 or article 46 of this title 12:

20 (c) ~~Except as provided in section 18-13-122, C.R.S.,~~ To sell
21 fermented malt beverages:

22 (I) To any person under the age of twenty-one years, ~~or~~ EXCEPT AS
23 PROVIDED IN SECTION 18-13-122;

24 (II) To any person between the hours of 12 midnight and 8 a.m.;
25 OR

26 (III) IN A SEALED CONTAINER ON CHRISTMAS DAY;

27 (k) (I) EXCEPT AS PROVIDED IN SUBSECTIONS (5)(k)(II), (5)(k)(IV),

1 AND (5)(k)(V) OF THIS SECTION, to have on the licensed premises, if
2 licensed as a retail liquor store, ~~or~~ liquor-licensed drugstore, OR
3 FERMENTED MALT BEVERAGE RETAILER, any container that shows
4 evidence of having once been opened or that contains a volume of liquor
5 less than that specified on the label of ~~such~~ THE container; ~~except that~~

6 (II) (A) A person holding a retail liquor store or liquor-licensed
7 drugstore license UNDER THIS ARTICLE 47 may have upon the licensed
8 premises malt, vinous, or spirituous liquors in open containers when the
9 open containers were brought on the licensed premises by and remain
10 solely in the possession of the sales personnel of a person licensed to sell
11 at wholesale pursuant to this ~~article~~ ARTICLE 47 for the purpose of
12 sampling malt, vinous, or spirituous liquors by the retail LIQUOR STORE OR
13 LIQUOR-LICENSED DRUGSTORE licensee only.

14 (B) A PERSON HOLDING A FERMENTED MALT BEVERAGE RETAILER'S
15 LICENSE UNDER SECTION 12-46-107 (1)(a) MAY HAVE UPON THE LICENSED
16 PREMISES FERMENTED MALT BEVERAGES IN OPEN CONTAINERS WHEN THE
17 OPEN CONTAINERS WERE BROUGHT ONTO THE LICENSED PREMISES BY AND
18 REMAIN SOLELY IN THE POSSESSION OF THE SALES PERSONNEL OF A PERSON
19 LICENSED TO SELL AT WHOLESALE PURSUANT TO ARTICLE 46 OF THIS TITLE
20 12 FOR THE PURPOSE OF SAMPLING FERMENTED MALT BEVERAGES BY THE
21 FERMENTED MALT BEVERAGE RETAILER LICENSEE ONLY.

22 (III) Nothing in this ~~paragraph (k)~~ shall apply SUBSECTION (5)(k)
23 APPLIES to any liquor-licensed drugstore where the contents, or a portion
24 ~~thereof~~ OF THE CONTENTS, have been used in compounding prescriptions.

25 (H) (IV) ~~Notwithstanding subparagraph (I) of this paragraph (k),~~
26 It ~~shall~~ IS not ~~be~~ unlawful for a retail liquor store or liquor-licensed
27 drugstore licensee to allow tastings to be conducted on ~~his or her~~ THE

1 licensed premises if authorization for the tastings has been granted
2 pursuant to section 12-47-301.

3 (V) A PERSON HOLDING A RETAIL LIQUOR STORE OR
4 LIQUOR-LICENSED DRUGSTORE LICENSE UNDER THIS ARTICLE 47 OR A
5 FERMENTED MALT BEVERAGE RETAILER'S LICENSE UNDER SECTION
6 12-46-107 (1)(a) MAY HAVE UPON THE LICENSED PREMISES AN OPEN
7 CONTAINER OF AN ALCOHOL BEVERAGE PRODUCT THAT THE LICENSEE
8 DISCOVERS TO BE DAMAGED OR DEFECTIVE SO LONG AS THE LICENSEE
9 MARKS THE PRODUCT AS DAMAGED OR FOR RETURN AND STORES THE OPEN
10 CONTAINER OUTSIDE THE SALES AREA OF THE LICENSED PREMISES UNTIL
11 THE LICENSEE IS ABLE TO RETURN THE PRODUCT TO THE WHOLESALER
12 FROM WHOM THE PRODUCT WAS PURCHASED.

13 (p) (I) (B) Except as provided in ~~subparagraph (H) of this~~
14 ~~paragraph (p)~~ SUBSECTION (5)(p)(II) OF THIS SECTION, to employ a person
15 who is at least eighteen years of age but under twenty-one years of age to
16 sell or dispense malt, vinous, or spirituous liquors unless the employee is
17 supervised by another person who is on the licensed premises and is at
18 least twenty-one years of age; EXCEPT THAT THIS SUBSECTION (5)(p)(I)(B)
19 DOES NOT APPLY TO A RETAIL LIQUOR STORE LICENSED UNDER SECTION
20 12-47-407 OR A LIQUOR-LICENSED DRUGSTORE LICENSED UNDER SECTION
21 12-47-408;

22 (II) If licensed as a tavern under section 12-47-412 that does
23 not regularly serve meals OR a lodging and entertainment facility under
24 section 12-47-426 that does not regularly serve meals, ~~a retail liquor~~
25 ~~store under section 12-47-407, or liquor-licensed drugstore under section~~
26 ~~12-47-408,~~ to permit an employee who is under twenty-one years of
27 age to sell malt, vinous, or spirituous liquors; or

1 (III) If licensed as a retail liquor store under section 12-47-407, ~~or~~
2 a liquor-licensed drugstore under section 12-47-408, OR A FERMENTED
3 MALT BEVERAGE RETAILER UNDER SECTION 12-46-107 (1)(a), to permit an
4 employee who is under twenty-one years of age to deliver ~~or otherwise~~
5 ~~have any contact with~~ malt, vinous, or spirituous liquors OR FERMENTED
6 MALT BEVERAGES offered for sale on, or sold and removed from, the
7 licensed premises of the retail liquor store, ~~or~~ liquor-licensed drugstore,
8 OR FERMENTED MALT BEVERAGE RETAILER.

9 (9) (b) This subsection (9) applies to persons licensed or permitted
10 to sell or serve alcohol beverages for consumption on the licensed
11 premises pursuant to section **12-46-107 (1)(b)**, 12-47-403, 12-47-409,
12 12-47-410, 12-47-411, 12-47-412, 12-47-413, 12-47-414, 12-47-415,
13 12-47-416, 12-47-417, 12-47-418, 12-47-419, 12-47-420, 12-47-422,
14 12-47-424, or 12-47-426.

15 (10) (a) Except as provided in ~~paragraph (b) of this subsection~~
16 ~~(10), it is unlawful for~~ SUBSECTION (10)(b) OF THIS SECTION, a retail
17 licensee or an employee of a retail licensee ~~to~~ SHALL NOT sell malt,
18 vinous, or spirituous liquors OR FERMENTED MALT BEVERAGES to a
19 consumer for consumption off the licensed premises unless the retail
20 licensee or employee verifies that the consumer is at least twenty-one
21 years of age by requiring the consumer to present a valid identification,
22 as determined by the state licensing authority by rule. The retail licensee
23 or employee shall make a determination from the information presented
24 whether the purchaser is at least twenty-one years of age.

25 (b) It is not unlawful for a retail licensee or employee of a retail
26 licensee to sell malt, vinous, or spirituous liquors OR FERMENTED MALT
27 BEVERAGES to a consumer who is or reasonably appears to be over fifty

1 years of age and who failed to present an acceptable form of
2 identification.

3 (c) As used in this subsection (10), "retail licensee" means a
4 person licensed under section ~~12-46-104 (1)(c)~~ 12-46-107 (1)(a),
5 12-47-407, or 12-47-408.

6

7 **SECTION 12. Appropriation.** (1) For the 2018-19 state fiscal
8 year, \$91,092 is appropriated to the department of revenue. This
9 appropriation is from the liquor enforcement division and state licensing
10 authority cash fund created in section 24-35-401, C.R.S. To implement
11 this act, the department may use this appropriation as follows:

12 (a) \$65,506 for use by the liquor and tobacco enforcement
13 division for personal services, which amount is based on an assumption
14 that the division will require an additional 1.0 FTE;

15 (b) \$14,930 for use by the liquor and tobacco enforcement
16 division for operating expenses; and

17 (c) \$10,656 for the purchase of legal services.

18 (2) For the 2018-19 state fiscal year, \$10,656 is appropriated to
19 the department of law. This appropriation is from reappropriated funds
20 received from the department of revenue under subsection (1)(c) of this
21 section and is based on an assumption that the department of law will
22 require an additional 0.1 FTE. To implement this act, the department of
23 law may use this appropriation to provide legal services for the
24 department of revenue.

25 **SECTION 13. Effective date.** (1) Except as provided in
26 subsections (2) and (3) of this section, this act takes effect upon passage.

27 (2) Section 3 of this act; section 12-46-107 (4), (5), and (6).

1 as enacted in section 4 of this act; section 12-47-407 (2) and (3), as
2 amended in section 8 of this act; section 12-47-408 (2)(a)(II), (2)(a)(III),
3 and (3), as amended in section 9 of this act; section 12-47-408 (8), as
4 enacted in section 9 of this act; and section 11 of this act take effect
5 January 1, 2019.

6 (3) Section 12-47-301 (8), as amended in section 5 of this act,
7 takes effect July 1, 2019.

8 **SECTION 14. Safety clause.** The general assembly hereby finds,
9 determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, and safety.