

CHAPTER 366

REVENUE - ACTIVITIES REGULATION

SENATE BILL 18-243

BY SENATOR(S) Holbert and Guzman, Marble, Priola, Scott, Tate;
also REPRESENTATIVE(S) Esgar and McKean, Young, Kennedy.

AN ACT

**CONCERNING THE RETAIL SALE OF ALCOHOL BEVERAGES, AND, IN CONNECTION THEREWITH,
MAKING AN APPROPRIATION.**

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

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

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

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

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

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

Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

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

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

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

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

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

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

12-46-104. Licenses - state license fees - requirements - repeal. (1) The licenses to be granted and issued by the state licensing authority pursuant to this article **46** for the manufacture, importation, and sale of fermented malt beverages ~~shall be~~ ARE as follows:

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

(II) (A) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, THE STATE LICENSING AUTHORITY SHALL NOT ISSUE A NEW OR RENEW A FERMENTED MALT BEVERAGE RETAILER'S LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES. ANY LICENSEE HOLDING A FERMENTED MALT BEVERAGE LICENSE AUTHORIZING THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES THAT WAS ISSUED BY THE STATE LICENSING AUTHORITY UNDER THIS

SUBSECTION (1)(c) BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, THAT APPLIES TO RENEW THE LICENSE ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, MUST SIMULTANEOUSLY APPLY TO CONVERT THE LICENSE EITHER TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES AT RETAIL FOR CONSUMPTION OFF THE LICENSED PREMISES OR TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES AT RETAIL FOR CONSUMPTION ON THE LICENSED PREMISES.

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

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

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

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

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

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

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

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

(c) (I) Sales for consumption both on and off the premises of the licensee; ~~A person licensed pursuant to this paragraph (c) may deliver at retail fermented malt beverages in factory-sealed containers in conjunction with the delivery of food products if such person has obtained a permit for the delivery of fermented malt beverages from the state licensing authority. The state licensing authority shall promulgate rules as are necessary for the proper delivery of fermented malt beverages pursuant to this paragraph (c) and shall have the authority to issue a permit to any person who is licensed pursuant to and delivers fermented malt beverages under this paragraph (c)~~ EXCEPT THAT ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, A LOCAL LICENSING AUTHORITY SHALL NOT ISSUE A NEW FERMENTED MALT BEVERAGE LICENSE OR RENEW AN EXISTING FERMENTED MALT BEVERAGE LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES. ANY LICENSEE

HOLDING A FERMENTED MALT BEVERAGE LICENSE ISSUED UNDER THIS SUBSECTION (1)(c) PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, THAT APPLIES TO RENEW THE LICENSE ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, MUST SIMULTANEOUSLY APPLY TO CONVERT THE LICENSE EITHER TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION OFF THE LICENSED PREMISES AS SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION OR TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON THE LICENSED PREMISES AS SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION.

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

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

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

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

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

(III) LOTTERY PRODUCTS.

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

(d) THIS SUBSECTION (3) DOES NOT APPLY TO A PERSON THAT OWNS OR LEASES A PROPOSED FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES AND, AS OF JANUARY 1, 2019, HAS APPLIED FOR OR RECEIVED FROM THE MUNICIPALITY, CITY AND COUNTY, OR COUNTY IN WHICH THE PREMISES ARE LOCATED:

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

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

(e) AS USED IN THIS SUBSECTION (3), "FOOD ITEMS" MEANS ANY RAW, COOKED, OR PROCESSED EDIBLE SUBSTANCE, ICE, OR BEVERAGE, OTHER THAN A BEVERAGE

CONTAINING ALCOHOL, THAT IS INTENDED FOR USE OR FOR SALE, IN WHOLE OR IN PART, FOR HUMAN CONSUMPTION.

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

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

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

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

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

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

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

(II) THE DELIVERY IS MADE BY AN EMPLOYEE OF THE FERMENTED MALT BEVERAGE RETAILER WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS USING A VEHICLE OWNED OR LEASED BY THE LICENSEE TO MAKE THE DELIVERY;

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

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

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

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

12-47-301. Licensing in general. (2) (a) Before granting any license, all licensing authorities shall consider, except where this ~~article~~ ARTICLE 47 and article 46 of this ~~title~~ TITLE 12 specifically provide otherwise, the reasonable requirements of the neighborhood, the desires of the adult inhabitants as evidenced by petitions, remonstrances, or otherwise, and all other reasonable restrictions that are or may be placed upon the neighborhood by the local licensing authority. With respect to a second or additional license described in section 12-47-401 (1)(j) to (1)(t), (1)(v), or (1)(w) or 12-47-410 (1) or in a financial institution referred to in section 12-47-308 (4) for the same licensee, all licensing authorities shall consider the effect on competition of the granting or disapproving of additional licenses to such licensee and shall not approve an application for a second or additional ~~hotel and restaurant or vintner's restaurant~~ license that would have the effect of restraining competition. ~~shall be approved.~~

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

(9) (a) (I) (A) SUBJECT TO SUBSECTIONS (9)(a)(I)(B) AND (9)(a)(I)(C) OF THIS SECTION, a licensee may move ~~his or her~~ ITS permanent location to any other place in the same city, town, or city and county for which the license was originally granted, or in the same county if ~~such~~ THE license was granted for a place outside the corporate limits of any city, town, or city and county, but it ~~shall be~~ IS unlawful to sell any alcohol beverage at ~~any such place~~ THE NEW LOCATION until permission ~~to do so~~ is granted by ~~all~~ the STATE AND LOCAL licensing authorities. ~~provided for in this article.~~

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

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

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

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

(I) Tastings shall be conducted only:

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

(B) On a licensee's licensed premises.

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

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

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

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

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

(12) (a) Notwithstanding any other provision of this article 47, on and after July 1, 2016, the state and local licensing authorities shall not issue a new license under this article 47 authorizing the sale at retail of malt, vinous, or spirituous liquors in sealed containers for consumption off the licensed premises if the premises for which the retail license is sought is located:

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

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

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

(a.5) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE 47, ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (12)(a.5), THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT ISSUE A NEW FERMENTED MALT BEVERAGE RETAILER'S LICENSE UNDER ARTICLE 46 OF THIS TITLE 12 AUTHORIZING THE SALE AT RETAIL OF FERMENTED MALT BEVERAGES IN SEALED CONTAINERS FOR CONSUMPTION OFF THE LICENSED PREMISES IF THE PREMISES FOR WHICH THE RETAIL LICENSE IS

SOUGHT IS LOCATED WITHIN FIVE HUNDRED FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407.

(II) THIS SUBSECTION (12)(a.5) DOES NOT APPLY TO A PERSON THAT OWNS OR LEASES A PROPOSED FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES AND, AS OF JANUARY 1, 2019, HAS APPLIED FOR OR RECEIVED FROM THE MUNICIPALITY, CITY AND COUNTY, OR COUNTY IN WHICH THE PREMISES ARE LOCATED:

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

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

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

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

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

12-47-308. Unlawful financial assistance. (1) (a) (I) It is unlawful for any person licensed pursuant to this ~~article~~ ARTICLE 47 or article 46 of this ~~title~~ TITLE 12 as a manufacturer, limited winery, ~~licensee~~, wholesaler, or importer, or any person, partnership, association, organization, or corporation interested financially in or with any of said licensees, to furnish, supply, or loan, in any manner, directly or indirectly, to any person licensed to sell at retail pursuant to this ~~article~~ ARTICLE 47 or article 46 or 48 of this ~~title~~ TITLE 12:

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

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

(II) This ~~section shall~~ SUBSECTION (1) DOES NOT:

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

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

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

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

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

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

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

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

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

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

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

12-47-313. Restrictions for applications for new license - repeal. (1) ~~No~~ AN application for the issuance of any license specified in section 12-47-309 (1) or 12-46-107 (1) shall NOT be received or acted upon:

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

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

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

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

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

(E) A CAMPUS LIQUOR COMPLEX.

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

(III) THE LOCAL LICENSING AUTHORITY OF ANY CITY AND COUNTY, BY RULE OR REGULATION, THE GOVERNING BODY OF ANY OTHER MUNICIPALITY, BY ORDINANCE, OR THE GOVERNING BODY OF ANY OTHER COUNTY, BY RESOLUTION, MAY:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) THIS SUBSECTION (2)(a)(II) DOES NOT PROHIBIT A RETAIL LIQUOR STORE FROM OPERATING A BONA FIDE LOYALTY OR REWARDS PROGRAM FOR MALT, VINOUS, OR SPIRITUOUS LIQUORS SO LONG AS THE PRICE FOR THE PRODUCT IS NOT BELOW THE RETAIL LIQUOR STORE'S COSTS AS LISTED ON THE INVOICE. THE STATE LICENSING AUTHORITY MAY ADOPT RULES TO IMPLEMENT THIS SUBSECTION (2)(a)(II).

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

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

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

(II) THE DELIVERY IS MADE BY AN EMPLOYEE OF THE LICENSED RETAIL LIQUOR STORE WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS USING A VEHICLE OWNED OR LEASED BY THE LICENSEE TO MAKE THE DELIVERY;

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

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

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

SECTION 9. In Colorado Revised Statutes, 12-47-408, **amend** (1)(a)(I),

(1)(b)(IV) introductory portion, (1)(b)(IV)(B), (2)(a)(II), (2)(a)(III), (3), and (4)(b)(IV) introductory portion; and **add** (4)(b)(V), (4)(c), and (8) as follows:

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

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

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

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

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

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

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

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

(B) THIS SUBSECTION (2)(a)(II) DOES NOT PROHIBIT A LIQUOR-LICENSED DRUGSTORE FROM OPERATING A BONA FIDE LOYALTY OR REWARDS PROGRAM FOR MALT, VINOUS, OR SPIRITUOUS LIQUORS SO LONG AS THE PRICE FOR THE PRODUCT IS NOT BELOW THE LIQUOR-LICENSED DRUGSTORE'S COSTS AS LISTED ON THE INVOICE. THE STATE LICENSING AUTHORITY MAY ADOPT RULES TO IMPLEMENT THIS SUBSECTION (2)(a)(II).

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

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

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

(II) THE DELIVERY IS MADE BY AN EMPLOYEE OF THE LIQUOR-LICENSED DRUGSTORE WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS USING A VEHICLE OWNED OR LEASED BY THE LICENSEE TO MAKE THE DELIVERY;

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

(IV) THE LIQUOR-LICENSED DRUGSTORE DERIVES NO MORE THAN FIFTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES OF MALT, VINOUS, AND SPIRITUOUS LIQUORS FROM THE SALE OF MALT, VINOUS, AND SPIRITUOUS LIQUORS THAT THE LIQUOR-LICENSED DRUGSTORE DELIVERS.

(b) The state licensing authority shall promulgate rules as are necessary for the proper delivery of malt, vinous, and spirituous liquors and ~~shall have the authority~~ IS AUTHORIZED to issue a permit to any liquor-licensed drugstore licensee that will allow ~~such~~ THE licensee to deliver ~~such~~ THE liquors pursuant to ~~such~~ THE rules and this subsection (3). ~~Such permits shall be~~ A PERMIT ISSUED UNDER THIS SUBSECTION (3) IS SUBJECT TO THE SAME SUSPENSION AND REVOCATION PROVISIONS AS ARE SET FORTH IN SECTIONS 12-47-306 AND 12-47-601 FOR OTHER LICENSES GRANTED PURSUANT TO THIS ~~article~~ ARTICLE 47.

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

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

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

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

(B) ON OR AFTER JANUARY 1, 2022, AND BEFORE JANUARY 1, 2027, UP TO SEVEN

ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES, FOR A MAXIMUM OF EIGHT TOTAL LIQUOR-LICENSED DRUGSTORE LICENSES;

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

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

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

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

(8) A PERSON LICENSED UNDER THIS SECTION THAT OBTAINS ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES IN ACCORDANCE WITH SUBSECTION (4)(b)(IV) OR (4)(b)(V) OF THIS SECTION MAY OPERATE UNDER A SINGLE OR CONSOLIDATED CORPORATE ENTITY BUT SHALL NOT COMMINGLE PURCHASES OF OR CREDIT EXTENSIONS FOR PURCHASES OF MALT, VINOUS, OR SPIRITUOUS LIQUORS FROM A WHOLESALER LICENSED UNDER THIS ARTICLE 47 FOR MORE THAN ONE LICENSED PREMISES. A WHOLESALER LICENSED UNDER THIS ARTICLE 47 SHALL NOT BASE THE PRICE FOR THE MALT, VINOUS, OR SPIRITUOUS LIQUORS IT SELLS TO A LIQUOR-LICENSED DRUGSTORE LICENSED UNDER THIS SECTION ON THE TOTAL VOLUME OF MALT, VINOUS, OR SPIRITUOUS LIQUORS THAT THE LICENSEE PURCHASES FOR MULTIPLE LICENSED PREMISES.

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

12-47-601. Suspension - revocation - fines. (7.5) (c) WHEN IMPOSING A SUSPENSION OR FINE AGAINST A RETAIL ESTABLISHMENT LICENSED UNDER SECTION 12-46-107(1) OR THIS ARTICLE 47 FOR A VIOLATION OF SECTION 12-47-901 (5)(a)(I), THE LICENSING AUTHORITY SHALL NOT TAKE INTO CONSIDERATION ANY VIOLATION OF SECTION 12-47-901 (5)(a)(I) BY THE LICENSEE THAT OCCURRED MORE THAN FIVE YEARS BEFORE THE DATE ON WHICH THE VIOLATION FOR WHICH THE SUSPENSION OR FINE IS BEING IMPOSED OCCURRED.

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

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

(f) To sell at retail any malt, vinous, or spirituous liquors in sealed containers

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

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

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

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

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

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

(II) Notwithstanding ~~subparagraph (I) of this paragraph (h), it is not unlawful for~~ SUBSECTION (1)(h)(I) OF THIS SECTION, a person who is at least twenty-one years of age ~~to MAY consume malt, vinous, or spirituous liquors~~ ALCOHOL BEVERAGES while the person is a passenger aboard a luxury limousine or a charter bus, as those terms are defined in section 40-10.1-301. ~~C.R.S.~~ Nothing in this ~~subparagraph (H)~~ SUBSECTION (1)(h)(II) authorizes an owner or operator of a luxury limousine or charter bus to sell or distribute alcohol beverages without obtaining a public transportation system license pursuant to section 12-47-419.

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

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

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

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

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

(III) IN A SEALED CONTAINER ON CHRISTMAS DAY;

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

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

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

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

~~(H)~~ (IV) Notwithstanding subparagraph (I) of this paragraph (k), It ~~shall~~ IS not be unlawful for a retail liquor store or liquor-licensed drugstore licensee to allow tastings to be conducted on ~~his or her~~ THE licensed premises if authorization for the tastings has been granted pursuant to section 12-47-301.

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

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

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

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

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

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

(b) It is not unlawful for a retail licensee or employee of a retail licensee to sell malt, vinous, or spirituous liquors OR FERMENTED MALT BEVERAGES to a consumer who is or reasonably appears to be over fifty years of age and who failed to present an acceptable form of identification.

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

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

as follows:

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

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

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

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

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

(2) Section 3 of this act; section 12-46-107 (4), (5), and (6), as enacted in section 4 of this act; section 12-47-407 (2) and (3), as amended in section 8 of this act; section 12-47-408 (2)(a)(II), (2)(a)(III), and (3), as amended in section 9 of this act; section 12-47-408 (8), as enacted in section 9 of this act; and section 11 of this act take effect January 1, 2019.

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

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

Approved: June 4, 2018