

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 21-0333.01 Christy Chase x2008

SENATE BILL 21-134

SENATE SPONSORSHIP

Bridges and Lundeen, Coleman, Liston, Priola, Winter

HOUSE SPONSORSHIP

Gray and Larson,

Senate Committees

Business, Labor, & Technology
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE ABILITY OF A RETAIL LIQUOR STORE LICENSEE TO**
102 **OBTAIN ADDITIONAL RETAIL LIQUOR STORE LICENSES.**

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, a retail liquor store licensee that was licensed on or before January 1, 2016, and is a Colorado resident is permitted to obtain one additional retail liquor store license on or after January 1, 2017; 2 additional retail liquor store licenses on or after January 1, 2022; and 3 additional retail liquor store licenses on or after January 1, 2027.

The bill modifies the provisions governing the ability of a retail

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.

liquor store to obtain additional retail liquor store licenses as follows:

- Retains the ability of a retail liquor store owner that applied for a license on or before January 1, 2016, to obtain one additional retail liquor store license on or after January 1, 2017, but removes the requirement that the licensee be a Colorado resident;
- On or after the effective date of the bill, mirrors the multiple license provisions applicable to liquor-licensed drugstore licenses by allowing a retail liquor store owner to obtain: A maximum of 5 total retail liquor store licenses between the effective date of the bill and December 31, 2021; a maximum of 8 total retail liquor store licenses between January 1, 2022, and December 31, 2026; a maximum of 13 total retail liquor store licenses between January 1, 2027, and December 31, 2031; a maximum of 20 total retail liquor store licenses between January 1, 2032, and December 31, 2036; and an unlimited number of retail liquor store licenses on or after January 1, 2037; and
- For additional licenses obtained on or after the effective date of the bill, requires a person seeking additional licenses to apply to transfer ownership of, change location of, and merge at least 2 retail liquor store licenses located within the same local licensing authority jurisdiction as the applicant's premises into a single retail liquor store license.

Additionally, the bill prohibits a retail liquor store from allowing customers to use a self-checkout to complete an alcohol beverage purchase and requires a retail liquor store to:

- Verify the age of a customer attempting to purchase an alcohol beverage by examining the customer's valid identification; and
- Maintain certification as a responsible alcohol beverage vendor.

The bill sets state and local application fees for a retail liquor store licensee applying for a transfer of ownership, change of location, and merger of 2 retail liquor store licenses.

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 finds and declares that, with the creation of the relief program for small
4 businesses that have been disproportionately impacted by the COVID-19
5 pandemic, enacted by Senate Bill 20B-001 and amended by Senate Bill

1 21-001, the Colorado office of economic development will administer a
2 program to provide grants and loans to disproportionately impacted
3 businesses for start-up and growth capital. Accordingly, a retail liquor
4 store that satisfies the qualifications for participation in that program,
5 which includes a business with five or fewer employees, that has
6 diminished opportunities to access capital or credit, or that is located in
7 an economically distressed area or whose owner lives in an economically
8 distressed area or has a low or moderate income or low or moderate
9 personal wealth, may apply for and may obtain, subject to satisfying the
10 criteria for the program, start-up or growth capital to assist the business
11 owner in obtaining additional retail liquor store licenses as authorized by
12 this act.

13 **SECTION 2.** In Colorado Revised Statutes, 44-3-303, **amend**
14 (1)(c)(II) and (2) as follows:

15 **44-3-303. Transfer of ownership and temporary permits.**

16 (1) (c) (II) (A) A LICENSE TRANSFER AND MERGER AS PROVIDED FOR IN
17 SECTION 44-3-409 (1)(a.5) INCLUDES, AS APPLICABLE, A TRANSFER OF
18 OWNERSHIP OF MULTIPLE RETAIL LIQUOR STORES, A CHANGE OF LOCATION
19 OF ALL BUT ONE OF THE RETAIL LIQUOR STORES, AND A MERGER OF THE
20 RETAIL LIQUOR STORE LICENSES INTO A SINGLE RETAIL LIQUOR STORE
21 LICENSE, ALL AS PART OF A SINGLE TRANSACTION. A license merger and
22 conversion as provided for in section 44-3-410 (1)(b) includes a transfer
23 of ownership of at least two retail liquor stores, a change of location of
24 ALL BUT one of the retail liquor stores, and a merger and conversion of the
25 retail liquor store licenses into a single liquor-licensed drugstore license,
26 all as part of a single transaction. ~~and~~ The RETAIL LIQUOR STORE OR
27 liquor-licensed drugstore applicant need not apply separately for a

1 transfer of ownership under this section. ~~The~~

2 (B) NEITHER A RETAIL LIQUOR STORE APPLYING FOR A LICENSE
3 TRANSFER AND MERGER PURSUANT TO SECTION 44-3-409 (1)(a.5) NOR A
4 liquor-licensed drugstore applying for a license merger and conversion
5 pursuant to section 44-3-410 (1)(b) is ~~ineligible~~ ELIGIBLE for a temporary
6 permit pursuant to this section.

7 (C) The local licensing authority shall consider the reasonable
8 requirements of the neighborhood pursuant to section 44-3-312 when
9 making a determination on the TRANSFER AND MERGER OF RETAIL LIQUOR
10 STORE LICENSES INTO A SINGLE RETAIL LIQUOR STORE LICENSE OR THE
11 merger and conversion of the retail liquor store licenses into a single
12 liquor-licensed drugstore license, AS APPLICABLE. The local licensing
13 authority may hold a hearing on the application for the license TRANSFER
14 AND MERGER OR merger and conversion after providing notice in
15 accordance with subsection (1)(c)(III) of this section.

16 (2) Notwithstanding any provision of this article 3 to the contrary,
17 a local licensing authority may issue a temporary permit to a transferee of
18 any retail class of alcohol beverage license issued by the local licensing
19 authority pursuant to this article 3 or article 4 of this title 44; except that
20 a local licensing authority shall not issue a temporary permit to a RETAIL
21 LIQUOR STORE OR liquor-licensed drugstore that has acquired ownership
22 of licensed retail liquor stores in accordance with ~~section 44-3-410(1)(b)~~
23 SECTION 44-3-409 (1)(a.5) OR 44-3-410 (1)(b), RESPECTIVELY. A
24 temporary permit authorizes a transferee to continue selling alcohol
25 beverages as permitted under the permanent license during the period in
26 which an application to transfer the ownership of the license is pending.

27 **SECTION 3.** In Colorado Revised Statutes, 44-3-312, **amend**

1 (2)(a) as follows:

2 **44-3-312. Results of investigation - decision of authorities.**

3 (2) (a) Before entering any decision approving or denying the
4 application, the local licensing authority shall consider, except where this
5 article 3 specifically provides otherwise, the facts and evidence adduced
6 as a result of its investigation, as well as any other facts; the reasonable
7 requirements of the neighborhood for the type of license for which
8 application has been made; the desires of the adult inhabitants; the
9 number, type, and availability of alcohol beverage outlets located in or
10 near the neighborhood under consideration; and any other pertinent
11 matters affecting the qualifications of the applicant for the conduct of the
12 type of business proposed; except that the reasonable requirements of the
13 neighborhood shall not be considered in the issuance of a club liquor
14 license. FOR THE TRANSFER AND MERGER OF RETAIL LIQUOR STORE
15 LICENSES TO A SINGLE RETAIL LIQUOR STORE LICENSE IN ACCORDANCE
16 WITH SECTION 44-3-409 (1)(a.5) OR for the merger and conversion of
17 retail liquor store licenses to a single liquor-licensed drugstore license in
18 accordance with section 44-3-410 (1)(b), the local licensing authority
19 shall consider the reasonable requirements of the neighborhood and the
20 desires of the adult inhabitants of the neighborhood.

21 **SECTION 4.** In Colorado Revised Statutes, 44-3-409, **amend**
22 (2)(a)(I), (2)(b), and (4)(b)(III); and **add** (1)(a.5), (2)(a)(III), (2)(a)(IV),
23 (4)(b)(III.5), and (6) as follows:

24 **44-3-409. Retail liquor store license - rules.** (1) (a.5) (I) ON
25 AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(a.5), EXCEPT AS
26 PROVIDED IN SUBSECTION (1)(a.5)(II) OF THIS SECTION, TO QUALIFY FOR
27 AN ADDITIONAL RETAIL LIQUOR STORE LICENSE UNDER SUBSECTION

1 (4)(b)(III.5) OF THIS SECTION, A RETAIL LIQUOR STORE LICENSEE MUST
2 APPLY TO THE STATE AND LOCAL LICENSING AUTHORITIES, AS PART OF A
3 SINGLE APPLICATION, FOR A TRANSFER OF OWNERSHIP OF AT LEAST TWO
4 RETAIL LIQUOR STORES THAT WERE LICENSED OR HAD APPLIED FOR A
5 LICENSE ON OR BEFORE MAY 1, 2016, A CHANGE OF LOCATION OF ALL BUT
6 ONE OF THE RETAIL LIQUOR STORES, AND A MERGER OF THE RETAIL LIQUOR
7 STORE LICENSES INTO A SINGLE RETAIL LIQUOR STORE LICENSE. THE
8 APPLICANT MAY APPLY FOR A TRANSFER, CHANGE OF LOCATION, AND
9 MERGER ONLY IF ALL OF THE FOLLOWING REQUIREMENTS ARE MET:

10 (A) THE RETAIL LIQUOR STORES THAT ARE THE SUBJECT OF THE
11 TRANSFER OF OWNERSHIP ARE LOCATED WITHIN THE SAME LOCAL
12 LICENSING AUTHORITY JURISDICTION AS THE PREMISES FOR WHICH THE
13 APPLICANT IS SEEKING A RETAIL LIQUOR STORE LICENSE, AND, IF ANY
14 RETAIL LIQUOR STORES ARE LOCATED WITHIN ONE THOUSAND FIVE
15 HUNDRED FEET OF THE PREMISES OR, FOR A PREMISES LOCATED IN A
16 MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER, WITHIN
17 THREE THOUSAND FEET OF THE PREMISES, THE APPLICANT APPLIES TO
18 TRANSFER OWNERSHIP OF ALL RETAIL LIQUOR STORES LOCATED WITHIN
19 THAT DISTANCE. IF THERE ARE NO LICENSED RETAIL LIQUOR STORES OR
20 ONLY ONE LICENSED RETAIL LIQUOR STORE WITHIN THE SAME LOCAL
21 LICENSING AUTHORITY JURISDICTION AS THE PREMISES FOR WHICH THE
22 APPLICANT SEEKS A RETAIL LIQUOR STORE LICENSE, THE APPLICANT MUST
23 APPLY TO TRANSFER OWNERSHIP OF ONE OR TWO RETAIL LIQUOR STORES,
24 AS NECESSARY, THAT ARE LOCATED IN THE LOCAL LICENSING AUTHORITY
25 JURISDICTION THAT IS NEAREST TO THE JURISDICTION IN WHICH THE
26 PREMISES IS LOCATED.

27 (B) UPON TRANSFER AND MERGER OF THE RETAIL LIQUOR STORE

1 LICENSES TO A SINGLE RETAIL LIQUOR STORE LICENSE, THE PREMISES FOR
2 WHICH THE NEW RETAIL LIQUOR STORE LICENSE IS SOUGHT WILL BE
3 LOCATED AT LEAST ONE THOUSAND FIVE HUNDRED FEET FROM ALL
4 LICENSED RETAIL LIQUOR STORES THAT ARE WITHIN THE SAME LOCAL
5 LICENSING AUTHORITY JURISDICTION AS THE PREMISES FOR WHICH THE
6 NEW RETAIL LIQUOR STORE LICENSE IS SOUGHT OR, FOR A PREMISES
7 LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR
8 FEWER, AT LEAST THREE THOUSAND FEET FROM ALL LICENSED RETAIL
9 LIQUOR STORES THAT ARE WITHIN THE SAME LOCAL LICENSING AUTHORITY
10 JURISDICTION AS THE PREMISES FOR WHICH THE NEW RETAIL LIQUOR STORE
11 LICENSE IS SOUGHT.

12 (II) IF THE APPLICANT FOR AN ADDITIONAL RETAIL LIQUOR STORE
13 LICENSE UNDER SUBSECTION (4)(b)(III.5) OF THIS SECTION IS A RETAIL
14 LIQUOR STORE LICENSEE WHOSE LICENSED PREMISES IS NOT LARGER THAN
15 TEN THOUSAND SQUARE FEET, THE APPLICANT MAY APPLY TO TRANSFER
16 OWNERSHIP OF A RETAIL LIQUOR STORE THAT WAS LICENSED BEFORE
17 JANUARY 1, 2021, AND FOR WHICH THE LICENSED PREMISES IS NOT LARGER
18 THAN TEN THOUSAND SQUARE FEET, REGARDLESS OF WHETHER THE RETAIL
19 LIQUOR STORE PREMISES THAT IS THE SUBJECT OF THE TRANSFER OF
20 OWNERSHIP APPLICATION SATISFIES THE DISTANCE REQUIREMENTS
21 SPECIFIED IN SUBSECTION (1)(a)(II) OF THIS SECTION. AN APPLICANT
22 UNDER THIS SUBSECTION (1)(a.5)(II) MUST NOT INCREASE THE SQUARE
23 FOOTAGE OR CHANGE THE LOCATION OF THE PREMISES OF THE RETAIL
24 LIQUOR STORE THAT IS THE SUBJECT OF THE TRANSFER OF OWNERSHIP
25 APPLICATION, AS THE PREMISES EXISTED AT THE TIME OF THE
26 APPLICATION, FOR AT LEAST FIVE YEARS AFTER THE DATE OF THE
27 APPLICATION.

1 (III) FOR PURPOSES OF DETERMINING WHETHER THE DISTANCE
2 REQUIREMENTS SPECIFIED IN SUBSECTION (1)(a.5)(I)(B) OF THIS SECTION
3 ARE SATISFIED, THE DISTANCE SHALL BE DETERMINED BY A RADIUS
4 MEASUREMENT THAT BEGINS AT THE PRINCIPAL DOORWAY OF THE
5 PREMISES FOR WHICH THE RETAIL LIQUOR STORE APPLICATION IS MADE
6 AND ENDS AT THE PRINCIPAL DOORWAY OF THE LICENSED RETAIL LIQUOR
7 STORE.

8 (IV) IN MAKING ITS DETERMINATION ON AN APPLICATION UNDER
9 THIS SUBSECTION (1)(a.5), THE LOCAL LICENSING AUTHORITY SHALL
10 CONSIDER THE REASONABLE REQUIREMENTS OF THE NEIGHBORHOOD AND
11 THE DESIRES OF THE ADULT INHABITANTS IN ACCORDANCE WITH SECTION
12 44-3-312.

13 (2) (a) A person licensed under this section to sell malt, vinous,
14 and spirituous liquors in a retail liquor store:

15 (I) Shall purchase the malt, vinous, and spirituous liquors only
16 from a wholesaler licensed pursuant to this article 3; ~~and~~

17 (III) SHALL NOT ALLOW CONSUMERS TO PURCHASE MALT, VINOUS,
18 OR SPIRITUOUS LIQUORS AT A SELF-CHECKOUT OR OTHER MECHANISM
19 THAT ALLOWS THE CONSUMER TO COMPLETE THE ALCOHOL BEVERAGE
20 PURCHASE WITHOUT ASSISTANCE FROM, AND COMPLETION OF THE
21 TRANSACTION BY, AN EMPLOYEE OF THE RETAIL LIQUOR STORE; AND

22 (IV) SHALL REQUIRE, IN ACCORDANCE WITH SECTION 44-3-901
23 (11), CONSUMERS ATTEMPTING TO PURCHASE MALT, VINOUS, OR
24 SPIRITUOUS LIQUORS TO PRESENT A VALID IDENTIFICATION, AS
25 DETERMINED BY THE STATE LICENSING AUTHORITY BY RULE.

26 (b) A person licensed under this section that obtains additional
27 retail liquor store licenses in accordance with ~~subsection (4)(b)(HH)~~

1 SUBSECTION (4)(b)(III) OR (4)(b)(III.5) of this section may operate under
2 a single or consolidated corporate entity but shall not commingle
3 purchases of or credit extensions for purchases of malt, vinous, or
4 spirituous liquors from a wholesaler licensed under this article 3 for more
5 than one licensed premises. A wholesaler licensed under this article 3
6 shall not base the price for the malt, vinous, or spirituous liquors it sells
7 to a retail liquor store licensed under this section on the total volume of
8 malt, vinous, or spirituous liquors that the licensee purchases for multiple
9 licensed premises.

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

12 (III) ON OR AFTER JANUARY 1, 2017, for a retail liquor store
13 licensed on or before January 1, 2016, ~~and whose license holder is a~~
14 ~~Colorado resident~~, ONE additional retail liquor store licenses as follows
15 LICENSE, but only if the premises for which a license is sought satisfies
16 the distance requirements specified in subsection (1)(a)(II) of this section;

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

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

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

25 (III.5) FOR A RETAIL LIQUOR STORE THAT APPLIED FOR A LICENSE
26 ON OR BEFORE JANUARY 1, 2016, ADDITIONAL RETAIL LIQUOR STORE
27 LICENSES AS FOLLOWS, BUT ONLY IF THE PREMISES FOR WHICH AN

1 ADDITIONAL RETAIL LIQUOR STORE LICENSE IS SOUGHT SATISFIES THE
2 DISTANCE REQUIREMENTS SPECIFIED IN SUBSECTION (1)(a)(II) OF THIS
3 SECTION, EXCEPT AS PROVIDED IN SUBSECTION (1)(a.5)(II) OF THIS
4 SECTION, AND THE RETAIL LIQUOR STORE LICENSEE APPLYING FOR AN
5 ADDITIONAL LICENSE OBTAINS THE ADDITIONAL RETAIL LIQUOR STORE
6 LICENSE IN ACCORDANCE WITH THE REQUIREMENTS OF SUBSECTION
7 (1)(a.5) OF THIS SECTION:

8 (A) ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION
9 (4)(b)(III.5) AND BEFORE JANUARY 1, 2022, A MAXIMUM OF FIVE TOTAL
10 RETAIL LIQUOR STORE LICENSES, INCLUDING THE INITIAL RETAIL LIQUOR
11 STORE LICENSE APPLIED FOR ON OR BEFORE JANUARY 1, 2016, AND ANY
12 ADDITIONAL RETAIL LIQUOR STORE LICENSE OBTAINED UNDER SUBSECTION
13 (4)(b)(III) OF THIS SECTION;

14 (B) ON OR AFTER JANUARY 1, 2022, AND BEFORE JANUARY 1,
15 2027, A MAXIMUM OF EIGHT TOTAL RETAIL LIQUOR STORE LICENSES,
16 INCLUDING THE INITIAL RETAIL LIQUOR STORE LICENSE APPLIED FOR ON OR
17 BEFORE JANUARY 1, 2016, AND ANY ADDITIONAL RETAIL LIQUOR STORE
18 LICENSES OBTAINED UNDER SUBSECTION (4)(b)(III) OR (4)(b)(III.5)(A) OF
19 THIS SECTION;

20 (C) ON OR AFTER JANUARY 1, 2027, AND BEFORE JANUARY 1,
21 2032, A MAXIMUM OF THIRTEEN TOTAL RETAIL LIQUOR STORE LICENSES,
22 INCLUDING THE INITIAL RETAIL LIQUOR STORE LICENSE APPLIED FOR ON OR
23 BEFORE JANUARY 1, 2016, AND ANY ADDITIONAL RETAIL LIQUOR STORE
24 LICENSES OBTAINED UNDER SUBSECTION (4)(b)(III), (4)(b)(III.5)(A), OR
25 (4)(b)(III.5)(B) OF THIS SECTION;

26 (D) ON OR AFTER JANUARY 1, 2032, AND BEFORE JANUARY 1,
27 2037, A MAXIMUM OF TWENTY TOTAL RETAIL LIQUOR STORE LICENSES,

1 INCLUDING THE INITIAL RETAIL LIQUOR STORE LICENSE APPLIED FOR ON OR
2 BEFORE JANUARY 1, 2016, AND ANY ADDITIONAL RETAIL LIQUOR STORE
3 LICENSES OBTAINED UNDER SUBSECTION (4)(b)(III), (4)(b)(III.5)(A),
4 (4)(b)(III.5)(B), OR (4)(b)(III.5)(C) OF THIS SECTION; AND

5 (E) ON OR AFTER JANUARY 1, 2037, AN UNLIMITED NUMBER OF
6 RETAIL LIQUOR STORE LICENSES; OR

7 (6) A RETAIL LIQUOR STORE MUST OBTAIN AND MAINTAIN A
8 CERTIFICATION AS A RESPONSIBLE ALCOHOL BEVERAGE VENDOR IN
9 ACCORDANCE WITH PART 10 OF THIS ARTICLE 3.

10 **SECTION 5.** In Colorado Revised Statutes, 44-3-501, **amend**
11 (3)(a)(XVII) and (3)(a)(XVIII); and **add** (3)(a)(XIX) as follows:

12 **44-3-501. State fees - rules - one-time fee waiver - repeal.**

13 (3) (a) The state licensing authority shall establish fees for processing the
14 following types of applications, notices, or reports required to be
15 submitted to the state licensing authority:

16 (XVII) Applications for manager's permits pursuant to section
17 44-3-427; ~~and~~

18 (XVIII) Applications for the renewal of a license or permit issued
19 in accordance with this article 3; AND

20 (XIX) APPLICATIONS FOR TRANSFER OF OWNERSHIP, CHANGE OF
21 LOCATION, AND LICENSE MERGER PURSUANT TO SECTION 44-3-409
22 (1)(a.5).

23 **SECTION 6.** In Colorado Revised Statutes, 44-3-505, **add**
24 (4)(a)(VI) as follows:

25 **44-3-505. Local license fees.** (4) (a) Each application for a
26 license provided for in this article 3 and article 4 of this title 44 filed with
27 a local licensing authority must be accompanied by an application fee in

1 an amount determined by the local licensing authority to cover actual and
2 necessary expenses, subject to the following limitations:

3 (VI) FOR A TRANSFER OF OWNERSHIP, CHANGE OF LOCATION, AND
4 LICENSE MERGER PURSUANT TO SECTION 44-3-409 (1)(a.5), NOT TO
5 EXCEED ONE THOUSAND DOLLARS.

6 **SECTION 7. Act subject to petition - effective date.** This act
7 takes effect at 12:01 a.m. on the day following the expiration of the
8 ninety-day period after final adjournment of the general assembly; except
9 that, if a referendum petition is filed pursuant to section 1 (3) of article V
10 of the state constitution against this act or an item, section, or part of this
11 act within such period, then the act, item, section, or part will not take
12 effect unless approved by the people at the general election to be held in
13 November 2022 and, in such case, will take effect on the date of the
14 official declaration of the vote thereon by the governor.