A BILL FOR AN ACT

CONCERNING THE CREATION OF AN EXTENDED SERVICE HOURS PERMIT TO ALLOW SPECIFIED PERSONS LICENSED TO SELL ALCOHOL BEVERAGES TO OPERATE DURING EXTENDED HOURS.

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.)

Current law restricts the sale of malt, vinous, or spirituous liquors to between the hours of 7:00 a.m. and 2:00 a.m., and restricts the sale of fermented malt beverages to between the hours of 8:00 a.m. and 12 midnight.

The bill creates an extended service hours permit to authorize
certain liquor licensees that are authorized to sell alcohol beverages for consumption on the licensed premises to sell alcohol beverages outside of these specified hours. A licensee must obtain a permit from both the state and local licensing authorities before operating during extended hours.

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

SECTION 1. In Colorado Revised Statutes, add 44-3-430 as follows:

44-3-430. Extended service hours - permit - eligible licensees - requirements and limitations - penalties - rules. (1) When operating pursuant to a valid permit issued in accordance with subsection (2) of this section, in addition to the hours of operation permitted pursuant to section 44-3-901 (6)(b) or (6)(c), as applicable, the following licensees may operate between the hours of 5:00 a.m. and 2:00 a.m., or between the hours of 7:00 a.m. and 4:00 a.m., but not both:

(a) A licensee operating a sales room pursuant to section 44-3-402 (2) or (7), 44-3-403 (2)(e), or 44-3-407 (1)(b);

(b) A beer and wine licensee;

(c) A hotel and restaurant licensee, including a licensee operating a resort complex with designated related facilities pursuant to section 44-3-413 (2) or a campus liquor complex with designated related facilities pursuant to section 44-3-413 (3);

(d) A tavern licensee;

(e) An optional premises licensee;

(f) A retail gaming tavern licensee;

(g) A brew pub licensee;

(h) A club licensee;
(i) An arts licensee;

(j) A racetrack licensee;

(k) A public transport system licensee;

(l) A vintner's restaurant licensee;

(m) A distillery pub licensee;

(n) A lodging and entertainment licensee;

(o) A retailer licensee licensed pursuant to Section 44-4-107 (1)(b) or (1)(c); or

(p) A fermented malt beverage retailer licensed pursuant to Section 44-4-104 (1)(c)(III).

(2) (a) In order to operate during the extended hours listed in subsection (1) of this section, a licensee listed in subsection (1) must apply for and obtain an extended service hours permit from both the local licensing authority for the jurisdiction in which the licensed premises is located and the state licensing authority. The applicant must apply to the local licensing authority and the state licensing authority concurrently. The applicant must designate on each application which extended service hour window the applicant is applying for, and each licensing authority shall designate on the issued permit which extended service hour window applies to the licensed premises.

(b) This section does not require a local licensing authority to allow a licensee to operate during extended hours within the local licensing authority’s jurisdiction.

(c) (I) The state licensing authority shall not issue or renew a permit under this subsection (2) to a licensee with any
STATE OR LOCAL DISCIPLINARY ACTION IMPOSED PURSUANT TO SECTION 44-3-601 OR AN EQUIVALENT LOCAL ORDINANCE OR RESOLUTION AGAINST THE LICENSEE’S LICENSE IN THE TWELVE MONTHS PRECEDING THE LICENSEE’S INITIAL APPLICATION OR APPLICATION FOR RENEWAL OF THE PERMIT.

(II) THIS SUBSECTION (2)(c) DOES NOT PROHIBIT AN APPLICANT THAT HAS BEEN IN OPERATION FOR FEWER THAN TWELVE MONTHS FROM APPLYING FOR AND OBTAINING A PERMIT ISSUED PURSUANT TO THIS SECTION.

(3) AN EXTENDED SERVICE HOURS PERMIT ISSUED BY THE STATE LICENSING AUTHORITY IS SUBJECT TO RENEWAL ON AN ANNUAL BASIS AT THE SAME TIME THE UNDERLYING LICENSE IS RENEWED.

(4) THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES:

(a) CREATING A STATE EXTENDED SERVICE HOURS PERMIT; AND

(b) CONCERNING ANY OTHER MATTERS NECESSARY FOR THE SAFE AND EFFECTIVE IMPLEMENTATION OF THIS SECTION.

SECTION 2. In Colorado Revised Statutes, 44-3-304, amend (1)(a) as follows:

44-3-304. State licensing authority - application and issuance procedures - definitions - rules. (1) (a) Applications for licenses or permits under the provisions of this article 3 and articles 4 and 5 of this title 44 shall be made to the state licensing authority on forms prepared and furnished by the state licensing authority and shall set forth such information as the state licensing authority may require to enable the authority to determine whether a license or permit should be granted. The information shall include the name and address of the applicant, and if a partnership, also the names and addresses of all the partners, and if a
corporation, association, or other organization, also the names and addresses of the president, vice-president, secretary, and managing officer, together with all other information deemed necessary by the licensing authority. Each application shall be verified by the oath or affirmation of the person or persons as the state licensing authority may prescribe.

SECTION 3. In Colorado Revised Statutes, 44-3-309, amend (1) introductory portion and (2); and add (1)(o) as follows:

44-3-309. Local licensing authority - applications - optional premises licenses. (1) A local licensing authority may issue only the following alcohol beverage licenses OR PERMITS upon payment of the fee specified in section 44-3-505:

(o) EXTENDED SERVICE HOURS PERMIT.

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

SECTION 4. In Colorado Revised Statutes, 44-3-401, add (1)(y) as follows:

44-3-401. Classes of licenses and permits - rules. (1) For the purpose of regulating the manufacture, sale, and distribution of alcohol beverages, the state licensing authority in its discretion, upon application in the prescribed form made to it, may issue and grant to the applicant a license or permit from any of the following classes, subject to the provisions and restrictions provided by this article 3:
SECTION 5. In Colorado Revised Statutes, 44-3-501, amend (3)(a)(XVIII) and (3)(a)(XIX); and add (3)(a)(XX) as follows:

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

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

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

(XIX) Applications for a permit for or attachment to a communal outdoor dining area or for modification of a licensed premises to include a communal outdoor dining area; AND

(XX) APPLICATIONS AND RENEWALS FOR EXTENDED SERVICE HOURS PERMITS PURSUANT TO SECTION 44-3-430.

SECTION 6. In Colorado Revised Statutes, 44-3-505, amend (4)(a) introductory portion; and add (4)(a)(VI) as follows:

44-3-505. Local license fees. (4) (a) Each application for a license or permit provided for in this article 3 and article 4 of this title 44 filed with a local licensing authority must be accompanied by an application fee in an amount determined by the local licensing authority to cover actual and necessary expenses, subject to the following limitations:

(VI) FOR EACH EXTENDED SERVICE HOURS PERMIT, AN AMOUNT NOT TO EXCEED THE STATE APPLICATION FEE ESTABLISHED PURSUANT TO SECTION 44-3-501 (3)(a)(XX).

SECTION 7. In Colorado Revised Statutes, 44-3-901, amend (6)(b) introductory portion and (6)(c) introductory portion as follows:
44-3-901. Unlawful acts - exceptions - definitions. (6) It is unlawful for any person licensed to sell at retail pursuant to this article 3 or article 4 of this title 44:

(b) EXCEPT AS PROVIDED IN SECTION 44-3-430, to sell, serve, or distribute any malt, vinous, or spirituous liquors at any time other than the following:

(c) EXCEPT AS PROVIDED IN SECTION 44-3-430, to sell fermented malt beverages:

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