A BILL FOR AN ACT

CONCERNING THE REGULATION OF ALCOHOL BEVERAGES, AND, IN
CONNECTION THEREWITH, CREATING AN ALCOHOL BEVERAGE
REGULATION TASK FORCE, INCREASING THE NUMBER OF STORES
A RETAIL LIQUOR STORE LICENSEE IS ALLOWED TO OWN,
CREATING THE BEER-AND-WINE-LICENSED GROCERY STORE
LICENSE, AND CONVERTING LIQUOR-LICENSED DRUGSTORE
LICENSES TO BEER-AND-WINE-LICENSED GROCERY 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
The bill creates a task force in the department of revenue to study the regulation of alcohol beverages. The task force is required to review the current statutes regulating alcohol beverages and make recommendations concerning how to modernize, clarify, and harmonize the statutes. The task force is required to report its findings to the general assembly by December 1, 2023.

The bill modifies laws governing the licensure of retail liquor stores and liquor-licensed drugstores and creates the new beer-and-wine-licensed grocery store license.

With regard to retail liquor store licenses, the bill:
- Removes the requirement that a new retail liquor store must be located a certain distance from an existing liquor-licensed drugstore;
- Expands the minimum distance between a new retail liquor store and other existing retail liquor stores from 1,500 feet to 3,000 feet;
- Effective January 1, 2024, removes the requirement that only an employee of the retail liquor store may deliver alcohol beverages and instead allows delivery by any person who is authorized by the retail liquor store, subject to specified requirements including that the licensee or the authorized deliverer obtain a delivery permit from the state licensing authority and other requirements specified in state licensing authority rules; and
- Increases the maximum number of retail liquor store licenses that a person may own.

With regard to liquor-licensed drugstore licenses, the bill:
- Prohibits the state and local licensing authorities from issuing new liquor-licensed drugstore licenses after the date the bill takes effect and repeals provisions related to the ability of liquor-licensed drugstore licensees to obtain additional licenses;
- Allows a liquor-licensed drugstore licensed before January 1, 2022, to continue to renew the licensee's license, unless the license has converted to a beer-and-wine-licensed grocery store license;
- On January 1, 2026, converts every liquor-licensed drugstore license in effect on that date to a beer-and-wine-licensed grocery store license, unless the licensee chooses to remain a liquor-licensed drugstore, and eliminates the ability of those licensees that convert to a beer-and-wine-licensed grocery store license to sell spirituous liquors; and
Effective January 1, 2024, removes the requirement that only an employee of the liquor-licensed drugstore may deliver alcohol beverages and instead allows delivery by any person who is authorized by the liquor-licensed drugstore, subject to specified requirements including that the licensee or the authorized deliverer obtain a delivery permit from the state licensing authority and other requirements specified in state licensing authority rules.

With regard to beer-and-wine-licensed grocery store licenses, the bill:

- Creates the new license, available on or after January 1, 2026, with requirements similar to the requirements applicable to liquor-licensed drugstores, to permit a grocery store that obtains the license to sell beer and wine only;
- Specifies that a beer-and-wine-licensed grocery store cannot be located within 1,500 feet of a retail liquor store;
- Allows a beer-and-wine-licensed grocery store to deliver beer and wine to its customers under the same requirements applicable to retail liquor stores and liquor-licensed drugstores;
- Allows a beer-and-wine grocery store to own multiple stores as follows: On and after January 1, 2026, and before January 1, 2027, a maximum of 8 stores; on and after January 1, 2027, and before January 1, 2032, a maximum of 13 stores; on and after January 1, 2032, and before January 1, 2037, a maximum of 20 stores; and on and after January 1, 2037, an unlimited number of additional stores;
- Allows a licensee licensed as a liquor-licensed drugstore on December 31, 2025, whose license converted to a beer-and-wine-licensed grocery store license on January 1, 2026, to transfer any spirituous liquors in its possession to a licensee authorized to sell spirituous liquors but prohibits the licensee from selling spirituous liquors;
- Permits a beer-and-wine-licensed grocery store to offer tastings on the licensed premises if authorized by the local licensing authority; and
- Defines "grocery store" as an establishment that generates at least 20% of its gross annual income from the sale of food items.

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

2   SECTION 1. In Colorado Revised Statutes, add 44-3-108 as...
follows:

44-3-108. Alcohol beverage regulation task force - legislative declaration - creation - membership - duties - report - definitions - repeal. (1) (a) The general assembly hereby finds that:

(I) There has not been a broad review of the "Colorado Liquor Code", the "Colorado Beer Code", article 4 of this title 44, or the other statutes regulating alcohol beverages in recent history;

(II) Growth in the industry and changes in consumer behavior, much of which was accelerated by the COVID-19 pandemic, have created an opportunity for enhanced statutory clarity in order to alleviate challenges associated with interpreting and enforcing the laws;

(III) Additionally, the statutes regulating alcohol beverages have undergone legislative changes in recent years to address specific niche issues, which changes often do not take into account a holistic view of the codes, and significant changes are currently under consideration, either through legislation or ballot initiative, that could further complicate the statutes;

(IV) The department has noted considerable challenges in statutory application given the complexity, perceived contradictions, and rapidly evolving marketplace innovations that have occurred within the alcohol beverage industry; and

(V) In order to facilitate statutory compliance by licensees, it is essential that the department and the alcohol beverage industry have a clear, logical, and transparent
REGULATORY FRAMEWORK THAT ALLOWS FOR UNDERSTANDABLE
REGULATIONS AND ENFORCEMENT, FOSTERS A STRONG INDUSTRY, AND
SUPPORTS THE DEPARTMENT’S GOAL OF PUBLIC SAFETY.

(b) THEREFORE, THE GENERAL ASSEMBLY FINDS THAT A TASK
FORCE COMPRISED OF A BROAD REPRESENTATION OF INTERESTS WILL
PROVIDE A FORUM TO CRAFT LEGISLATIVE RECOMMENDATIONS FOCUSED
ON CLARIFYING AND MODERNIZING THE STATUTES REGULATING ALCOHOL
BEVERAGES IN A WAY THAT POSITIONS THE STATE OF COLORADO, THE
DEPARTMENT, AND THE ALCOHOL BEVERAGE INDUSTRY FOR SUCCESS FOR
DECADES TO COME.

(2) THERE IS HEREBY CREATED IN THE DEPARTMENT THE ALCOHOL
BEVERAGE REGULATION TASK FORCE, REFERRED TO IN THIS SECTION AS
THE "TASK FORCE".

(3) (a) THE TASK FORCE CONSISTS OF TWENTY-SIX MEMBERS, ONE
OF WHOM SHALL BE THE STATE LICENSING AUTHORITY OR THE STATE
LICENSING AUTHORITY’S DESIGNEE, AND TWENTY-FIVE OF WHOM SHALL BE
APPOINTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT AS
FOLLOWS:

(I) ONE MEMBER REPRESENTING A LARGE BREWERY, AS
DETERMINED BY THE EXECUTIVE DIRECTOR;

(II) ONE MEMBER REPRESENTING A SMALL BREWERY, AS
DETERMINED BY THE EXECUTIVE DIRECTOR;

(III) ONE MEMBER REPRESENTING A LOCAL MANUFACTURER OF
SPIRITUOUS LIQUORS;

(IV) ONE MEMBER REPRESENTING A NATIONAL MANUFACTURER OF
SPIRITUOUS LIQUORS;

(V) ONE MEMBER REPRESENTING A LOCAL MANUFACTURER OF
VINOUS LIQUORS;

(VI) ONE MEMBER REPRESENTING A NATIONAL MANUFACTURER OF VINOUS LIQUORS;

(VII) TWO MEMBERS REPRESENTING LARGE OFF-PREMISES RETAILERS;

(VIII) TWO MEMBERS REPRESENTING MEDIUM OFF-PREMISES RETAILERS;

(IX) TWO MEMBERS REPRESENTING SMALL OFF-PREMISES RETAILERS;

(X) ONE MEMBER REPRESENTING A WHOLESALER OF MALT LIQUORS;

(XI) ONE MEMBER REPRESENTING A WHOLESALER OF VINOUS AND SPIRITUOUS LIQUORS;

(XII) ONE MEMBER REPRESENTING A WHOLESALER OF ANY TYPE OF ALCOHOL BEVERAGE WHO HAS NATIONAL WHOLESALING EXPERIENCE;

(XIII) ONE MEMBER REPRESENTING THE HARD CIDER INDUSTRY;

(XIV) ONE MEMBER REPRESENTING A RESTAURANT;

(XV) ONE MEMBER REPRESENTING A TAVERN;

(XVI) ONE MEMBER REPRESENTING A LODGING AND ENTERTAINMENT LICENSEE;

(XVII) ONE REPRESENTATIVE FROM MOTHERS AGAINST DRUNK DRIVING, OR ITS SUCCESSOR ORGANIZATION;

(XVIII) ONE REPRESENTATIVE FROM COLORADO COUNTIES, INC., OR ITS SUCCESSOR ORGANIZATION;

(XIX) ONE REPRESENTATIVE FROM THE COLORADO MUNICIPAL LEAGUE, OR ITS SUCCESSOR ORGANIZATION;

(XX) ONE REPRESENTATIVE FROM THE COLORADO STATE PATROL;
(XXI) One representative from the Colorado Association of Chiefs of Police; and

(XXII) One representative from County Sheriffs of Colorado.

(b) As used in this subsection (3), for the purposes of making appointments pursuant to this subsection (3):

(I) "Large" means a licensee that has three or more licensed premises in the state or that employs one hundred or more employees;

(II) "Medium" means a licensee that has at least two licensed premises in the state or that employs at least fifty and no more than ninety-nine employees;

(III) "Off-premises retailer" means a person licensed under section 44-3-409, 44-3-410, 44-4-107 (1)(a), or any other provision of this article 3 or article 4 of this title 44 that authorizes a licensee to sell alcohol beverages only to consumers for consumption off the licensed premises; and

(IV) "Small" means a licensee that has no more than one licensed premises in the state or that employs fewer than fifty employees.

(4) All members appointed pursuant to subsection (3)(a)(I) to (3)(a)(XVI) of this section are preferred to have demonstrable experience working within the specific industry interests they represent, which experience must not be solely in an advocacy position for those industry interests.

(5)(a) Each member of the task force appointed pursuant to subsection (3)(a) of this section serves:
(I) At the pleasure of the official who appointed the member; and

(II) without compensation and without reimbursement for expenses.

(b) An appointed task force member may designate one other person authorized to act in the member's absence by proxy, and the proxy may perform all duties in the task force member's absence, including attending meetings and voting.

(6) (a) The state licensing authority shall organize and call the first meeting of the task force, to be held no later than July 31, 2022.

(b) The task force shall elect a chair from among its members.

(c) The task force shall meet at least once every month. The chair may call additional meetings as necessary for the task force to complete its duties.

(7) The state licensing authority may submit a request for proposals and hire an outside facilitator for the purpose of providing support for the task force, generating the report required in subsection (9) of this section, and any other duties assigned by the executive director.

(8) (a) For the purpose of making recommendations to the general assembly concerning how to modernize, clarify, and harmonize the "Colorado Liquor Code", the "Colorado Beer Code", article 4 of this title 44, and other statutes regulating alcohol beverages, the task force shall review:

(I) the statutes regulating alcohol beverages, current
MARKET TRENDS, AND LAWS AND REGULATIONS FROM OTHER JURISDICTIONS;

(II) REPORTS AND RECOMMENDATIONS FROM GOVERNING BODIES, INCLUDING THE UNITED STATES DEPARTMENT OF TREASURY REPORT ENTITLED "COMPETITION IN THE MARKETS FOR BEER, WINE, AND SPIRITS", DATED FEBRUARY 9, 2022; AND

(III) ANY OTHER MATERIALS DEEMED APPROPRIATE BY THE TASK FORCE TO CONSIDER.

(b) AS THE TASK FORCE MAKES ITS RECOMMENDATIONS, IT SHALL CONSIDER THE FOLLOWING GUIDING PRINCIPLES:

(I) SAFEGUARDING THE INTERESTS AND RIGHTS OF CONSUMERS THROUGH CONSUMER PROTECTION MEASURES;

(II) PROTECTING THE GENERAL PUBLIC THROUGH PUBLIC SAFETY MEASURES;

(III) PROMOTING A FAIR AND OPEN MARKETPLACE:

(A) IN WHICH PRICE IS REFLECTIVE OF SUPPLY AND DEMAND TRENDS AND ESTABLISHED ECONOMIC PRINCIPLES; AND

(B) THAT LIMITS BARRIERS TO ENTRY INTO AND EXIT FROM THE ALCOHOL BEVERAGE MARKETPLACE; AND

(IV) HOW ANY RECOMMENDATIONS MAY INTERACT WITH OR AFFECT OTHER JURISDICTIONS THAT HAVE RESPONSIBILITY FOR THE REGULATION OF ALCOHOL BEVERAGES.

(c) THE TASK FORCE MAY CREATE SUBCOMMITTEES TO CARRY OUT ITS DUTIES UNDER THIS SUBSECTION (8).

(9)(a) ON OR BEFORE DECEMBER 1, 2023, THE TASK FORCE SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE BUSINESS AFFAIRS AND LABOR COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE
BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES. THE REPORT MUST INCLUDE:

(I) ANY AGREED-UPON LEGISLATIVE OR ADMINISTRATIVE RECOMMENDATIONS; AND

(II) A SYNOPSIS OF DISSENTING VOTES, IF ANY, AND REASONS FOR THE DISSENTING VOTES, IF AVAILABLE, REGARDING ANY REPORT RECOMMENDATIONS THAT ARE NOT UNANIMOUS.

(b) AS USED IN SUBSECTION (9)(a)(I) OF THIS SECTION, "AGREED-UPON" MEANS A SIMPLE MAJORITY OF TASK FORCE MEMBERS PRESENT, UNLESS THE TASK FORCE, AT ITS INITIAL MEETING, DETERMINES DIFFERENT PARAMETERS FOR WHAT CONSTITUTES AN "AGREED-UPON" RECOMMENDATION.

(10) THIS SECTION IS REPEALED, EFFECTIVE MAY 1, 2024.

SECTION 2. In Colorado Revised Statutes, 44-3-409, amend (1)(a)(II), (3), (4)(b)(III), and (4)(b)(IV); repeal (5); and add (4)(b)(V) as follows:

44-3-409. Retail liquor store license - rules - repeal.
(1) (a) (II) On and after July 1, 2016 THE EFFECTIVE DATE OF THIS SUBSECTION (1)(a)(II), AS AMENDED, 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 WITHIN THREE THOUSAND FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER THIS SECTION.

(A) Within one thousand five hundred feet of another retail liquor store licensed under this section or a liquor-licensed drugstore licensed under section 44-3-410;

(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 44-3-410; 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 44-3-410.

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

(II) (A) 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) (B) 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) (C) The person making the delivery verifies, in accordance
with section 44-3-901 (11), that the person receiving the delivery of malt,
vinous, or spirituous liquors is at least twenty-one years of age; and

(IV) (D) 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.

(II) THIS SUBSECTION (3)(a) IS REPEALED, EFFECTIVE JANUARY 1,
2024.
(a.5) On and after January 1, 2024, a retail liquor store licensee that complies with this subsection (3) and rules promulgated pursuant to this subsection (3) may deliver malt, vinous, and spirituous liquors to a person of legal age if:

(I) the licensee or a person authorized by the licensee to make deliveries for the licensee has obtained a permit from the state licensing authority;

(II) the person receiving the delivery of malt, vinous, or spirituous liquors is located at a place that is not licensed pursuant to this section;

(III) the delivery is made by a person who is at least twenty-one years of age and who is authorized by the licensee to make the delivery;

(IV) the person making the delivery verifies, in accordance with section 44-3-901 (11), that the person receiving the delivery of malt, vinous, or spirituous liquors is at least twenty-one years of age; and

(V) 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) (I) The state licensing authority shall promulgate rules as necessary for the proper delivery of malt, vinous, and spirituous liquors and is authorized to issue a permit to any person who is licensed under this section to sell at retail and delivers the liquors pursuant to this subsection (3) and to any other person who intends to deliver malt, vinous, and spirituous liquors on behalf of the licensee. A
permit issued under this subsection (3) is subject to the same suspension and revocation provisions as are set forth in section 44-3-601 for other licenses granted pursuant to this article 3.

(II) BY JANUARY 1, 2024, THE STATE LICENSING AUTHORITY, BY RULE, SHALL ESTABLISH THE REQUIREMENTS FOR OBTAINING A PERMIT TO DELIVER ALCOHOL BEVERAGES PURSUANT TO SUBSECTION (3)(a.5) OF THIS SECTION. SUCH REQUIREMENTS MUST INCLUDE AN ANNUAL FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK, CERTIFICATION AS A RESPONSIBLE ALCOHOL BEVERAGE VENDOR IN ACCORDANCE WITH PART 10 OF THIS ARTICLE 3, PERMIT FEES, AND ANY OTHER REQUIREMENTS THE STATE LICENSING AUTHORITY FINDS APPROPRIATE.

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

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

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

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

(C) On or after January 1, 2027, up to three additional retail liquor store licenses, for and before January 1, 2032, a maximum of four total retail liquor store licenses; or and
(D) On or after January 1, 2032, a maximum of six total retail liquor store licenses;

(IV) A financial institution referred to in section 44-3-308 (4); or

(V) On or after the effective date of this subsection (4)(b)(V), an unlimited number of additional retail liquor store licenses so long as each additional retail liquor store license is obtained through a transfer of ownership.

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

SECTION 3. In Colorado Revised Statutes, 44-3-410, amend (1)(a)(I), (1)(a)(II)(A), (1)(b), (3), (4)(b)(IV), and (4)(b)(V); and add (8) as follows:

44-3-410. Liquor-licensed drugstore license - multiple licenses permitted - requirements - delivery - rules - repeal. (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 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 except that, on and after the effective date of this subsection (1)(a)(I), as amended, the state or a local licensing authority shall not issue any new liquor-licensed drugstore licenses under this section.

(A) Within one thousand five hundred feet of a retail liquor store
licensed under section 44-3-409;

(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 44-3-409; 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 44-3-409.

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

(A) The renewal or transfer of ownership of a liquor-licensed drugstore license initially issued prior to July 1, 2016 THE EFFECTIVE DATE OF THIS SUBSECTION (1)(a)(II)(A), AS AMENDED.

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

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

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

(II) For purposes of determining whether the distance
requirements specified in subsection (1)(b)(I) of this section are satisfied,
the distance shall be determined by a radius measurement that begins at
the principal doorway of the drugstore premises for which the application
is made and ends at the principal doorway of the licensed retail liquor
store:

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

(IV) In addition to any other requirements for licensure under this section or this article 3, a person applying for a new liquor-licensed drugstore license in accordance with this subsection (1)(b) on or after January 1, 2017, or to renew a liquor-licensed drugstore license issued on or after January 1, 2017 PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION (1)(b)(IV), AS AMENDED, under this subsection (1)(b) SECTION must:

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

(B) Make and keep its premises open to the public.

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

(I) (A) The person receiving the delivery of malt, vinous, or spirituous liquors is located at a place that is not licensed pursuant to this section;

(I) (B) 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) (C) The person making the delivery verifies, in accordance with section 44-3-901 (11), that the person receiving the delivery of malt, vinous, or spirituous liquors is at least twenty-one years of age; and

(IV) (D) 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.

(II) THIS SUBSECTION (3)(a) IS REPEALED, EFFECTIVE JANUARY 1, 2024.

(a.5) ON AND AFTER JANUARY 1, 2024, A LIQUOR-LICENSED DRUGSTORE LICENSEE THAT COMPLIES WITH THIS SUBSECTION (3) AND RULES PROMULGATED PURSUANT TO THIS SUBSECTION (3) MAY DELIVER MALT, VINOUS, AND SPIRITUOUS LIQUORS TO A PERSON OF LEGAL AGE IF:

(I) The licensee or a person authorized by the licensee to make deliveries for the licensee has obtained a permit from the state licensing authority;

(II) The person receiving the delivery of malt, vinous, or spirituous liquors is located at a place that is not licensed pursuant to this section;

(III) The delivery is made by a person who is at least twenty-one years of age and who is authorized by the licensee to make the delivery;

(IV) The person making the delivery verifies, in accordance with section 44-3-901 (11), that the person receiving the delivery of malt, vinous, or spirituous liquors is at least twenty-one years of age; and

(V) 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) (I) The state licensing authority shall promulgate rules as 
necessary for the proper delivery of malt, vinous, and spirituous liquors 
and is authorized to issue a permit to any liquor-licensed drugstore 
licensee that will allow the licensee to deliver 
PERSON WHO IS LICENSED 
UNDER THIS SECTION TO SELL AT RETAIL AND DELIVER the MALT, VINOUS, 
AND SPIRITUOUS liquors pursuant to the rules and this subsection (3) AND 
TO ANY OTHER PERSON WHO INTENDS TO DELIVER MALT, VINOUS, AND 
SPIRITUOUS LIQUORS ON BEHALF OF THE LICENSEE. A permit issued under 
this subsection (3) is subject to the same suspension and revocation 
provisions as are set forth in sections 44-3-306 and SECTION 44-3-601 for 
other licenses granted pursuant to this article 3.

(II) BY JANUARY 1, 2024, THE STATE LICENSING AUTHORITY, BY 
RULE, SHALL ESTABLISH THE REQUIREMENTS FOR OBTAINING A PERMIT TO 
DELIVER ALCOHOL BEVERAGES PURSUANT TO SUBSECTION (3)(a.5) OF THIS 
SECTION. SUCH REQUIREMENTS MUST INCLUDE AN ANNUAL 
FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK, CERTIFICATION 
AS A RESPONSIBLE ALCOHOL BEVERAGE VENDOR IN ACCORDANCE WITH 
PART 10 OF THIS ARTICLE 3, PERMIT FEES, AND ANY OTHER REQUIREMENTS 
THE STATE LICENSING AUTHORITY FINDS APPROPRIATE.

(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 subsection (1)(b) of this section, as subsection (1)(b) existed prior to the effective date of this subsection (4)(b)(IV), as amended:

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

(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.

(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, as subsection (1)(b) existed prior to the effective date of this
SUBSECTION (4)(b)(V), AS AMENDED:

(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; AND

(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:

(8) (a) Except as provided in subsection (8)(b) of this section, effective January 1, 2026, each liquor-licensed drugstore license issued under this section automatically converts to a beer-and-wine-licensed grocery store license under section 44-3-410.5, and, upon conversion, the licensee is permitted to sell malt and vinoous liquors only and is subject to the requirements of the license as specified in section 44-3-410.5.

(b) A liquor-licensed drugstore initially licensed before January 1, 2022, may continue to operate as a liquor-licensed drugstore if the licensee notifies the state licensing authority by April 1, 2026, in the form and manner determined by the state licensing authority, that the licensee will continue operating
A LIQUOR-LICENSED DRUGSTORE. A LIQUOR-LICENSED DRUGSTORE THAT
DOES NOT CONVERT TO A BEER-AND-WINE-LICENSED GROCERY STORE
LICENSED PURSUANT TO SUBSECTION (8)(a) OF THIS SECTION MAY
CONTINUE TO OPERATE UNDER A LIQUOR-LICENSED DRUGSTORE LICENSE,
SUBJECT TO THE REQUIREMENTS OF THIS SECTION AND ALL OTHER
APPLICABLE REQUIREMENTS OF THIS ARTICLE 3.

SECTION 4. In Colorado Revised Statutes, add 44-3-410.5 as
follows:

44-3-410.5. Beer-and-wine-licensed grocery store license -
multiple licenses permitted - requirements - delivery - rules - repeal.

(1) (a) On and after January 1, 2026, a beer-and-wine-licensed
grocery store license shall be issued to persons selling malt
and vinous liquors in sealed containers not to be consumed at
the place where sold.

(b) The state and local licensing authorities shall not
issue a new beer-and-wine-licensed grocery store license if the
premises for which a beer-and-wine-licensed grocery store
license is sought is located within one thousand five hundred
feet of a retail liquor store licensed under section 44-3-409.

(2) Nothing in subsection (1) of this section prohibits:

(a) The renewal or transfer of ownership of a
beer-and-wine-licensed grocery store license initially licensed
as a liquor-licensed drugstore; or

(b) A beer-and-wine-licensed grocery store from allowing
tastings on the licensed premises if the applicable local
licensing authority has authorized the beer-and-wine-licensed
grocery store to conduct tastings on its licensed premises in
ACCORDANCE WITH SECTION 44-3-301 (10).

(3) IN ADDITION TO ANY OTHER REQUIREMENTS FOR LICENSURE UNDER THIS SECTION OR THIS ARTICLE 3, A PERSON APPLYING FOR A NEW OR TO RENEW A BEER-AND-WINE-LICENSED GROCERY STORE LICENSE IN ACCORDANCE WITH SUBSECTION (1) OF THIS SECTION MUST:

(a) PROVIDE evidence to the state and local licensing authorities that at least twenty percent of the licensee’s gross annual income derived from total sales during the prior twelve months at the licensed premises for which a new or renewal license is sought is from the sale of food items, as defined by the state licensing authority by rule; and

(b) MAKE and KEEP its premises open to the public.

(4) (a) A person licensed to sell malt and vinous liquors as provided in this section shall:

(I) Purchase malt and vinous liquors only from a wholesaler licensed under this article 3;

(II) (A) Not sell malt or vinous liquors to consumers at a price that is below the beer-and-wine-licensed grocery store’s cost, as listed on the invoice, to purchase the malt or vinous liquors, unless the sale is of discontinued or close-out malt or vinous liquors.

(B) This subsection (4)(a)(II) does not prohibit a beer-and-wine-licensed grocery store from operating a bona fide loyalty or rewards program for malt or vinous liquors so long as the price for the product is not below the beer-and-wine-licensed grocery store’s costs as listed on the invoice. The state licensing authority may adopt rules to
IMPLEMENT THIS SUBSECTION (4)(a)(II).

(III) Not allow consumers to purchase malt or vinous 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 beer-and-wine-licensed grocery store;

(IV) Require, in accordance with section 44-3-901 (11), consumers attempting to purchase malt or vinous liquors to present a valid identification, as determined by the state licensing authority by rule; and

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

(b) A person licensed under this section shall not purchase malt or vinous liquors from a wholesaler on credit and shall effect payment upon delivery of the alcohol beverages.

(5) (a) On and after January 1, 2026, a beer-and-wine-licensed grocery store licensee that complies with this subsection (5) and rules promulgated pursuant to this subsection (5) may deliver malt and vinous liquors to a person of legal age if:

(I) The licensee or a person authorized by the licensee to make deliveries for the licensee has obtained a permit from the state licensing authority;

(II) The person receiving the delivery of malt or vinous liquors is located at a place that is not licensed pursuant to
THIS SECTION;

(III) THE DELIVERY IS MADE BY A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS AUTHORIZED BY THE LICENSEE TO MAKE THE DELIVERY;

(IV) THE PERSON MAKING THE DELIVERY VERIFIES, IN ACCORDANCE WITH SECTION 44-3-901 (11), THAT THE PERSON RECEIVING THE DELIVERY OF MALT OR VINOUS LIQUORS IS AT LEAST TWENTY-ONE YEARS OF AGE; AND

(V) THE BEER-AND-WINE-LICENSED GROCERY STORE DERIVES NO MORE THAN FIFTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES OF MALT AND VINOUS LIQUORS FROM THE SALE OF MALT AND VINOUS LIQUORS THAT THE BEER-AND-WINE-LICENSED GROCERY STORE DELIVERS.

(b) (I) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES AS NECESSARY FOR THE PROPER DELIVERY OF MALT AND VINOUS LIQUORS AND IS AUTHORIZED TO ISSUE A PERMIT TO ANY PERSON WHO IS LICENSED UNDER THIS SECTION TO SELL AT RETAIL AND DELIVER THE MALT AND VINOUS LIQUORS PURSUANT TO THIS SUBSECTION (5) AND TO ANY OTHER PERSON WHO INTENDS TO DELIVER MALT AND VINOUS LIQUORS ON BEHALF OF THE LICENSEE. A PERMIT ISSUED UNDER THIS SUBSECTION (5) IS SUBJECT TO THE SAME SUSPENSION AND REVOCATION PROVISIONS AS ARE SET FORTH IN SECTION 44-3-601 FOR OTHER LICENSES GRANTED PURSUANT TO THIS ARTICLE 3.

(II) BY JANUARY 1, 2026, THE STATE LICENSING AUTHORITY, BY RULE, SHALL ESTABLISH THE REQUIREMENTS FOR OBTAINING A PERMIT TO DELIVER ALCOHOL BEVERAGES PURSUANT TO THIS SUBSECTION (5)(b). SUCH REQUIREMENTS MUST INCLUDE AN ANNUAL FINGERPRINT-BASED
CRIMINAL HISTORY RECORD CHECK, CERTIFICATION AS A RESPONSIBLE ALCOHOL BEVERAGE VENDOR IN ACCORDANCE WITH PART 10 OF THIS ARTICLE 3, PERMIT FEES, AND ANY OTHER REQUIREMENTS THE STATE LICENSING AUTHORITY FINDS APPROPRIATE.

(6) (a) EXCEPT AS PROVIDED IN SUBSECTION (6)(b) OF THIS SECTION, IT IS UNLAWFUL FOR ANY OWNER, PART OWNER, SHAREHOLDER, OR PERSON INTERESTED DIRECTLY OR INDIRECTLY IN A BEER-AND-WINE-LICENSED GROCERY STORE TO CONDUCT, OWN EITHER IN WHOLE OR IN PART, OR BE DIRECTLY OR INDIRECTLY INTERESTED IN ANY OTHER BUSINESS LICENSED PURSUANT TO THIS ARTICLE 3.

(b) AN OWNER, PART OWNER, SHAREHOLDER, OR PERSON INTERESTED DIRECTLY OR INDIRECTLY IN A BEER-AND-WINE-LICENSED GROCERY STORE MAY HAVE AN INTEREST IN:

(I) AN ARTS LICENSE GRANTED UNDER THIS ARTICLE 3;

(II) AN AIRLINE PUBLIC TRANSPORTATION SYSTEM LICENSE GRANTED UNDER THIS ARTICLE 3;

(III) A FINANCIAL INSTITUTION REFERRED TO IN SECTION 44-3-308 (4);

(IV) ADDITIONAL BEER-AND-WINE-LICENSED GROCERY STORE LICENSES AS FOLLOWS:

(A) ON OR AFTER JANUARY 1, 2026, AND BEFORE JANUARY 1, 2027, A MAXIMUM OF EIGHT TOTAL BEER-AND-WINE-LICENSED GROCERY STORE LICENSES;

(B) ON OR AFTER JANUARY 1, 2027, AND BEFORE JANUARY 1, 2032, A MAXIMUM OF THIRTEEN TOTAL BEER-AND-WINE-LICENSED GROCERY STORE LICENSES;

(C) ON OR AFTER JANUARY 1, 2032, AND BEFORE JANUARY 1,
2037, a maximum of twenty total beer-and-wine-licensed grocery store licenses; and

(D) On or after January 1, 2037, an unlimited number of beer-and-wine-licensed grocery store licenses.

(7) (a) A beer-and-wine-licensed grocery store licensed under this section shall not store malt and vinous liquors off the licensed premises.

(b) A licensed wholesaler shall make all deliveries of malt and vinous liquors to a beer-and-wine-licensed grocery store:

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

(II) Only to the business address of the beer-and-wine-licensed grocery store.

(8) (a) A beer-and-wine-licensed grocery store licensed under this section shall have at least one manager permitted under section 44-3-427 who works on the licensed premises. The beer-and-wine-licensed grocery store shall designate at least one permitted manager on the licensed premises to conduct the beer-and-wine-licensed grocery store's purchases of alcohol beverages from a licensed wholesaler. A licensed wholesaler shall take orders for alcohol beverages only from a permitted manager designated by the beer-and-wine-licensed grocery store.

(b) A beer-and-wine-licensed grocery store must obtain and maintain a certification as a responsible alcohol beverage vendor in accordance with part 10 of this article 3.
(c) An employee of a beer-and-wine-licensed grocery store who is under twenty-one years of age shall not deliver malt or vinous liquors offered for sale on, or sold and removed from, the licensed premises.

(9) A person licensed under this section that obtains additional beer-and-wine-licensed grocery store licenses in accordance with subsection (6)(b)(IV) 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 or vinous liquors from a wholesaler licensed under this article 3 for more than one licensed premises. A wholesaler licensed under this article 3 shall not base the price for the malt or vinous liquors it sells to a beer-and-wine-licensed grocery store licensed under this section on the total volume of malt or vinous liquors that the licensee purchases for multiple licensed premises.

(10) (a) Effective January 1, 2026, except as provided in section 44-3-410 (8)(b), each liquor-licensed drugstore license initially issued under section 44-3-410 before January 1, 2022, automatically converts to a beer-and-wine-licensed grocery store license.

(b) (I) Not later than April 1, 2026, a licensee licensed as a liquor-licensed drugstore on December 31, 2025, which license converted to a beer-and-wine-licensed grocery store license on January 1, 2026, may transfer spirituous liquors in the licensee’s possession to a licensee authorized by this article 3 to sell spirituous liquors at retail for consumption off the premises.
THIS SUBSECTION (10)(b) DOES NOT AUTHORIZE A BEER-AND-WINE-LICENSED GROCERY STORE TO SELL SPIRITUOUS LIQUORS.

(II) FROM JANUARY 1, 2026, THROUGH APRIL 1, 2026, IT IS NOT A VIOLATION OF SECTION 44-3-901 FOR A BEER-AND-WINE-LICENSED GROCERY STORE TO HAVE SPIRITUOUS LIQUORS IN ITS POSSESSION OR TO TRANSFER SPIRITUOUS LIQUORS AS PROVIDED IN THIS SUBSECTION (10)(b).

(III) THIS SUBSECTION (10)(b) IS REPEALED, EFFECTIVE OCTOBER 1, 2026.

SECTION 5. In Colorado Revised Statutes, 44-3-103, amend (56); and add (19.5) as follows:

44-3-103. Definitions. As used in this article 3 and article 4 of this title 44, unless the context otherwise requires:

(19.5) "GROCERY STORE" MEANS AN ESTABLISHMENT THAT GENERATES AT LEAST TWENTY PERCENT OF GROSS ANNUAL INCOME FROM THE SALE OF FOOD ITEMS.

(56) "Tastings" means the sampling, by adult patrons of a licensee pursuant to section 44-3-301 (10), of malt, vinous, or spiritous liquors that may occur on the premises of a retail liquor store licensee or liquor-licensed drugstore licensee by adult patrons of the licensee pursuant to the provisions of section 44-3-301 (10) OR THE SAMPLING OF MALT AND VINOUS LIQUORS THAT MAY OCCUR ON THE PREMISES OF A BEER-AND-WINE-LICENSED GROCERY STORE LICENSEE.

SECTION 6. In Colorado Revised Statutes, 44-3-104, amend (2)(c) as follows:

44-3-104. Wine shipments - permits. (2) A winery direct shipper's permit may be issued to only a person who applies for such permit to the state licensing authority and who:
(c) Except as provided in sections 44-3-402 (1) and 44-3-407 (3),
does not directly or indirectly have any financial interest in a Colorado
wholesaler or retailer licensed pursuant to section 44-3-407, 44-3-409, or
44-3-410, OR 44-3-410.5.

SECTION 7. In Colorado Revised Statutes, 44-3-107, amend
(2)(c) as follows:

44-3-107. Permitted acts - auctions at special events -
definition. (2) (c) The retail value of alcohol beverages donated to an
organization pursuant to this section by a retailer licensed under section
44-3-409, 44-3-410, 44-3-410.5, or 44-4-104 (1)(c) to sell alcohol
beverages at retail for consumption off the licensed premises does not
count against the annual limit on purchases from those retailers specified
in section 44-3-411 (2), 44-3-413 (7)(b), 44-3-414 (2), 44-3-416 (2),
44-3-417 (3), 44-3-418 (2), 44-3-419 (4), 44-3-420 (2), 44-3-422 (3),
44-3-426 (4)(b), or 44-3-428 (2).

SECTION 8. In Colorado Revised Statutes, 44-3-301, amend
(9)(a)(I)(C), (10)(b), (10)(c)(I)(A), (10)(c)(XII), (10)(d), (10)(e), and
(12)(a) as follows:

44-3-301. Licensing in general. (9) (a) (I) (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 44-3-409 to move
its permanent location if the new location is Within one thousand five
hundred WITHIN THREE THOUSAND feet of another retail liquor store
licensed under section 44-3-409, 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 44-3-409, 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 44-3-409:

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

(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 and is a retail liquor store, or liquor-licensed drugstore, or
BEER-AND-WINE-LICENSED GROCERY STORE licensee, an employee of a
retail liquor store, or liquor-licensed drugstore, or
BEER-AND-WINE-LICENSED GROCERY STORE 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

(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, or BEER-AND-WINE-LICENSED
GROCERY STORE licensee 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) by a retail liquor store, or liquor-licensed drugstore, OR BEER-AND-WINE-LICENSED GROCERY STORE licensee, whether by the licensee's employees, agents, or otherwise 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 44-3-801 applies to, the retail liquor store, or liquor-licensed drugstore, OR BEER-AND-WINE-LICENSED GROCERY STORE licensee that conducted the tasting.

(e) A retail liquor store, or liquor-licensed drugstore, OR BEER-AND-WINE-LICENSED GROCERY STORE licensee conducting a tasting shall be subject to the same revocation, suspension, and enforcement provisions as otherwise apply to the licensee.

(12) (a) Notwithstanding any other provision of this article 3, on and after July 1, 2016, the state and local licensing authorities shall not issue a new license under this article 3 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 NOT IN COMPLIANCE WITH SECTION 44-3-409 (1)(a) OR 44-3-410.5 (1)(b), AS APPLICABLE.

(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;

(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.

SECTION 9. In Colorado Revised Statutes, 44-3-309, amend
(1)(b); 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 upon payment of the fee specified in
section 44-3-505:

(b) Liquor-licensed drugstore license; EXCEPT THAT, ON AND
AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(b), AS AMENDED, A
LOCAL LICENSING AUTHORITY SHALL NOT ISSUE A NEW LIQUOR-LICENSED
DRUGSTORE LICENSE;

(o) BEER-AND-WINE-LICENSED GROCERY STORE LICENSE.

SECTION 10. In Colorado Revised Statutes, 44-3-312, amend
(2)(a) as follows:

44-3-312. Results of investigation - decision of authorities.
(2) (a) Before entering any decision approving or denying the AN
application FOR LICENSURE, the local licensing authority shall consider,
except where this article 3 specifically provides otherwise, the facts and
evidence adduced as a result of its investigation, as well as any other
facts; the reasonable requirements of the neighborhood for the type of
license for which application has been made; the desires of the adult
inhabitants; the number, type, and availability of alcohol beverage outlets
located in or near the neighborhood under consideration; and any other
pertinent matters affecting the qualifications of the applicant for the
conduct of the type of business proposed; except that the reasonable
requirements of the neighborhood shall not be considered in the issuance
of a club liquor license. For the merger and conversion of retail liquor
store licenses to a single liquor-licensed drugstore license in accordance
with section 44-3-410 (1)(b), the local licensing authority shall consider
the reasonable requirements of the neighborhood and the desires of the
adult inhabitants of the neighborhood:

SECTION 11. In Colorado Revised Statutes, 44-3-401, amend
(1)(i); and 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:

(i) Liquor-licensed drugstore license; EXCEPT THAT, ON AND
AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(i), AS AMENDED, THE
STATE LICENSING AUTHORITY SHALL NOT ISSUE A NEW LIQUOR-LICENSED
DRUGSTORE LICENSE;

(y) BEER-AND-WINE-LICENSED GROCERY STORE LICENSE.

SECTION 12. In Colorado Revised Statutes, 44-3-425, amend
(2)(a) as follows:

44-3-425. Wine packaging permit - limitations - rules. (2) A
licensed winery or limited winery that obtains a wine packaging permit pursuant to this section shall not sell or distribute tax-paid wine it packages:

   (a) To a person licensed to sell alcohol beverages at retail, for consumption on or off the licensed premises, under section 44-3-409, 44-3-410, **44-3-410.5**, 44-3-411, 44-3-412, 44-3-413, 44-3-414, 44-3-415, 44-3-416, 44-3-417, 44-3-418, 44-3-419, 44-3-420, 44-3-421, 44-3-422, 44-3-424, 44-3-426, or 44-3-428; or

   **SECTION 13.** In Colorado Revised Statutes, 44-3-427, **amend** (1), (2) introductory portion, and (4) as follows:

   **44-3-427. Liquor-licensed drugstore manager's permit.**

   (1) The state licensing authority may issue a manager's permit to an individual who:

   (a) Is employed by a liquor-licensed drugstore licensed under section 44-3-410 **OR** A BEER-AND-WINE-LICENSED GROCERY STORE LICENSED UNDER SECTION 44-3-410.5; and who

   (b) Will be in actual control of:

   (I) The A liquor-licensed drugstore's alcohol beverage operations; OR

   (II) A BEER-AND-WINE-LICENSED GROCERY STORE'S MALT AND VINOUS LIQUORS OPERATIONS.

   (2) An individual seeking a manager's permit shall apply to the state licensing authority in the form and manner required by the state licensing authority. To obtain a manager's permit, the individual must demonstrate that 

   (4) In recognition of the state's flourishing local breweries, wineries, and distilleries that locally produce high-quality malt, vinous,

SECTION 14. In Colorado Revised Statutes, 44-3-501, add (1)(x) as follows:

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

(1) The applicant shall pay the following license and permit fees to the department annually in advance:

(x) For each Beer-and-Wine-Licensed Grocery Store License, one hundred dollars.

SECTION 15. In Colorado Revised Statutes, 44-3-505, add (1)(r) as follows:

44-3-505. Local license fees. (1) The applicant shall pay the following license fees to the treasurer of the municipality, city and county, or county where the licensed premises is located annually in advance:

(r) (I) For each Beer-and-Wine-Licensed Grocery Store License for premises located within any municipality or city and county, one hundred fifty dollars;

(II) For each Beer-and-Wine-Licensed Grocery Store License for premises located outside the municipal limits of any municipality or city and county, two hundred fifty dollars.

SECTION 16. In Colorado Revised Statutes, 44-3-901, amend (1)(g), (1)(i)(III), (6)(i)(II), (6)(k), (6)(p)(I)(B), (6)(p)(III), (8)(b), and (11)(c) as follows:
Unlawful acts - exceptions - definitions. (1) Except as provided in section 18-13-122, it is unlawful for any person:

(g) To sell at retail any malt, vinous, or spirituous liquors in sealed containers without holding a retail liquor store or liquor-licensed drugstore license or to sell at retail any malt or vinous liquors in sealed containers without holding a beer-and-wine-licensed grocery store license, except as permitted by section 44-3-107 (2) or 44-3-301 (6)(b) or any other provision of this article or to sell at retail any fermented malt beverages in sealed containers without holding a fermented malt beverage retailer's license under sections 44-4-104 (1)(c) and 44-4-107 (1)(a);

(i) (III) Notwithstanding subsection (1)(i)(I) of this section, it shall not be unlawful for adult patrons of a retail liquor store or liquor-licensed drugstore licensee to consume malt, vinous, or spirituous liquors, OR FOR ADULT PATRONS OF A BEER-AND-WINE-LICENSED GROCERY STORE LICENSEE TO CONSUME MALT OR VINOUS LIQUORS, on the licensed premises when the consumption is conducted within the limitations of the licensee's license and is part of a tasting if authorization for the tasting has been granted pursuant to section 44-3-301.

(6) It is unlawful for any person licensed to sell at retail pursuant to this article 3 or article 4 of this title 44:

(i) (II) Notwithstanding subsection (6)(i)(I) of this section, it shall not be unlawful for a retail liquor store, OR liquor-licensed drugstore, OR BEER-AND-WINE-LICENSED GROCERY STORE 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 44-3-301.

(k) (I) Except as provided in subsections (6)(k)(II), (6)(k)(III),
(k)(IV), and (k)(V) of this section, to have on the licensed premises, if licensed as a retail liquor store, liquor-licensed drugstore, BEER-AND-WINE-LICENSED GROCERY STORE, 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 the container;

(II) (A) A person holding a retail liquor store or liquor-licensed drugstore license under this article 3 may have upon the licensed premises malt, vinous, or spirituous liquors, AND A PERSON HOLDING A BEER-AND-WINE-LICENSED GROCERY STORE LICENSE UNDER THIS ARTICLE 3 MAY HAVE UPON THE LICENSED PREMISES MALT OR VINOUS 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 3 for the purpose of sampling malt, vinous, or spirituous liquors by the retail liquor store or liquor-licensed drugstore LICENSEE ONLY OR FOR THE PURPOSE OF SAMPLING MALT OR VINOUS LIQUORS BY THE BEER-AND-WINE-LICENSED GROCERY STORE licensee only.

(B) A person holding a fermented malt beverage retailer's license under section 44-4-107 (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 4 of this title 44 for the purpose of sampling fermented malt beverages by the fermented malt beverage retailer licensee only.

(III) Nothing in this subsection (6)(k) applies to any liquor-licensed drugstore where the contents, or a portion of the contents,
have been used in compounding prescriptions.

(IV) It is not unlawful for a retail liquor store, or liquor-licensed drugstore, OR BEER-AND-WINE-LICENSED GROCERY STORE licensee to allow tastings to be conducted on the licensed premises if authorization for the tastings has been granted pursuant to section 44-3-301.

(V) A person holding a retail liquor store, or liquor-licensed drugstore, OR BEER-AND-WINE-LICENSED GROCERY STORE license under this article 3 or a fermented malt beverage retailer's license under section 44-4-107 (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 subsection (6)(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 (6)(p)(I)(B) does not apply to a retail liquor store licensed under section 44-3-409, or a liquor-licensed drugstore licensed under section 44-3-410, OR A BEER-AND-WINE-LICENSED GROCERY STORE LICENSED UNDER SECTION 44-3-410.5;

(III) If licensed as a retail liquor store under section 44-3-409, a liquor-licensed drugstore under section 44-3-410, A BEER-AND-WINE-LICENSED GROCERY STORE UNDER SECTION 44-3-410.5, or a fermented malt beverage retailer under section 44-4-107 (1)(a), to
permit an employee who is under twenty-one years of age to deliver 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, liquor-licensed drugstore, BEER-AND-WINE-LICENSED GROCERY STORE, or fermented malt beverage retailer.

(8) (b) Notwithstanding subsection (8)(a) of this section, it shall not be IS NOT unlawful for a retail liquor store, or liquor-licensed drugstore, OR BEER-AND-WINE-LICENSED GROCERY STORE licensee to allow tastings to be conducted on the licensed premises if authorization for the tastings has been granted pursuant to section 44-3-301.

(11) (c) As used in this subsection (11), "retail licensee" means a person licensed under section 44-3-409, 44-3-410, 44-3-410.5, 44-4-104 (1)(c), or 44-4-107 (1)(a).

SECTION 17. In Colorado Revised Statutes, 26-2-104, amend (2)(a)(II)(C) and (2)(h)(I)(B) as follows:

26-2-104. Public assistance programs - electronic benefits transfer service - joint reports with department of revenue - signs - rules. (2)(a)(II) Only those businesses that offer products or services related to the purpose of the public assistance benefits are allowed to participate in the electronic benefits transfer service through the use of point-of-sale terminals. Clients shall not be allowed to access cash benefits through the electronic benefits transfer service from automated teller machines in this state located in:

(C) Retail establishments licensed to sell malt, vinous, or spirituous liquors pursuant to part 3 of article 3 of title 44; except that the prohibition in this subsection (2)(a)(II)(C) does not apply to
establishments licensed as liquor-licensed drugstores under section
44-3-410 or beer-and-wine-licensed grocery stores under section
44-3-410.5;

(h) (I) On or before January 1, 2016, the department of revenue
shall adopt rules pursuant to the "State Administrative Procedure Act",
article 4 of title 24, that relate to a client's use of automated teller
machines at locations where the use is prohibited. The rules must apply
to the following establishments:

(B) Retail establishments licensed to sell malt, vinous, or
spirituous liquors pursuant to part 3 of article 3 of title 44, excluding
establishments licensed as liquor-licensed drugstores under section
44-3-410 or beer-and-wine-licensed grocery stores under section
44-3-410.5;

SECTION 18. Safety clause. The general assembly hereby finds,
determines, and declares that this act is necessary for the immediate
preservation of the public peace, health, or safety.