

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

ENGROSSED

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

LLS NO. 22-0941.04 Yelana Love x2295

HOUSE BILL 22-1417

HOUSE SPONSORSHIP

Roberts and Larson,

SENATE SPONSORSHIP

(None),

House Committees

Business Affairs & Labor
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE REGULATION OF ALCOHOL BEVERAGES, AND, IN**
102 **CONNECTION THEREWITH, CREATING AN ALCOHOL BEVERAGE**
103 **REGULATION TASK FORCE.**

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>.)

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
May 9, 2022

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
3 follows:

4 **44-3-108. Alcohol beverage regulation task force - legislative**
5 **declaration - creation - membership - duties - report - definitions -**

6 **repeal.** (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS THAT:

7 (I) THERE HAS NOT BEEN A BROAD REVIEW OF THE "COLORADO

1 LIQUOR CODE", THE "COLORADO BEER CODE", ARTICLE 4 OF THIS TITLE
2 44, OR THE OTHER STATUTES REGULATING ALCOHOL BEVERAGES IN
3 RECENT HISTORY;

4 (II) GROWTH IN THE INDUSTRY AND CHANGES IN CONSUMER
5 BEHAVIOR, MUCH OF WHICH WAS ACCELERATED BY THE COVID-19
6 PANDEMIC, HAVE CREATED AN OPPORTUNITY FOR ENHANCED STATUTORY
7 CLARITY IN ORDER TO ALLEVIATE CHALLENGES ASSOCIATED WITH
8 INTERPRETING AND ENFORCING THE LAWS;

9 (III) ADDITIONALLY, THE STATUTES REGULATING ALCOHOL
10 BEVERAGES HAVE UNDERGONE LEGISLATIVE CHANGES IN RECENT YEARS
11 TO ADDRESS SPECIFIC NICHE ISSUES, WHICH CHANGES OFTEN DO NOT TAKE
12 INTO ACCOUNT A HOLISTIC VIEW OF THE CODES, AND SIGNIFICANT
13 CHANGES ARE CURRENTLY UNDER CONSIDERATION, EITHER THROUGH
14 LEGISLATION OR BALLOT INITIATIVE, THAT COULD FURTHER COMPLICATE
15 THE STATUTES;

16 (IV) THE DEPARTMENT HAS NOTED CONSIDERABLE CHALLENGES
17 IN STATUTORY APPLICATION GIVEN THE COMPLEXITY, PERCEIVED
18 CONTRADICTIONS, AND RAPIDLY EVOLVING MARKETPLACE INNOVATIONS
19 THAT HAVE OCCURRED WITHIN THE ALCOHOL BEVERAGE INDUSTRY; AND

20 (V) IN ORDER TO FACILITATE STATUTORY COMPLIANCE BY
21 LICENSEES, IT IS ESSENTIAL THAT THE DEPARTMENT AND THE ALCOHOL
22 BEVERAGE INDUSTRY HAVE A CLEAR, LOGICAL, AND TRANSPARENT
23 REGULATORY FRAMEWORK THAT ALLOWS FOR UNDERSTANDABLE
24 REGULATIONS AND ENFORCEMENT, FOSTERS A STRONG INDUSTRY, AND
25 SUPPORTS THE DEPARTMENT'S GOAL OF PUBLIC SAFETY.

26 (b) THEREFORE, THE GENERAL ASSEMBLY FINDS THAT A TASK
27 FORCE COMPRISED OF A BROAD REPRESENTATION OF INTERESTS WILL

1 PROVIDE A FORUM TO CRAFT LEGISLATIVE RECOMMENDATIONS FOCUSED
2 ON CLARIFYING AND MODERNIZING THE STATUTES REGULATING ALCOHOL
3 BEVERAGES IN A WAY THAT POSITIONS THE STATE OF COLORADO, THE
4 DEPARTMENT, AND THE ALCOHOL BEVERAGE INDUSTRY FOR SUCCESS FOR
5 DECADES TO COME.

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

9 (3) (a) THE TASK FORCE CONSISTS OF THIRTY MEMBERS, ONE OF
10 WHOM SHALL BE THE STATE LICENSING AUTHORITY OR THE STATE
11 LICENSING AUTHORITY'S DESIGNEE, AND TWENTY-NINE OF WHOM SHALL
12 BE APPOINTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT AS
13 FOLLOWS:

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

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

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

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

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

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

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

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

3 (IX) TWO MEMBERS REPRESENTING SMALL OFF-PREMISES
4 RETAILERS, ONE OF WHOM MUST REPRESENT A MINORITY-OWNED SMALL
5 OFF-PREMISES RETAILER;

6 (X) ONE MEMBER REPRESENTING A MINORITY-OWNED
7 ON-PREMISES RETAILER;

8 (XI) ONE MEMBER REPRESENTING THE COLORADO MUNICIPAL
9 CLERKS ASSOCIATION, OR ITS SUCCESSOR ORGANIZATION.

10 (XII) ONE MEMBER REPRESENTING A WHOLESALER OF MALT
11 LIQUORS;

12 (XIII) ONE MEMBER REPRESENTING A WHOLESALER OF VINOUS
13 AND SPIRITUOUS LIQUORS;

14 (XIV) ONE MEMBER REPRESENTING A WHOLESALER OF ANY TYPE
15 OF ALCOHOL BEVERAGE WITH EXPERIENCE SELLING TO AND SERVICING A
16 NATIONAL CHAIN ACCOUNT;

17 (XV) ONE MEMBER REPRESENTING THE HARD CIDER INDUSTRY;

18 (XVI) TWO MEMBERS REPRESENTING RESTAURANTS;

19 (XVII) TWO MEMBERS REPRESENTING TAVERNS;

20 (XVIII) ONE MEMBER REPRESENTING AN ARTS LICENSEE;

21 (XIX) ONE REPRESENTATIVE FROM MOTHERS AGAINST DRUNK
22 DRIVING, OR ITS SUCCESSOR ORGANIZATION;

23 (XX) ONE REPRESENTATIVE FROM COLORADO COUNTIES, INC., OR
24 ITS SUCCESSOR ORGANIZATION;

25 (XXI) ONE REPRESENTATIVE FROM THE COLORADO MUNICIPAL
26 LEAGUE, OR ITS SUCCESSOR ORGANIZATION;

27 (XXII) ONE REPRESENTATIVE FROM THE COLORADO STATE

1 PATROL;

2 (XXIII) ONE REPRESENTATIVE FROM THE COLORADO
3 ASSOCIATION OF CHIEFS OF POLICE; AND

4 (XXIV) ONE REPRESENTATIVE FROM COUNTY SHERIFFS OF
5 COLORADO.

6 (b) IN MAKING THE APPOINTMENTS PURSUANT TO SUBSECTION
7 (3)(a) OF THIS SECTION, THE EXECUTIVE DIRECTOR SHALL MAKE EVERY
8 REASONABLE EFFORT TO ENSURE THAT THE RACIAL AND ETHNIC MAKEUP
9 OF THE TASK FORCE IS REFLECTIVE OF THE DEMOGRAPHY OF THE STATE.

10 (c) AS USED IN THIS SUBSECTION (3), FOR THE PURPOSES OF
11 MAKING APPOINTMENTS PURSUANT TO THIS SUBSECTION (3):

12 (I) "LARGE" MEANS A LICENSEE THAT HAS THREE OR MORE
13 LICENSED PREMISES IN THE STATE OR THAT EMPLOYS ONE HUNDRED OR
14 MORE EMPLOYEES;

15 (II) "MEDIUM" MEANS A LICENSEE THAT HAS AT LEAST TWO
16 LICENSED PREMISES IN THE STATE OR THAT EMPLOYS AT LEAST FIFTY AND
17 NO MORE THAN NINETY-NINE EMPLOYEES; AND

18
19 (III) "SMALL" MEANS A LICENSEE THAT HAS NO MORE THAN ONE
20 LICENSED PREMISES IN THE STATE OR THAT EMPLOYEES FEWER THAN FIFTY
21 EMPLOYEES.

22 (4) ALL MEMBERS APPOINTED PURSUANT TO SUBSECTIONS (3)(a)(I)
23 TO (3)(a)(XVIII) OF THIS SECTION MUST BE A PRINCIPAL OR EMPLOYEE OF
24 A BUSINESS WITHIN THE SPECIFIC INDUSTRY INTEREST THE MEMBER
25 REPRESENTS AND HAVE DEMONSTRABLE, DIRECT EXPERIENCE WORKING
26 WITHIN THE SPECIFIC INDUSTRY INTERESTS THE MEMBER REPRESENTS,
27 WHICH EXPERIENCE MUST NOT BE SOLELY IN AN ADVOCACY POSITION FOR

1 THOSE INDUSTRY INTERESTS.

2 (5) (a) EACH MEMBER OF THE TASK FORCE APPOINTED PURSUANT
3 TO SUBSECTION (3)(a) OF THIS SECTION SERVES:

4 (I) AT THE PLEASURE OF THE OFFICIAL WHO APPOINTED THE
5 MEMBER; AND

6 (II) WITHOUT COMPENSATION AND WITHOUT REIMBURSEMENT FOR
7 EXPENSES.

8 (b) AN APPOINTED TASK FORCE MEMBER MAY DESIGNATE ONE
9 OTHER PERSON WHO IS A PRINCIPAL OR EMPLOYEE OF A BUSINESS WITHIN
10 THE SPECIFIC INDUSTRY INTEREST THE MEMBER REPRESENTS WHO IS
11 AUTHORIZED TO ACT IN THE MEMBER'S ABSENCE BY PROXY, AND THE
12 PROXY MAY PERFORM ALL DUTIES IN THE TASK FORCE MEMBER'S ABSENCE,
13 INCLUDING ATTENDING MEETINGS AND VOTING.

14 (6) (a) THE STATE LICENSING AUTHORITY SHALL ORGANIZE AND
15 CALL THE FIRST MEETING OF THE TASK FORCE, TO BE HELD NO LATER THAN
16 JULY 31, 2022.

17 (b) THE TASK FORCE SHALL ELECT A CHAIR FROM AMONG ITS
18 MEMBERS.

19 (c) THE TASK FORCE SHALL MEET AT LEAST ONCE EVERY MONTH.
20 THE CHAIR MAY CALL ADDITIONAL MEETINGS AS NECESSARY FOR THE
21 TASK FORCE TO COMPLETE ITS DUTIES.

22 (7) THE STATE LICENSING AUTHORITY MAY SUBMIT A REQUEST FOR
23 PROPOSALS AND HIRE AN OUTSIDE FACILITATOR FOR THE PURPOSE OF
24 PROVIDING SUPPORT FOR THE TASK FORCE, GENERATING THE REPORT
25 REQUIRED IN SUBSECTION (9) OF THIS SECTION, AND ANY OTHER DUTIES
26 ASSIGNED BY THE EXECUTIVE DIRECTOR.

27 (8) (a) FOR THE PURPOSE OF MAKING RECOMMENDATIONS TO THE

1 GENERAL ASSEMBLY CONCERNING HOW TO MODERNIZE, CLARIFY, AND
2 HARMONIZE THE "COLORADO LIQUOR CODE", THE "COLORADO BEER
3 CODE", ARTICLE 4 OF THIS TITLE 44, AND OTHER STATUTES REGULATING
4 ALCOHOL BEVERAGES, THE TASK FORCE SHALL REVIEW:

5 (I) THE STATUTES REGULATING ALCOHOL BEVERAGES, CURRENT
6 MARKET TRENDS, AND LAWS AND REGULATIONS FROM OTHER
7 JURISDICTIONS;

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

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

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

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

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

20 (III) PROMOTING A FAIR, ETHNICALLY AND RACIALLY DIVERSE,
21 INDEPENDENT, AND OPEN MARKETPLACE:

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

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

26 (IV) HOW ANY RECOMMENDATIONS MAY INTERACT WITH OR
27 AFFECT OTHER JURISDICTIONS THAT HAVE RESPONSIBILITY FOR THE

1 REGULATION OF ALCOHOL BEVERAGES.

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

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

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

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

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

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

20



21 **SECTION 2. Safety clause.** The general assembly hereby finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, or safety.