

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

**PREAMENDED**

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

LLS NO. 25-0138.01 Brita Darling x2241

**SENATE BILL 25-033**

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**A BILL FOR AN ACT**

101 **CONCERNING LIMITATIONS ON LIQUOR-LICENSED DRUGSTORE**  
102 **LICENSES.**

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**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>.)*

On and after the effective date of the bill, the bill prohibits the state and local licensing authorities (licensing authorities) from issuing a new liquor-licensed drugstore license (license). Licensing authorities may continue to renew existing licenses.

A person holding a license (licensee) is prohibited from changing the location of, merging, selling, converting, or transferring a license;

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

except that a licensee that holds a license that was issued to an independent pharmacy before January 1, 2025, shall not, on or after the effective date of the bill, change the location of or merge or convert the license but may sell or transfer the license to another licensee that is an independent pharmacy that holds a license or to a person that does not already have a license.

The bill prohibits an owner, part owner, shareholder, or person interested directly or indirectly in a liquor-licensed drugstore from having an interest in more than 8 licenses.

**Sections 3 through 7** of the bill make conforming amendments to account for the new restrictions on the license.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-3-103, **add** (21.3)  
3 as follows:

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

6 (21.3) "INDEPENDENT PHARMACY" MEANS A PRESCRIPTION DRUG  
7 OUTLET PRIVATELY OWNED BY AT LEAST ONE LICENSED PHARMACIST WITH  
8 NO OWNERSHIP INTEREST BY OR AFFILIATION WITH A CHAIN OR PUBLICLY  
9 OWNED PHARMACY.

10 **SECTION 2.** In Colorado Revised Statutes, 44-3-410, **amend**  
11 (1)(a) and (7); **repeal** (1)(b), (4)(b)(IV), (4)(b)(V), and (4)(c); and **add**  
12 (4)(b)(VI) and (8) as follows:

13 **44-3-410. Liquor-licensed drugstore license - multiple licenses**  
14 **permitted - license renewals - independent pharmacies -**  
15 **requirements - rules.** (1) (a) ~~(f)~~ A liquor-licensed drugstore license ~~shall~~  
16 ~~be~~ IS issued to persons selling malt, vinous, and spirituous liquors in  
17 sealed containers not to be consumed at the place where sold. On and  
18 after July 1, 2016, ~~except as permitted under subsection (1)(b) of this~~  
19 ~~section~~ THE EFFECTIVE DATE OF THIS SECTION, AS AMENDED, the state and

1 local licensing authorities shall not issue a ANY new liquor-licensed  
2 drugstore license if the licensed premises for which a liquor-licensed  
3 drugstore license is sought is located: LICENSES.

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

6 (B) ~~For a drugstore premises located in a municipality with a~~  
7 ~~population of ten thousand or fewer, within three thousand feet of a retail~~  
8 ~~liquor store licensed under section 44-3-409; or~~

9 (C) ~~For a drugstore premises located in a municipality with a~~  
10 ~~population of ten thousand or fewer that is contiguous to the city and~~  
11 ~~county of Denver, within one thousand five hundred feet of a retail liquor~~  
12 ~~store licensed under section 44-3-409.~~

13 (H) ~~Nothing in this subsection (1) prohibits:~~

14 (A) ~~The renewal or transfer of ownership of a liquor-licensed~~  
15 ~~drugstore license initially issued prior to July 1, 2016.~~

16 (B) ~~A liquor-licensed drugstore licensee from allowing tastings on~~  
17 ~~the licensed premises if the applicable local licensing authority has~~  
18 ~~authorized the liquor-licensed drugstore to conduct tastings on its licensed~~  
19 ~~premises in accordance with section 44-3-301 (10).~~

20 (b) (f) ~~On or after January 1, 2017, to qualify for an additional~~  
21 ~~liquor-licensed drugstore license under this section, a liquor-licensed~~  
22 ~~drugstore licensee, or a retail liquor store licensee that was licensed as a~~  
23 ~~liquor-licensed drugstore on February 21, 2016, must apply to the state~~  
24 ~~and local licensing authorities, as part of a single application, for a~~  
25 ~~transfer of ownership of at least two licensed retail liquor stores that were~~  
26 ~~licensed or had applied for a license on or before May 1, 2016, a change~~  
27 ~~of location of one of the retail liquor stores, and a merger and conversion~~

1 of the retail liquor store licenses into a single liquor-licensed drugstore  
2 license. The applicant may apply for a transfer, change of location, and  
3 merger and conversion only if all of the following requirements are met:

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

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

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

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

12           ~~(IV) In addition to any other requirements for licensure under this~~  
13 ~~section or this article 3, a person applying for a new liquor-licensed~~  
14 ~~drugstore license in accordance with this subsection (1)(b) on or after~~  
15 ~~January 1, 2017, or to renew a liquor-licensed drugstore license issued on~~  
16 ~~or after January 1, 2017, under this subsection (1)(b) must:~~

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

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

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

26           ~~(IV) For a liquor-licensed drugstore licensed on or before January~~  
27 ~~1, 2016, or a liquor-licensed drugstore licensee that was licensed as a~~

1     ~~liquor-licensed drugstore on February 21, 2016, that converted its license~~  
2     ~~to a retail liquor store license after February 21, 2016, and that applied on~~  
3     ~~or before May 1, 2017, to convert its retail liquor store license back to a~~  
4     ~~liquor-licensed drugstore license, additional liquor-licensed drugstore~~  
5     ~~licenses as follows, but only if obtained in accordance with subsection~~  
6     ~~(1)(b) of this section:~~

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

10            ~~(B) On or after January 1, 2022, and before January 1, 2027, up~~  
11     ~~to seven additional liquor-licensed drugstore licenses, for a maximum of~~  
12     ~~eight total liquor-licensed drugstore licenses;~~

13            ~~(C) On or after January 1, 2027, and before January 1, 2032, up~~  
14     ~~to twelve additional liquor-licensed drugstore licenses, for a maximum of~~  
15     ~~thirteen total liquor-licensed drugstore licenses;~~

16            ~~(D) On or after January 1, 2032, and before January 1, 2037, up~~  
17     ~~to nineteen additional liquor-licensed drugstore licenses, for a maximum~~  
18     ~~of twenty total liquor-licensed drugstore licenses; and~~

19            ~~(E) On or after January 1, 2037, an unlimited number of additional~~  
20     ~~liquor-licensed drugstore licenses.~~

21            ~~(V) For a liquor-licensed drugstore that submitted an application~~  
22     ~~for a new liquor-licensed drugstore license before October 1, 2016,~~  
23     ~~additional liquor-licensed drugstore licenses as follows, but only if~~  
24     ~~obtained in accordance with subsection (1)(b) of this section:~~

25            ~~(A) On or after January 1, 2019, and before January 1, 2022, four~~  
26     ~~additional liquor-licensed drugstore licenses, for a maximum of five total~~  
27     ~~liquor-licensed drugstore licenses;~~

1           ~~(B) On or after January 1, 2022, and before January 1, 2027, up~~  
2 ~~to seven additional liquor-licensed drugstore licenses, for a maximum of~~  
3 ~~eight total liquor-licensed drugstore licenses;~~

4           ~~(C) On or after January 1, 2027, and before January 1, 2032, up~~  
5 ~~to twelve additional liquor-licensed drugstore licenses, for a maximum of~~  
6 ~~thirteen total liquor-licensed drugstore licenses;~~

7           ~~(D) On or after January 1, 2032, and before January 1, 2037, up~~  
8 ~~to nineteen additional liquor-licensed drugstore licenses, for a maximum~~  
9 ~~of twenty total liquor-licensed drugstore licenses; and~~

10           ~~(E) On or after January 1, 2037, an unlimited number of additional~~  
11 ~~liquor-licensed drugstore licenses.~~

12           (VI) NO MORE THAN EIGHT LIQUOR-LICENSED DRUGSTORE  
13 LICENSES.

14           ~~(c) Subsection (4)(b)(V) of this section does not apply to a~~  
15 ~~liquor-licensed drugstore licensee that was licensed as a liquor-licensed~~  
16 ~~drugstore on February 21, 2016, that converted its license to a retail liquor~~  
17 ~~store license after February 21, 2016, and that applied on or before May~~  
18 ~~1, 2017, to convert its retail liquor store license back to a liquor-licensed~~  
19 ~~drugstore license.~~

20           (7) A person licensed under this section that ~~obtains~~ OBTAINED  
21 additional liquor-licensed drugstore licenses ~~in accordance with~~  
22 ~~subsection (4)(b)(IV) or (4)(b)(V) of this section~~ may operate under a  
23 single or consolidated corporate entity but shall not commingle purchases  
24 of or credit extensions for purchases of malt, vinous, or spirituous liquors  
25 from a wholesaler licensed under this article 3 for more than one licensed  
26 premises. A wholesaler licensed under this article 3 shall not base the  
27 price for the malt, vinous, or spirituous liquors it sells to a liquor-licensed

1 drugstore licensed under this section on the total volume of malt, vinous,  
2 or spirituous liquors that the licensee purchases for multiple licensed  
3 premises.

4 (8) (a) THE STATE OR A LOCAL LICENSING AUTHORITY MAY RENEW  
5 A LIQUOR-LICENSED DRUGSTORE LICENSE PURSUANT TO SECTION  
6 44-3-302. IN ADDITION TO ANY OTHER REQUIREMENTS FOR RENEWAL, A  
7 PERSON APPLYING TO RENEW A LIQUOR-LICENSED DRUGSTORE LICENSE  
8 ISSUED ON OR AFTER JANUARY 1, 2017, BUT ISSUED BEFORE THE  
9 EFFECTIVE DATE OF THIS SECTION, AS AMENDED, SHALL:

10 (I) PROVIDE EVIDENCE TO THE STATE AND LOCAL LICENSING  
11 AUTHORITIES THAT, WITH RESPECT TO THE TOTAL SALES MADE DURING  
12 THE PRIOR TWELVE MONTHS AT THE DRUGSTORE PREMISES FOR WHICH THE  
13 RENEWAL LICENSE IS SOUGHT, AT LEAST TWENTY PERCENT OF THE  
14 LICENSEE'S GROSS ANNUAL INCOME IS DERIVED FROM THE SALE OF FOOD  
15 ITEMS, AS DEFINED BY THE STATE LICENSING AUTHORITY BY RULE; AND

16 (II) MAKE AND KEEP THE LICENSEE'S PREMISES OPEN TO THE  
17 PUBLIC.

18 (b) (I) ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, AS  
19 AMENDED, A LIQUOR-LICENSED DRUGSTORE LICENSEE SHALL NOT MERGE,  
20 SELL, TRANSFER, CONVERT, OR CHANGE THE LOCATION OF A  
21 LIQUOR-LICENSED DRUGSTORE LICENSE.

22 (II) NOTWITHSTANDING SUBSECTION (8)(b)(I) OF THIS SECTION, A  
23 LIQUOR-LICENSED DRUGSTORE LICENSEE THAT HOLDS A LIQUOR-LICENSED  
24 DRUGSTORE LICENSE THAT WAS ISSUED TO AN INDEPENDENT PHARMACY  
25 BEFORE JANUARY 1, 2025, MAY CHANGE THE LOCATION OF OR SELL OR  
26 TRANSFER THE LICENSE TO ANOTHER INDEPENDENT PHARMACY THAT  
27 HOLDS A LIQUOR-LICENSED DRUGSTORE LICENSE OR TO A PERSON THAT



1 DOES NOT ALREADY HOLD OR HAVE AN INTEREST IN A LIQUOR-LICENSED  
2 DRUGSTORE LICENSE.

3 **SECTION 3.** In Colorado Revised Statutes, 44-3-303, **amend**  
4 (1)(c)(I) and (2); and **repeal** (1)(c)(II) as follows:

5 **44-3-303. Transfer of ownership and temporary permits.**

6 (1) (c) (I) ~~Except as provided in subsection (1)(c)(II) of this section, for~~  
7 ~~any other~~ FOR ANY transfer of ownership, application must be made to the  
8 state and local licensing authorities on forms prepared and furnished by  
9 the state licensing authority. In determining whether to permit a transfer  
10 of ownership, the licensing authorities shall consider only the  
11 requirements of section 44-3-307 and 1 CCR 203-2, rule 47-302, entitled  
12 "Changing, Altering, or Modifying Licensed Premises", or any analogous  
13 successor rule. The local licensing authority may conduct a hearing on the  
14 application for transfer of ownership after providing notice in accordance  
15 with subsection (1)(c)(III) of this section. ~~Any~~ A transfer of ownership  
16 hearing by the state licensing authority ~~must~~ SHALL be held in accordance  
17 with section 44-3-305 (2).

18 (II) ~~A license merger and conversion as provided for in section~~  
19 ~~44-3-410 (1)(b) includes a transfer of ownership of at least two retail~~  
20 ~~liquor stores, a change of location of one of the retail liquor stores, and~~  
21 ~~a merger and conversion of the retail liquor store licenses into a single~~  
22 ~~liquor-licensed drugstore license, all as part of a single transaction, and~~  
23 ~~the liquor-licensed drugstore applicant need not apply separately for a~~  
24 ~~transfer of ownership under this section. The liquor-licensed drugstore~~  
25 ~~applying for a license merger and conversion pursuant to section~~  
26 ~~44-3-410 (1)(b) is ineligible for a temporary permit pursuant to this~~  
27 ~~section. The local licensing authority shall consider the reasonable~~

1 ~~requirements of the neighborhood pursuant to section 44-3-312 when~~  
2 ~~making a determination on the merger and conversion of the retail liquor~~  
3 ~~store licenses into a single liquor-licensed drugstore license. The local~~  
4 ~~licensing authority may hold a hearing on the application for the license~~  
5 ~~merger and conversion after providing notice in accordance with~~  
6 ~~subsection (1)(c)(III) of this section.~~

7 (2) Notwithstanding any provision of this article 3 to the contrary,  
8 a local licensing authority may issue a temporary permit to a transferee of  
9 any retail class of alcohol beverage license issued by the local licensing  
10 authority pursuant to this article 3 or article 4 of this title 44. ~~except that~~  
11 ~~a local licensing authority shall not issue a temporary permit to a~~  
12 ~~liquor-licensed drugstore that has acquired ownership of licensed retail~~  
13 ~~liquor stores in accordance with section 44-3-410 (1)(b).~~ A temporary  
14 permit authorizes a transferee to continue selling alcohol beverages as  
15 permitted under the permanent license during the period in which an  
16 application to transfer the ownership of the license is pending.

17 **SECTION 4.** In Colorado Revised Statutes, 44-3-312, **amend**  
18 (2)(a) as follows:

19 **44-3-312. Results of investigation - decision of authorities.**

20 (2) (a) Before entering ~~any~~ A decision approving or denying ~~the~~ AN  
21 application, ~~the~~ A local licensing authority shall consider, except where  
22 this article 3 specifically provides otherwise, the facts and evidence  
23 adduced as a result of its investigation, as well as any other facts; the  
24 reasonable requirements of the neighborhood for the type of license for  
25 which application has been made; the desires of the adult inhabitants; the  
26 number, type, and availability of alcohol beverage outlets located in or  
27 near the neighborhood under consideration; and any other pertinent

1 matters affecting the qualifications of the applicant for the conduct of the  
2 type of business proposed; except that the reasonable requirements of the  
3 neighborhood shall not be considered in the issuance of a club liquor  
4 license. For the merger and conversion of retail liquor store licenses to a  
5 single liquor-licensed drugstore license in accordance with section  
6 ~~44-3-410(1)(b)~~, the local licensing authority shall consider the reasonable  
7 requirements of the neighborhood and the desires of the adult inhabitants  
8 of the neighborhood.

9           **SECTION 5.** In Colorado Revised Statutes, 44-3-409, **repeal** (5)  
10 as follows:

11           **44-3-409. Retail liquor store license - rules - definitions.** (5) A  
12 liquor-licensed drugstore may apply to the state and local licensing  
13 authorities, as part of a single application, for a merger and conversion of  
14 retail liquor store licenses to a single liquor-licensed drugstore license as  
15 provided in section ~~44-3-410(1)(b)~~.

16           **SECTION 6.** In Colorado Revised Statutes, 44-3-501, **repeal**  
17 (3)(a)(XVI) as follows:

18           **44-3-501. State fees - rules.** (3) (a) The state licensing authority  
19 shall establish fees for processing the following types of applications,  
20 notices, or reports required to be submitted to the state licensing  
21 authority:

22           (XVI) ~~Applications for transfer of ownership, change of location,~~  
23 ~~and license merger and conversion pursuant to section 44-3-410(1)(b);~~

24           **SECTION 7.** In Colorado Revised Statutes, 44-3-505, **repeal**  
25 (4)(a)(V) as follows:

26           **44-3-505. Local license fees.** (4) (a) Each application for a  
27 license provided for in this article 3 and article 4 of this title 44 filed with

1 a local licensing authority must be accompanied by an application fee in  
2 an amount determined by the local licensing authority to cover actual and  
3 necessary expenses, subject to the following limitations:

4 (V) ~~For a transfer of ownership, change of location, and license~~  
5 ~~merger and conversion pursuant to section 44-3-410 (1)(b), not to exceed~~  
6 ~~one thousand dollars.~~

7 **SECTION 8. Safety clause.** The general assembly finds,  
8 determines, and declares that this act is necessary for the immediate  
9 preservation of the public peace, health, or safety or for appropriations for  
10 the support and maintenance of the departments of the state and state  
11 institutions.