

Proposition 125: Allow Grocery and Convenience Stores to Sell Wine

Placed on the ballot by citizen initiative • Passes with a majority vote

1 **Proposition 125 proposes amending the Colorado statutes to:**

- 2 • allow grocery stores and convenience stores that sell beer to also sell wine, by
3 automatically converting beer retail licenses to beer and wine retail licenses,
4 beginning March 2023.

5 **What Your Vote Means**

YES

6 A “yes” vote on
7 Proposition 125 allows

8 licensed grocery and convenience stores
9 that currently sell beer to also sell wine.

NO

A “no” vote on Proposition 125 means that licensed grocery and convenience stores may continue selling beer, but not wine.

1 **Summary and Analysis for Proposition 125**

2 **What does the measure do?**

3 Under the measure, all fermented malt beverage retailer licenses will be
 4 automatically converted to allow licensees to also sell wine and other vinous
 5 liquors (such as wine coolers, sake, cider, and mead), and to conduct alcohol
 6 tastings, beginning March 1, 2023. These licensees include grocery and
 7 convenience stores that currently sell fermented malt beverages (such as beer,
 8 hard seltzer, and hard lemonade) for off-premises consumption. This measure
 9 does not impact the types of alcohol that may be sold by restaurants, bars, and
 10 other establishments.

11 **What are the current types of retail alcohol stores and what are the key**
 12 **differences in laws governing them?**

13 In 2016, the legislature made significant changes to the laws governing retail
 14 alcohol sales for the first time since the end of Prohibition. As a result, retail
 15 liquor stores and liquor-licensed drugstores (grocery stores with a pharmacy that
 16 sell beer, wine, and spirits), which had been limited to one location per licensee,
 17 were allowed additional locations on a phased-in schedule, shown in Table 1.
 18 Additionally, grocery and convenience stores licensed to sell 3.2 beer (fermented
 19 malt beverage retailers) were permitted to automatically begin selling full-strength
 20 beer.

21 **Table 1**
 22 **Current Retail Alcohol Licenses**

License Type	Current Licensees*	Current Allowable Locations Per Licensee	Additional Phase-In of Allowable Locations
Fermented Malt Beverage Retailer	1,819	Unlimited	N/A
Grocery and convenience stores licensed to sell beer and other fermented malt beverages (e.g., hard seltzer and hard lemonade). New licensees must be located 500 feet from another retail store.			
Liquor-Licensed Drugstore	26	8	13 beginning in 2027; 20 beginning in 2032; unlimited beginning in 2037
Grocery stores with pharmacies licensed to sell all types of alcohol, including fermented malt beverages, wine and other vinous liquors (e.g., wine coolers, sake, cider, and mead), and spirits. New licensees must buy out two retail liquor stores, including all stores within a 1,500 foot radius (approximately three or four city blocks), or 3,000 feet in smaller communities.			
Retail Liquor Store	1,592	3	4 beginning in 2027
Liquor stores licensed to sell all types of alcohol. New licensees must be located at least 1,500 feet away from other retail stores.			

Source: Liquor Enforcement Division, Department of Revenue.
 *Licensees as of June 30, 2021.

23 **Operational requirements.** All of the stores discussed above:

- 24 • may not sell alcohol to individuals under the age of 21 or to those who appear
 25 intoxicated;

- 1 • may not sell alcohol between midnight and 8:00 a.m.;
- 2 • may not sell alcohol below cost, must purchase alcohol from licensed
- 3 wholesalers, and may not have a vested interest in any manufacturer or
- 4 wholesaler license;
- 5 • must require employees handling alcohol to be at least 18 years of age;
- 6 • may deliver alcohol using their own employees who are at least 21 years of
- 7 age and using a store-owned vehicle;
- 8 • have to be located at least 500 feet away from any school; and
- 9 • must be licensed by both the state and local government.

10 Only liquor stores and liquor-licensed drugstores may conduct alcohol tastings,
11 once approved by the local government. Fermented malt beverage retailers and
12 liquor-licensed drugstores must receive approval from the state and local
13 government before significantly expanding or modifying where alcohol is sold in
14 the store.

15 For more information about retail alcohol sales, please refer to this legislative
16 memo about Off-Premises Retail Liquor Licensing:

17 <http://leg.colorado.gov/publications/premises-retail-liquor-licensing>.

For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

18 **Argument For Proposition 125**

- 19 1) Consumers want the convenience of buying wine with groceries. This
20 measure builds on the existing system to allow adults to buy wine in grocery
21 and convenience stores, just as they do now with beer and other fermented
22 malt beverages. These stores provide a safe and well-regulated environment
23 to ensure responsible alcohol sales.

24 **Argument Against Proposition 125**

- 25 1) The measure creates a disadvantage for small, locally owned liquor stores,
26 and instead benefits large national grocery and convenience store chains.
27 The automatic license conversion will more than double the number of stores
28 where wine can be sold, without any community input or state or local
29 government review.

30 **Fiscal Impact for Proposition 125**

31 **State spending.** Costs and workload in the Department of Revenue will
32 increase to process automatic license conversions for approximately
33 1,820 fermented malt beverage retailers. Costs include \$5,000 in one-time
34 computer programming.

- 1 **Local government.** Similar to the state, local liquor licensing authorities will
- 2 have an increase in workload to process automatic license conversions.