

Proposition 124: Increase Allowable Liquor Store Locations

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

1 **Proposition 124 proposes amending the Colorado statutes to:**

- 2 • allow retail liquor stores to apply to state and local governments to open
3 additional locations on a phased-in schedule, with no limit on the number of
4 permissible locations after 2037.

5 **What Your Vote Means**

YES

6 A “yes” vote on
7 Proposition 124 allows

8 retail liquor stores to apply for and, if
9 approved, increase the number of
10 locations over time, with no limit on the
11 number of locations after 2037.

NO

A “no” vote on Proposition 124
retains current law that limits
retail liquor stores to a total of three
locations in the state through 2026, and a
total of four locations thereafter.

1 **Summary and Analysis for Proposition 124**

2 Currently, retail liquor stores are limited to three locations per licensee, with four
 3 locations allowed beginning in 2027. Under this measure, retail liquor stores
 4 would be allowed to apply for the same number of locations as liquor-licensed
 5 drugstores (grocery stores with a pharmacy that sell beer, wine, and spirits), as
 6 shown in Table 1.

7 **Table 1**
 8 **Maximum Retail Liquor Store Locations**
 9 **Under Current Law and Under Proposition 124***

Timeframe	Retail Liquor Stores		Liquor-Licensed Drugstores**
	Current Law	Proposition 124	
Prior to January 1, 2017	1	N/A	1
January 1, 2017 – December 31, 2021	2	N/A	5
January 1, 2022 – December 31, 2026	3	8	8
January 1, 2027 – December 31, 2031	4	13	13
January 1, 2032 – December 31, 2036	4	20	20
After January 1, 2037	4	Unlimited	Unlimited

10 *Only stores licensed prior to 2016 may apply for additional locations, both under current law
 11 and under this measure.

12 **Grocery stores with pharmacies licensed to sell all types of alcohol, including beer and other
 13 fermented malt beverages (e.g., hard seltzer and hard lemonade), wine and other vinous liquors
 14 (e.g., wine coolers, sake, cider, and mead), and spirits. New licensees must buy out two retail
 15 liquor stores, including all stores within a 1,500 feet radius (approximately three or four city
 16 blocks), or 3,000 feet in small communities.

17 Any new locations are required to be at least 1,500 feet away from other retail
 18 liquor stores. Additionally, in order to open a new retail liquor store location,
 19 licensees must follow the current state and local government licensing protocols
 20 related to background checks, documentation, and a public hearing on the needs
 21 and desires of the neighborhood. Additional information about retail liquor stores
 22 can be found in the summary and analysis for Proposition 125.

23 This measure does not impact grocery and convenience stores that currently sell
 24 only beer, which are allowed to have an unlimited number of locations.

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>

1 **Argument For Proposition 124**

2 1) This measure brings parity to retail liquor stores that have been
3 disadvantaged by the limited number of allowed locations. Currently, grocery
4 store chains that are licensed to sell beer, wine, and spirits are permitted
5 many more locations than retail liquor stores, with unlimited locations
6 beginning in 2037. Meanwhile, retail liquor stores are limited to a total of
7 four locations beginning in 2027. Proposition 124 addresses a long-term
8 competitive disadvantage for retail liquor stores relative to large grocery store
9 chains.

10 **Argument Against Proposition 124**

11 1) Proposition 124 creates a disadvantage for small, locally owned liquor stores
12 that may not have the capacity or desire to expand, and instead benefits
13 large retail liquor store chains that have more resources. Current law is
14 designed to ensure that neighborhood liquor stores can continue to compete
15 with other retail liquor stores. Many of these small businesses are owned by
16 minorities and women, who may lose customers as a result of increased
17 competition from large retail liquor store chains.

18 **Fiscal Impact for Proposition 124**

19 **State revenue.** The measure may increase state revenue from new retail liquor
20 store licenses and ongoing renewals; however, the net impact of the change is
21 assumed to be less than \$10,000 per year. Revenue is from state and local
22 liquor licensing fees and is split between state cash funds and the General Fund.

23 **State spending.** The measure minimally increases workload for the Liquor
24 Enforcement Division in the Department of Revenue to perform rulemaking,
25 process applications for new retail liquor stores, and conduct enforcement.

26 **Local government.** The measure will minimally increase workload for local
27 licensing authorities to process applications for new retail liquor stores and
28 revenue from local application and licensing fees.