SECTION 1. Legislative declaration. (1) The general assembly hereby finds, determines, and declares that:

(a) Compliance checks are a necessary means of ensuring that liquor licensees do not violate state laws prohibiting the sale of alcohol to minors; and

(b) The department of revenue should provide information to local licensing authorities to aid in more consistent application of penalties for violations of such laws.

(2) It is therefore the intent of the general assembly in enacting this act to give the liquor enforcement division in the department of revenue the authority to adopt rules to assist licensing authorities in carrying out their enforcement duties under the "Colorado Liquor Code".

SECTION 2. 12-47-202 (2) (a), Colorado Revised Statutes, is amended to read:

12-47-202. Duties of state licensing authority. (2) (a) (I) Rules and regulations made pursuant to paragraph (b) of subsection (1) of this section may cover, but shall not be limited to, the following subjects:

(A) Compliance with or enforcement or violation of any provision of this article,
article 46 or 48 of this title, or any rule or regulation issued pursuant to such articles;

(B) Specifications of duties of officers and employees;

(C) Instructions for local licensing authorities and law enforcement officers;

(D) All forms necessary or convenient in the administration of this article and articles 46 and 48 of this title;

(E) Inspections, investigations, searches, seizures, and such activities as may become necessary from time to time, including a range of penalties for use by licensing authorities, which shall include aggravating and mitigating factors to be considered, when persons under twenty-one years of age are utilized to investigate sales of alcohol beverages by liquor licensees to underage persons;

(F) Limitation of number of licensees as to any area or vicinity;

(G) Misrepresentation, unfair practices, and unfair competition;

(H) Control of signs and other displays on licensed premises;

(I) Use of screens;

(J) Identification of licensees and their employees;

(K) Storage, warehouses, and transportation;

(L) Health and sanitary requirements;

(M) Standards of cleanliness, orderliness, and decency, and sampling and analysis of products;

(N) Standards of purity and labeling;

(O) Records to be kept by licensees and availability thereof;

(P) Practices unduly designed to increase the consumption of alcohol beverages; and

(Q) Such other matters as are necessary for the fair, impartial, stringent, and comprehensive administration of this article and articles 46 and 48 of this title. but

(II) Nothing in this article and articles 46 and 48 of this title shall be construed as delegating to the state licensing authority the power to fix prices. The licensing authority shall make no rule that would abridge the right of any licensee to fairly, honestly, and lawfully advertise the place of business of or the commodities sold by such licensee. All such rules shall be reasonable and just.
SECTION 3. Effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to violations committed on or after the applicable effective date of this act.

Approved: April 17, 1998