



# Legislative Council Staff

## Research Note

Version: Final

Date: 10/6/2016

### Bill Number

House Bill 16-1439

### Sponsors

*Representative Garnett*  
*Senator Holbert*

### Short Title

*Lodging & Entertainment*  
*Facility Liquor License*

### Research Analyst

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### Status

This research note reflects the final version of the bill, which became effective on August 10, 2016.

### Summary

This bill creates a new lodging and entertainment liquor license for facilities that provide lodging, sports, or entertainment activities as their primary business and, incidental to that business, sell and serve alcoholic beverages by the drink for consumption on the premises. These facilities must have sandwiches and light snacks available for consumption. The bill sets the state license fee at \$75 annually, and the local licensee fee at \$500 annually.

Facilities that currently hold a tavern license, do not sell alcohol beverages as their primary business, and meet the definition of a lodging and entertainment facility, may convert their current tavern license to a lodging and entertainment facility license when their license is up for renewal or by one year after the effective date of the bill, whichever is later.

Any owner, shareholder, or person with an interest in a lodging and entertainment facility licensee may not own or have an interest in additional specified liquor licensees or financial institutions. The bill sets the requirements for licensees to designate and register facility managers with state and local licensing authorities. The registration fee for managers cannot exceed \$75, paid to both the state and local licensing authorities.

The bill specifies that licensees may only purchase alcohol beverages from licensed wholesalers, with the exception that they may purchase up to \$2,000 worth of alcohol per year from licensed retailers. Licensees must retain evidence of these purchases from licensed retailers. The bill also adds the lodging and entertainment license to existing liquor license laws.

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## Background

Tavern liquor licenses are issued to entities that sell alcohol beverages by the drink for consumption on the licenses as their main business, and offer light snacks or sandwiches. There are currently approximately 1,400 tavern licenses, between 300 and 400 of which may be converted to a lodging and entertainment license.

## House Action

**House Business Affairs and Labor Committee (April 26, 2016).** At the hearing, a representative from the Liquor Enforcement Division in the Colorado Department of Revenue testified in support of the bill and a representative from Bryan Cave testified in opposition to the bill unless amended. The committee adopted amendment L.001, which permits, rather than requires, that certain current tavern licensees convert their license to a lodging and entertainment license, and referred the bill to the House Committee of the Whole.

**House second reading (April 28, 2016).** The House adopted the House Business Affairs and Labor Committee report and passed the bill on second reading.

**House third reading (April 29, 2016).** The House passed the bill, unamended, on third reading.

## Senate Action

**Senate Business, Labor, & Technology Committee (May 6, 2016).** The committee referred the bill, unamended, to the Senate Committee of the Whole, with a recommendation that it be placed on the consent calendar.

**Senate second reading (May 6, 2016).** The Senate passed the bill, unamended, on second reading.

**Senate third reading (May 9, 2016).** The Senate adopted amendment No. 1, which added a requirement that lodging and entertainment license employees be 21 or older to sell alcohol and made this requirement subject to the passage of Senate Bill 16-197, and passed the bill on third reading.