

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

INTRODUCED

LLS NO. 17-1034.01 Christy Chase x2008

SENATE BILL 17-199

SENATE SPONSORSHIP

Neville T. and Kerr, Priola

HOUSE SPONSORSHIP

Winter and Liston,

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE LICENSING OF RETAIL LIQUOR STORES.**

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>.)

Under current law, a retail liquor store licensee that was licensed on or before January 1, 2016, and is a Colorado resident is permitted to obtain one additional retail liquor store license on or after January 1, 2017; 2 additional retail liquor store licenses on or after January 1, 2022; and 3 additional retail liquor store licenses on or after January 1, 2027. With regard to additional retail liquor store licenses, the premises cannot be located within 1,500 feet of any other licensed retail liquor store in the same licensing jurisdiction or, if within a municipality with a population

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

of not more than 10,000 people, the premises cannot be located within 3,000 feet of any other licensed retail liquor store in the same licensing jurisdiction. Also, in addition to selling malt, vinous, and spirituous liquors, a retail liquor store may sell nonalcohol products, but only if the sales revenues from nonalcohol products do not exceed 20% of the store's total annual gross sales revenues.

The bill excludes from the calculation of sales revenues from nonalcohol products revenues from the sale of lottery products, cigarettes, tobacco products, nicotine products, ice, and nonalcohol beverages.

With regard to multiple licenses, the bill retains the ability for a retail liquor store licensee that is a Colorado resident to obtain one additional retail liquor store license through July 1, 2017, if the new premises satisfies the distance requirements, and starting July 1, 2017, retains the distance requirements and replaces the current time periods and additional license provisions with a structure that mirrors the tiered structure for liquor-licensed drugstores to obtain additional licenses, as follows:

- ! For a retail liquor store licensee licensed as of January 1, 2017, that has been a Colorado resident for at least 2 years or has operated a business in Colorado for at least 10 years, in order to obtain an additional retail liquor store license on or after July 1, 2017, the applicant must apply to transfer ownership of 2 licensed retail liquor store licenses within the same local licensing jurisdiction as the premises for which a new license is sought and merge the 2 licenses into a single retail liquor store license;
- ! A retail liquor store that qualifies for additional retail liquor store licenses is eligible to obtain: 4 additional licenses, for a total of 5 retail liquor store licenses, on or after July 1, 2017; 7 additional licenses, for a total of 8 retail liquor store licenses, on or after January 1, 2022; 12 additional licenses, for a total of 13 retail liquor store licenses, on or after January 1, 2027; 19 additional licenses, for a total of 20 retail liquor store licenses, on or after January 1, 2032; and an unlimited number of additional retail liquor store licenses, on or after January 1, 2037.

A retail liquor store is prohibited from allowing customers to use a self-checkout to complete an alcohol beverage purchase.

A retail liquor store is required to:

- ! Verify the age of a customer attempting to purchase an alcohol beverage by examining the customer's valid identification; and
- ! Maintain certification as a responsible alcohol beverage vendor.

An employee of a retail liquor store who is under 21 years of age

cannot deliver or otherwise have contact with alcohol beverages offered for sale on, or sold and removed from, the licensed premises.

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

2 **SECTION 1.** In Colorado Revised Statutes, 12-47-103, **amend**
3 the introductory portion and (31) as follows:

4 **12-47-103. Definitions.** As used in this ~~article~~ ARTICLE 47 and
5 article 46 of this ~~title~~ TITLE 12, unless the context otherwise requires:

6 (31) "Retail liquor store" means an establishment engaged only in
7 the sale of malt, vinous, and spirituous liquors and nonalcohol products,
8 but only if the annual gross revenues from the sale of nonalcohol products
9 ~~does~~ DO not exceed twenty percent of the retail liquor store's total annual
10 gross SALES revenues, AS SPECIFIED IN SECTION 12-47-407 (1)(b).

11 **SECTION 2.** In Colorado Revised Statutes, 12-47-407, **amend**
12 (1)(b), (2), (4)(a), and (4)(b)(III); and **add** (1)(d), (4)(b)(III.5), (7), and (8)
13 as follows:

14 **12-47-407. Retail liquor store license.** (1) (b) In addition, retail
15 liquor stores may sell any nonalcohol products, but only if the annual
16 gross revenues from the sale of nonalcohol products do not exceed twenty
17 percent of the retail liquor store's total annual gross SALES revenues. FOR
18 PURPOSES OF CALCULATING THE ANNUAL GROSS REVENUES FROM THE
19 SALE OF NONALCOHOL PRODUCTS, SALES REVENUES FROM THE FOLLOWING
20 PRODUCTS ARE EXCLUDED:

- 21 (I) LOTTERY PRODUCTS;
- 22 (II) CIGARETTES, TOBACCO, AND NICOTINE PRODUCTS, AS DEFINED
23 IN SECTION 18-13-121 (5);
- 24 (III) ICE; AND
- 25 (IV) NONALCOHOL BEVERAGES.

1 (d) (I) ON OR AFTER JULY 1, 2017, TO QUALIFY FOR ADDITIONAL
2 RETAIL LIQUOR STORE LICENSES UNDER SUBSECTION (4)(b)(III.5) OF THIS
3 SECTION, A RETAIL LIQUOR STORE LICENSEE MUST APPLY TO THE STATE
4 AND LOCAL LICENSING AUTHORITIES, AS PART OF A SINGLE APPLICATION,
5 FOR A TRANSFER OF OWNERSHIP OF AT LEAST TWO LICENSED RETAIL
6 LIQUOR STORES THAT WERE LICENSED OR HAD APPLIED FOR A LICENSE ON
7 OR BEFORE JULY 1, 2017, A CHANGE OF LOCATION OF ONE OF THE RETAIL
8 LIQUOR STORES, AND A MERGER OF THE RETAIL LIQUOR STORE LICENSES
9 INTO A SINGLE RETAIL LIQUOR STORE LICENSE. THE APPLICANT MAY APPLY
10 FOR A TRANSFER, CHANGE OF LOCATION, AND MERGER ONLY IF ALL OF THE
11 FOLLOWING REQUIREMENTS ARE MET:

12 (A) THE RETAIL LIQUOR STORES THAT ARE THE SUBJECT OF THE
13 TRANSFER OF OWNERSHIP ARE LOCATED WITHIN THE SAME LOCAL
14 LICENSING AUTHORITY JURISDICTION AS THE PREMISES FOR WHICH THE
15 APPLICANT IS SEEKING A RETAIL LIQUOR STORE LICENSE AND, IF ANY
16 RETAIL LIQUOR STORES ARE LOCATED WITHIN ONE THOUSAND FIVE
17 HUNDRED FEET OF THE PREMISES OR, FOR A RETAIL LIQUOR STORE
18 PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN
19 THOUSAND OR FEWER, WITHIN THREE THOUSAND FEET OF THE PREMISES,
20 THE APPLICANT APPLIES TO TRANSFER OWNERSHIP OF ALL RETAIL LIQUOR
21 STORES LOCATED WITHIN THAT DISTANCE. IF THERE ARE NO LICENSED
22 RETAIL LIQUOR STORES OR ONLY ONE LICENSED RETAIL LIQUOR STORE
23 WITHIN THE SAME LOCAL LICENSING AUTHORITY JURISDICTION AS THE
24 PREMISES FOR WHICH A RETAIL LIQUOR STORE LICENSE IS SOUGHT, THE
25 APPLICANT SHALL APPLY TO TRANSFER OWNERSHIP OF ONE OR TWO RETAIL
26 LIQUOR STORES, AS NECESSARY, THAT ARE LOCATED IN THE LOCAL
27 LICENSING AUTHORITY JURISDICTION THAT IS NEAREST TO THE

1 JURISDICTION IN WHICH THE PREMISES IS LOCATED.

2 (B) UPON TRANSFER AND MERGER OF THE RETAIL LIQUOR STORE
3 LICENSES TO A SINGLE RETAIL LIQUOR STORE LICENSE, THE PREMISES FOR
4 WHICH THE NEW RETAIL LIQUOR STORE LICENSE IS SOUGHT WILL BE
5 LOCATED AT LEAST ONE THOUSAND FIVE HUNDRED FEET FROM ALL
6 LICENSED RETAIL LIQUOR STORES THAT ARE WITHIN THE SAME LOCAL
7 LICENSING AUTHORITY JURISDICTION AS THE PREMISES FOR WHICH THE
8 NEW RETAIL LIQUOR STORE LICENSE IS SOUGHT OR, FOR A PREMISES
9 LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR
10 FEWER, AT LEAST THREE THOUSAND FEET FROM ALL LICENSED RETAIL
11 LIQUOR STORES THAT ARE WITHIN THE SAME LOCAL LICENSING AUTHORITY
12 JURISDICTION AS THE PREMISES FOR WHICH THE NEW RETAIL LIQUOR STORE
13 LICENSE IS SOUGHT.

14 (II) FOR PURPOSES OF DETERMINING WHETHER THE DISTANCE
15 REQUIREMENTS SPECIFIED IN SUBSECTION (1)(d)(I) OF THIS SECTION ARE
16 SATISFIED, THE DISTANCE SHALL BE DETERMINED BY A RADIUS
17 MEASUREMENT THAT BEGINS AT THE PRINCIPAL DOORWAY OF THE
18 PREMISES FOR WHICH THE RETAIL LIQUOR STORE APPLICATION IS MADE
19 AND ENDS AT THE PRINCIPAL DOORWAY OF THE LICENSED RETAIL LIQUOR
20 STORE.

21 (III) IN MAKING ITS DETERMINATION ON THE TRANSFER OF
22 OWNERSHIP, CHANGE OF LOCATION, AND LICENSE MERGER APPLICATION,
23 THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE REASONABLE
24 REQUIREMENTS OF THE NEIGHBORHOOD AND THE DESIRES OF THE ADULT
25 INHABITANTS IN ACCORDANCE WITH SECTION 12-47-312.

26 (IV) IN ADDITION TO ANY OTHER REQUIREMENTS FOR LICENSURE
27 UNDER THIS SECTION OR THIS ARTICLE 47, A PERSON APPLYING FOR A NEW

1 RETAIL LIQUOR STORE LICENSE IN ACCORDANCE WITH THIS SUBSECTION
2 (1)(d) ON OR AFTER JULY 1, 2017, OR TO RENEW A RETAIL LIQUOR STORE
3 LICENSE ISSUED ON OR AFTER JULY 1, 2017, UNDER THIS SUBSECTION
4 (1)(d) MUST:

5 (A) PROVIDE EVIDENCE TO THE STATE AND LOCAL LICENSING
6 AUTHORITIES THAT NOT MORE THAN TWENTY PERCENT OF THE LICENSEE'S
7 GROSS ANNUAL INCOME DERIVED FROM TOTAL SALES DURING THE PRIOR
8 TWELVE MONTHS AT THE RETAIL LIQUOR STORE PREMISES FOR WHICH A
9 NEW OR RENEWAL LICENSE IS SOUGHT IS FROM THE SALE OF NONALCOHOL
10 PRODUCTS, AS DETERMINED IN ACCORDANCE WITH SUBSECTION (1)(b) OF
11 THIS SECTION; AND

12 (B) MAKE AND KEEP ITS PREMISES OPEN TO THE PUBLIC.

13 (2) ~~Every~~ A person ~~selling~~ LICENSED UNDER THIS SECTION TO SELL
14 malt, vinous, and spirituous liquors in a retail liquor store shall:

15 (a) Purchase ~~such~~ malt, vinous, and spirituous liquors only from
16 a wholesaler licensed ~~pursuant to~~ UNDER this ~~article~~: ARTICLE 47;

17 (b) NOT ALLOW CONSUMERS TO PURCHASE MALT, VINOUS, OR
18 SPIRITUOUS LIQUORS AT A SELF-CHECKOUT OR OTHER MECHANISM THAT
19 ALLOWS THE CONSUMER TO COMPLETE THE ALCOHOL BEVERAGE
20 PURCHASE WITHOUT ASSISTANCE FROM AND COMPLETION OF THE
21 TRANSACTION BY AN EMPLOYEE OF THE RETAIL LIQUOR STORE; AND

22 (c) REQUIRE, IN ACCORDANCE WITH SECTION 12-47-901 (10),
23 CONSUMERS ATTEMPTING TO PURCHASE MALT, VINOUS, OR SPIRITUOUS
24 LIQUORS TO PRESENT A VALID IDENTIFICATION, AS DETERMINED BY THE
25 STATE LICENSING AUTHORITY BY RULE.

26 (4) (a) Except as provided in ~~paragraph (b) of this subsection (4)~~
27 SUBSECTION (4)(b) OF THIS SECTION, it is unlawful for any owner, part

1 owner, shareholder, or person interested directly or indirectly in a retail
2 liquor store to conduct, own either in whole or in part, or be directly or
3 indirectly interested in any other business licensed pursuant to this ~~article~~
4 ARTICLE 47.

5 (b) An owner, part owner, shareholder, or person interested
6 directly or indirectly in a retail liquor store may have an interest in:

7 (III) For a retail liquor store licensed on or before January 1, 2016,
8 and whose license holder is a Colorado resident, ON OR AFTER JANUARY
9 1, 2017, AND BEFORE JULY 1, 2017, ONE additional retail liquor store
10 licenses ~~as follows~~ LICENSE, but only if the premises for which a license
11 is sought satisfies the distance requirements specified in ~~subparagraph (H)~~
12 ~~of paragraph (a) of subsection (1)~~ SUBSECTION (1)(a)(II) of this section;

13 ~~(A) On or after January 1, 2017, and before January 1, 2022, one~~
14 ~~additional retail liquor store license, for a maximum of up to two total~~
15 ~~retail liquor store licenses;~~

16 ~~(B) On or after January 1, 2022, and before January 1, 2027, up~~
17 ~~to two additional retail liquor store licenses, for a maximum of three total~~
18 ~~retail liquor store licenses; and~~

19 ~~(C) On or after January 1, 2027, up to three additional retail liquor~~
20 ~~store licenses, for a maximum of four total retail liquor store licenses; or~~

21 (III.5) FOR A RETAIL LIQUOR STORE LICENSED ON OR BEFORE
22 JANUARY 1, 2017, ADDITIONAL RETAIL LIQUOR STORE LICENSES AS
23 FOLLOWS, BUT ONLY IF OBTAINED IN ACCORDANCE WITH SUBSECTION
24 (1)(d) OF THIS SECTION AND IF, PRIOR TO APPLYING FOR AN ADDITIONAL
25 RETAIL LIQUOR STORE LICENSE, THE MAJORITY OF OWNERS OF THE RETAIL
26 LIQUOR STORE HAS EITHER RESIDED IN COLORADO FOR AT LEAST TWO
27 YEARS OR OPERATED A BUSINESS IN COLORADO FOR AT LEAST TEN YEARS:

1 (A) ON OR AFTER JULY 1, 2017, AND BEFORE JANUARY 1, 2022,
2 FOUR ADDITIONAL RETAIL LIQUOR STORE LICENSES, FOR A MAXIMUM OF
3 FIVE TOTAL RETAIL LIQUOR STORE LICENSES;

4 (B) ON OR AFTER JANUARY 1, 2022, AND BEFORE JANUARY 1,
5 2027, UP TO SEVEN ADDITIONAL RETAIL LIQUOR STORE LICENSES, FOR A
6 MAXIMUM OF EIGHT TOTAL RETAIL LIQUOR STORE LICENSES;

7 (C) ON OR AFTER JANUARY 1, 2027, AND BEFORE JANUARY 1,
8 2032, UP TO TWELVE ADDITIONAL RETAIL LIQUOR STORE LICENSES, FOR A
9 MAXIMUM OF THIRTEEN TOTAL RETAIL LIQUOR STORE LICENSES;

10 (D) ON OR AFTER JANUARY 1, 2032, AND BEFORE JANUARY 1,
11 2037, UP TO NINETEEN ADDITIONAL RETAIL LIQUOR STORE LICENSES, FOR
12 A MAXIMUM OF TWENTY TOTAL RETAIL LIQUOR STORE LICENSES; AND

13 (E) ON OR AFTER JANUARY 1, 2037, AN UNLIMITED NUMBER OF
14 ADDITIONAL RETAIL LIQUOR STORE LICENSES; OR

15 (7) A LICENSED WHOLESALER SHALL MAKE ALL DELIVERIES OF
16 ALCOHOL BEVERAGES TO A SPECIFIED RETAIL LIQUOR STORE THROUGH A
17 COMMON CARRIER, A CONTRACT CARRIER, OR ON VEHICLES OWNED BY THE
18 WHOLESALER.

19 (8) (a) A RETAIL LIQUOR STORE MUST OBTAIN AND MAINTAIN A
20 CERTIFICATION AS A RESPONSIBLE ALCOHOL BEVERAGE VENDOR IN
21 ACCORDANCE WITH PART 10 OF THIS ARTICLE 47.

22 (b) AN EMPLOYEE OF A RETAIL LIQUOR STORE WHO IS UNDER
23 TWENTY-ONE YEARS OF AGE SHALL NOT DELIVER OR OTHERWISE HAVE
24 ANY CONTACT WITH MALT, VINOUS, OR SPIRITUOUS LIQUORS OFFERED FOR
25 SALE ON, OR SOLD AND REMOVED FROM, THE LICENSED PREMISES.

26 **SECTION 3.** In Colorado Revised Statutes, 12-47-303, **amend**
27 (1)(c)(I) and (2); and **add** (1)(c)(II.5) as follows:

1 **12-47-303. Transfer of ownership and temporary permits.**

2 (1) (c) (I) Except as provided in ~~subparagraph (H) of this paragraph (c)~~
3 SUBSECTION (1)(c)(II) OR (1)(c)(II.5) OF THIS SECTION, for any other
4 transfer of ownership, application must be made to the state and local
5 licensing authorities on forms prepared and furnished by the state
6 licensing authority. In determining whether to permit a transfer of
7 ownership, the licensing authorities shall consider only the requirements
8 of section 12-47-307 and 1 CCR 203-2, rule 47-302, entitled "Changing,
9 Altering, or Modifying Licensed Premises", or any analogous successor
10 rule. The local licensing authority may conduct a hearing on the
11 application for transfer of ownership after providing notice in accordance
12 with ~~subparagraph (H) of this paragraph (c)~~ SUBSECTION (1)(c)(III) OF
13 THIS SECTION. Any transfer of ownership hearing by the state licensing
14 authority must be held in accordance with section 12-47-305 (2).

15 (II.5) A LICENSE TRANSFER AND MERGER AS PROVIDED FOR IN
16 SECTION 12-47-407 (1)(d) INCLUDES A TRANSFER OF OWNERSHIP OF AT
17 LEAST TWO RETAIL LIQUOR STORES, A CHANGE OF LOCATION OF ONE OF
18 THE RETAIL LIQUOR STORES, AND A MERGER OF THE RETAIL LIQUOR STORE
19 LICENSES INTO A SINGLE RETAIL LIQUOR STORE LICENSE, ALL AS PART OF
20 A SINGLE TRANSACTION, AND THE RETAIL LIQUOR STORE APPLICANT NEED
21 NOT APPLY SEPARATELY FOR A TRANSFER OF OWNERSHIP UNDER THIS
22 SECTION. THE RETAIL LIQUOR STORE APPLYING FOR A LICENSE TRANSFER
23 AND MERGER PURSUANT TO SECTION 12-47-407 (1)(d) IS INELIGIBLE FOR
24 A TEMPORARY PERMIT PURSUANT TO THIS SECTION. THE LOCAL LICENSING
25 AUTHORITY SHALL CONSIDER THE REASONABLE REQUIREMENTS OF THE
26 NEIGHBORHOOD PURSUANT TO SECTION 12-47-312 WHEN MAKING A
27 DETERMINATION ON THE TRANSFER AND MERGER OF THE RETAIL LIQUOR

1 STORE LICENSES INTO A SINGLE RETAIL LIQUOR STORE LICENSE. THE LOCAL
2 LICENSING AUTHORITY MAY HOLD A HEARING ON THE APPLICATION FOR
3 THE LICENSE TRANSFER AND MERGER AFTER PROVIDING NOTICE IN
4 ACCORDANCE WITH SUBSECTION (1)(c)(III) OF THIS SECTION.

5 (2) Notwithstanding any provision of this ~~article~~ ARTICLE 47 to the
6 contrary, a local licensing authority may issue a temporary permit to a
7 transferee of any retail class of alcohol beverage license issued by the
8 local licensing authority pursuant to this ~~article~~ ARTICLE 47 or article 46
9 of this ~~title~~ TITLE 12; except that a local licensing authority shall not issue
10 a temporary permit to a RETAIL LIQUOR STORE OR liquor-licensed
11 drugstore that has acquired ownership of licensed retail liquor stores in
12 accordance with ~~section~~ SECTION 12-47-407 (1)(d) OR 12-47-408 (1)(b).
13 A temporary permit authorizes a transferee to continue selling alcohol
14 beverages as permitted under the permanent license during the period in
15 which an application to transfer the ownership of the license is pending.

16 **SECTION 4.** In Colorado Revised Statutes, 12-47-312, **amend**
17 (2)(a) as follows:

18 **12-47-312. Results of investigation - decision of authorities.**

19 (2) (a) Before entering any decision approving or denying the
20 application, the local licensing authority shall consider, except where this
21 ~~article~~ ARTICLE 47 specifically provides otherwise, the facts and evidence
22 adduced as a result of its investigation, as well as any other facts, the
23 reasonable requirements of the neighborhood for the type of license for
24 which application has been made, the desires of the adult inhabitants, the
25 number, type, and availability of alcohol beverage outlets located in or
26 near the neighborhood under consideration, and any other pertinent
27 matters affecting the qualifications of the applicant for the conduct of the

1 type of business proposed; except that the reasonable requirements of the
2 neighborhood shall not be considered in the issuance of a club liquor
3 license. For the merger and conversion of retail liquor store licenses to a
4 single liquor-licensed drugstore license in accordance with section
5 12-47-408 (1)(b) OR THE TRANSFER AND MERGER OF TWO RETAIL LIQUOR
6 STORE LICENSES INTO A SINGLE RETAIL LIQUOR STORE LICENSE IN
7 ACCORDANCE WITH SECTION 12-47-407 (1)(d), the local licensing
8 authority shall consider the reasonable requirements of the neighborhood
9 and the desires of the adult inhabitants of the neighborhood.

10 **SECTION 5.** In Colorado Revised Statutes, 12-47-501, **add**
11 (2)(a)(XVIII) as follows:

12 **12-47-501. State fees.** (2) (a) The state licensing authority shall
13 establish fees for processing the following types of applications, notices,
14 or reports required to be submitted to the state licensing authority:

15 (XVIII) APPLICATIONS FOR TRANSFER OF OWNERSHIP, CHANGE OF
16 LOCATION, AND LICENSE MERGER PURSUANT TO SECTION 12-47-407 (1)(d).

17 **SECTION 6.** In Colorado Revised Statutes, 12-47-505, **amend**
18 (4)(a) introductory portion; and **add** (4)(a)(VI) as follows:

19 **12-47-505. Local license fees.** (4) (a) Each application for a
20 license provided for in this ~~article~~ ARTICLE 47 and article 46 of this ~~title~~
21 TITLE 12 filed with a local licensing authority must be accompanied by an
22 application fee in an amount determined by the local licensing authority
23 to cover actual and necessary expenses, subject to the following
24 limitations:

25 (VI) FOR A TRANSFER OF OWNERSHIP, CHANGE OF LOCATION, AND
26 LICENSE MERGER PURSUANT TO SECTION 12-47-407 (1)(d), NOT TO
27 EXCEED ONE THOUSAND DOLLARS.

1 **SECTION 7. Effective date.** This act takes effect July 1, 2017.

2 **SECTION 8. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, and safety.