

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 20-0833.01 Yelana Love x2295

SENATE BILL 20-110

SENATE SPONSORSHIP

Williams A. and Holbert, Tate

HOUSE SPONSORSHIP

Snyder,

Senate Committees

Business, Labor, & Technology
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING FINES LEVIED BY A LICENSING AUTHORITY FOR**
102 **VIOLETIONS OF LAWS RELATED TO ALCOHOL BEVERAGES, AND,**
103 **IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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>.)

Currently, the state or local licensing authority may suspend or revoke a licensee's license or permit for the licensee's violation of a law related to the regulation of alcohol beverages. The licensee may choose to pay a fine instead of the revocation or suspension.

The bill:

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

SENATE
3rd Reading Unamended
March 11, 2020

SENATE
Amended 2nd Reading
March 10, 2020

- ! Authorizes the state and local licensing authorities to fine the licensee initially;
- ! Increases the potential fine for violations related to alcohol beverages from between \$200 and \$5,000 to between \$500 and \$100,000; and
- ! Requires the manner in which licensees pay fines to the state licensing authority to be determined by the state licensing authority.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-3-601, **amend (1)**
3 **and (3)(b); repeal (3)(c); and add (3.5)** as follows:

4 **44-3-601. Suspension - revocation - fines - rules.** (1) (a) Subject
5 to subsection (8) of this section, in addition to any other penalties
6 prescribed by this article 3 or article 4 or 5 of this title 44, the state or any
7 local licensing authority has the power, on its own motion or on
8 complaint, after investigation and public hearing at which the licensee
9 shall be afforded an opportunity to be heard, to FINE A LICENSEE OR TO
10 suspend or revoke, in whole or in part, any license or permit issued by
11 such authority for any violation by the licensee or by any of the agents,
12 servants, or employees of the licensee of this article 3; any rules
13 authorized by this article 3; or any of the terms, conditions, or provisions
14 of the license or permit issued by such authority. A LICENSING AUTHORITY
15 MAY IMPOSE A FINE PURSUANT TO THIS SUBSECTION (1) REGARDLESS OF
16 WHETHER A LICENSEE HAS PETITIONED THE LICENSING AUTHORITY
17 PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION FOR PERMISSION TO PAY
18 A FINE IN LIEU OF LICENSE OR PERMIT SUSPENSION, AND THE LICENSING
19 AUTHORITY NEED NOT MAKE THE FINDINGS SPECIFIED IN SUBSECTIONS
20 (3)(a)(I) AND (3)(a)(II) OF THIS SECTION. ==

21 (b) Any licensing authority has the power to administer oaths and

1 issue subpoenas to require the presence of persons and the production of
2 papers, books, and records necessary to the determination of any hearing
3 that the licensing authority is authorized to conduct.

4 (c) FOR THE PURPOSES OF IMPOSING A FINE, THE STATE LICENSING
5 AUTHORITY SHALL ADOPT RULES ESTABLISHING CATEGORIES OF
6 VIOLATIONS BY LEVEL OF SEVERITY AND ASSOCIATED RANGES OF
7 PENALTIES FOR STATE AND LOCAL LICENSING AUTHORITIES, INCLUDING
8 AGGRAVATING AND MITIGATING FACTORS TO BE CONSIDERED IN
9 DETERMINING PENALTIES. A FINE IMPOSED PURSUANT TO THIS SUBSECTION
10 (1) MUST BE BETWEEN FIVE HUNDRED AND ONE HUNDRED THOUSAND
11 DOLLARS; EXCEPT THAT PENALTIES FOR A FIRST VIOLATION THAT IS IN THE
12 LEAST SEVERE LEVEL OF LICENSE VIOLATIONS ESTABLISHED PURSUANT TO
13 THIS SUBSECTION (1)(c) MUST NOT EXCEED FIVE THOUSAND DOLLARS.

14 (3) (b) Subject to subsection (8) of this section, the fine accepted
15 BY THE LICENSEE PURSUANT TO SUBSECTION (3)(a) OF ___ THIS SECTION
16 shall be ~~the~~ equivalent to twenty percent of the licensee's estimated gross
17 revenues from sales of alcohol beverages during the period of the
18 proposed suspension; except that the fine must be between ~~two~~ FIVE
19 hundred and ~~five~~ ONE HUNDRED thousand dollars.

20 (c) Payment of any fine pursuant to the provisions of this
21 subsection (3) shall be in the form of cash or in the form of a certified
22 check or cashier's check made payable to the state or local licensing
23 authority, whichever is appropriate.

24 (3.5) THE METHOD OF PAYMENT OF ANY FINE PURSUANT TO
25 SUBSECTION (1) OR (3) OF THIS SECTION:

26 (a) TO A LOCAL LICENSING AUTHORITY SHALL BE IN THE FORM OF
27 CASH OR IN THE FORM OF A CERTIFIED CHECK OR CASHIER'S CHECK MADE

1 PAYABLE TO THE LOCAL LICENSING AUTHORITY;

2 (b) TO THE STATE LICENSING AUTHORITY SHALL BE IN THE FORM
3 DETERMINED BY THE STATE LICENSING AUTHORITY BY RULE.

4 **SECTION 2. Appropriation.** For the 2020-21 state fiscal year,
5 \$45,838 is appropriated to the department of revenue. This appropriation
6 is from the liquor enforcement division and state licensing authority cash
7 fund created in section 44-6-101, C.R.S. To implement this act, the
8 department may use this appropriation for legal services.

9 **SECTION 3. Act subject to petition - effective date -**
10 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
11 the expiration of the ninety-day period after final adjournment of the
12 general assembly (August 5, 2020, if adjournment sine die is on May 6,
13 2020); except that, if a referendum petition is filed pursuant to section 1
14 (3) of article V of the state constitution against this act or an item, section,
15 or part of this act within such period, then the act, item, section, or part
16 will not take effect unless approved by the people at the general election
17 to be held in November 2020 and, in such case, will take effect on the
18 date of the official declaration of the vote thereon by the governor.

19 (2) This act applies to conduct occurring on or after the applicable
20 effective date of this act.