Second Regular Session Seventy-fourth General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 24-1045.01 Yelana Love x2295

HOUSE BILL 24-1373

HOUSE SPONSORSHIP

Amabile and Ricks, McCluskie, Clifford, Snyder, Mabrey, Mauro, McLachlan

Roberts and Will,

SENATE SPONSORSHIP

House Committees Business Affairs & Labor Finance **Senate Committees**

A BILL FOR AN ACT

101	CONCERNING PERSONS LICENSED TO SELL ALCOHOL BEVERAGES, AND,
102	IN CONNECTION THEREWITH, CONVERTING CERTAIN
103	LIQUOR-LICENSED DRUGSTORE LICENSES TO FERMENTED MALT
104	BEVERAGE AND WINE RETAILER LICENSES, UPDATING THE
105	REQUIREMENTS FOR WHOLESALERS, REMOVING THE CAP ON THE
106	AMOUNT OF ALCOHOL BEVERAGES A RETAILER CAN PURCHASE
107	FROM RETAIL LIQUOR STORES, PROHIBITING A FERMENTED
108	MALT BEVERAGE AND WINE RETAILER FROM DISPLAYING
109	ALCOHOL BEVERAGES IN CERTAIN LOCATIONS ON THE
110	RETAILER'S SALES FLOOR, EXPANDING CERTAIN LICENSEES'
111	ABILITY TO DELIVER ALCOHOL TO CERTAIN OTHER LICENSEES,
112	AND PROHIBITING A FERMENTED MALT BEVERAGE AND WINE
113	RETAILER FROM SELLING WINE WITH GREATER THAN

101	SEVENTEEN PERCENT ALCOHOL BY VOLUME OR FERMENTED
102	MALT BEVERAGES WITH GREATER THAN FOURTEEN PERCENT
103	ALCOHOL BY VOLUME.

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 <u>http://leg.colorado.gov</u>.)

Sections 1 and 2 of the bill eliminate the liquor-licensed drugstore license, effective January 1, 2025. All active liquor-licensed drugstore licenses will convert to a fermented malt beverage and wine retailer license on that date; except that a licensee with a single location may choose to convert the liquor-licensed drugstore license to a retail liquor store license. Sections 18 through 29 make conforming amendments to account for the removal of the liquor-licensed drugstore license.

Sections 3 and 4 require fermented malt beverage and wine retailers to display alcohol beverages for sale in a single location on the licensed premises and prohibit fermented malt beverage and wine retailers from selling alcohol beverages with greater than 14% alcohol by volume.

Sections 5 and 6 expand on a wholesaler's duty not to discriminate when selling products to retailers and allows the state licensing authority to recover the cost of enforcing the anti-discrimination laws from a person found in violation of the anti-discrimination laws.

Current law limits the amount of alcohol beverages certain retailers can purchase from retail liquor stores, liquor-licensed drugstores, and fermented malt beverage and wine retailers. **Sections 7 through 17** remove the cap as it applies to retail liquor stores.

For the delivery of alcohol beverages:

- Section 4 prohibits fermented malt beverage and wine retailers from delivering alcohol beverages to another person licensed to sell alcohol beverages; and
- Section 24 removes the prohibition on a retail liquor store delivering alcohol beverages to another retail liquor store.

Section 18 allows automated teller machine (ATM) cards associated with public assistance programs to be used at ATMs in grocery stores.

1	Be it enacted by the General Assembly of the State of Colorado:
2	SECTION 1. In Colorado Revised Statutes, 44-3-103, amend
3	(26); and add (21.5) as follows:
4	44-3-103. Definitions. As used in this article 3 and article 4 of
5	this title 44, unless the context otherwise requires:
6	(21.5) "Independent pharmacy" has the same meaning as in
7	SECTION 25-4-2404 (1)(a).
8	(26) "Liquor-licensed drugstore" means any drugstore
9	INDEPENDENT PHARMACY licensed by the state board of pharmacy that has
10	also applied for and has been granted a license by the state licensing
11	authority to sell malt, vinous, and spirituous liquors in original sealed
12	containers for consumption off the premises.
13	SECTION 2. In Colorado Revised Statutes, 44-3-410, amend
14	(1)(a)(I), (2)(a)(I), and (2)(b); repeal (1)(b), (4)(b)(IV), (4)(b)(V), (4)(c),
15	and (7); and add (8) as follows:
16	44-3-410. Liquor-licensed drugstore license - multiple licenses
17	permitted - requirements - rules. (1) (a) (I) A liquor-licensed drugstore
18	license shall be issued to persons selling malt, vinous, and spirituous
19	liquors in sealed containers not to be consumed at the place where sold.
20	On and after July 1, 2016, except as permitted under subsection (1)(b) of
21	this section, JANUARY 1, 2025, the state and local licensing authorities
22	shall not issue a ANY new liquor-licensed drugstore license if the licensed
23	premises for which a liquor-licensed drugstore license is sought is
24	located: LICENSES.
25	(A) Within one thousand five hundred feet of a retail liquor store
26	licensed under section 44-3-409;

(B) For a drugstore premises located in a municipality with a
 population of ten thousand or fewer, within three thousand feet of a retail
 liquor store licensed under section 44-3-409; or

4 (C) For a drugstore premises located in a municipality with a
5 population of ten thousand or fewer that is contiguous to the city and
6 county of Denver, within one thousand five hundred feet of a retail liquor
7 store licensed under section 44-3-409.

8 (b) (I) On or after January 1, 2017, to qualify for an additional 9 liquor-licensed drugstore license under this section, a liquor-licensed 10 drugstore licensee, or a retail liquor store licensee that was licensed as a 11 liquor-licensed drugstore on February 21, 2016, must apply to the state 12 and local licensing authorities, as part of a single application, for a 13 transfer of ownership of at least two licensed retail liquor stores that were 14 licensed or had applied for a license on or before May 1, 2016, a change 15 of location of one of the retail liquor stores, and a merger and conversion 16 of the retail liquor store licenses into a single liquor-licensed drugstore 17 license. The applicant may apply for a transfer, change of location, and 18 merger and conversion only if all of the following requirements are met: 19 (A) The retail liquor stores that are the subject of the transfer of 20 ownership are located within the same local licensing authority 21 jurisdiction as the drugstore premises for which the applicant is seeking 22 a liquor-licensed drugstore license, and, if any retail liquor stores are 23 located within one thousand five hundred feet of the drugstore premises 24 or, for a drugstore premises located in a municipality with a population 25 of ten thousand or fewer, within three thousand feet of the drugstore premises, the applicant applies to transfer ownership of all retail liquor 26 stores located within that distance. If there are no licensed retail liquor 27

stores or only one licensed retail liquor store within the same local licensing authority jurisdiction as the drugstore premises for which a liquor-licensed drugstore license is sought, the applicant shall apply to transfer ownership of one or two retail liquor stores, as necessary, that are located in the local licensing authority jurisdiction that is nearest to the jurisdiction in which the drugstore premises is located.

7 (B) Upon transfer and conversion of the retail liquor store licenses 8 to a single liquor-licensed drugstore license, the drugstore premises for 9 which the liquor-licensed drugstore license is sought will be located at 10 least one thousand five hundred feet from all licensed retail liquor stores 11 that are within the same local licensing authority jurisdiction as the 12 drugstore premises or, for a drugstore premises located in a municipality 13 with a population of ten thousand or fewer, at least three thousand feet 14 from all licensed retail liquor stores that are within the same local 15 licensing authority jurisdiction as the drugstore premises.

16 (II) For purposes of determining whether the distance
17 requirements specified in subsection (1)(b)(I) of this section are satisfied,
18 the distance shall be determined by a radius measurement that begins at
19 the principal doorway of the drugstore premises for which the application
20 is made and ends at the principal doorway of the licensed retail liquor
21 store.

(III) In making its determination on the transfer of ownership,
 change of location, and license merger and conversion application, the
 local licensing authority shall consider the reasonable requirements of the
 neighborhood and the desires of the adult inhabitants in accordance with
 section 44-3-312.

27 (IV) In addition to any other requirements for licensure under this

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1	section or this article 3, a person applying for a new liquor-licensed
2	drugstore license in accordance with this subsection (1)(b) on or after
3	January 1, 2017, or to renew a liquor-licensed drugstore license issued on
4	or after January 1, 2017, under this subsection (1)(b) must:
5	(A) Provide evidence to the state and local licensing authorities
6	that at least twenty percent of the licensee's gross annual income derived
7	from total sales during the prior twelve months at the drugstore premises
8	for which a new or renewal licenses is sought is from the sale of food
9	items, as defined by the state licensing authority by rule; and
10	(B) Make and keep its premises open to the public.
11	(2) (a) A person licensed under this section to sell malt, vinous,
12	and spirituous liquors as provided in this section shall:
13	(I) Purchase malt, vinous, and spirituous liquors only from a
14	wholesaler licensed under this article 3 OR FROM A RETAILER LICENSED
15	PURSUANT TO SECTION 44-3-409;
16	(b) A person licensed under this section on or after January 1,
17	2017, shall not purchase malt, vinous, or spirituous liquors from a
18	wholesaler OR RETAILER on credit and shall effect payment upon delivery
19	of the alcohol beverages.
20	(4) (b) An owner, part owner, shareholder, or person interested
21	directly or indirectly in a liquor-licensed drugstore may have an interest
22	in:
23	(IV) For a liquor-licensed drugstore licensed on or before January
24	1, 2016, or a liquor-licensed drugstore licensee that was licensed as a
25	liquor-licensed drugstore on February 21, 2016, that converted its license
26	to a retail liquor store license after February 21, 2016, and that applied on
27	or before May 1, 2017, to convert its retail liquor store license back to a

1	liquor-licensed drugstore license, additional liquor-licensed drugstore
2	licenses as follows, but only if obtained in accordance with subsection
3	(1)(b) of this section:
4	(A) On or after January 1, 2017, and before January 1, 2022, four
5	additional liquor-licensed drugstore licenses, for a maximum of five total
6	liquor-licensed drugstore licenses;
7	(B) On or after January 1, 2022, and before January 1, 2027, up
8	to seven additional liquor-licensed drugstore licenses, for a maximum of
9	eight total liquor-licensed drugstore licenses;
10	(C) On or after January 1, 2027, and before January 1, 2032, up
11	to twelve additional liquor-licensed drugstore licenses, for a maximum of
12	thirteen total liquor-licensed drugstore licenses;
13	(D) On or after January 1, 2032, and before January 1, 2037, up
14	to nineteen additional liquor-licensed drugstore licenses, for a maximum
15	of twenty total liquor-licensed drugstore licenses; and
16	(E) On or after January 1, 2037, an unlimited number of additional
17	liquor-licensed drugstore licenses.
18	(V) For a liquor-licensed drugstore that submitted an application
19	for a new liquor-licensed drugstore license before October 1, 2016,
20	additional liquor-licensed drugstore licenses as follows, but only if
21	obtained in accordance with subsection (1)(b) of this section:
22	(A) On or after January 1, 2019, and before January 1, 2022, four
23	additional liquor-licensed drugstore licenses, for a maximum of five total
24	liquor-licensed drugstore licenses;
25	(B) On or after January 1, 2022, and before January 1, 2027, up
26	to seven additional liquor-licensed drugstore licenses, for a maximum of
27	eight total liquor-licensed drugstore licenses;

1	(C) On or after January 1, 2027, and before January 1, 2032, up
2	to twelve additional liquor-licensed drugstore licenses, for a maximum of
3	thirteen total liquor-licensed drugstore licenses;
4	(D) On or after January 1, 2032, and before January 1, 2037, up
5	to nineteen additional liquor-licensed drugstore licenses, for a maximum
6	of twenty total liquor-licensed drugstore licenses; and
7	(E) On or after January 1, 2037, an unlimited number of additional
8	liquor-licensed drugstore licenses.
9	(c) Subsection (4)(b)(V) of this section does not apply to a
10	liquor-licensed drugstore licensee that was licensed as a liquor-licensed
11	drugstore on February 21, 2016, that converted its license to a retail liquor
12	store license after February 21, 2016, and that applied on or before May
13	1, 2017, to convert its retail liquor store license back to a liquor-licensed
14	drugstore license.
15	(7) A person licensed under this section that obtains additional
16	liquor-licensed drugstore licenses in accordance with subsection
17	(4)(b)(IV) or (4)(b)(V) of this section may operate under a single or
18	consolidated corporate entity but shall not commingle purchases of or
19	credit extensions for purchases of malt, vinous, or spirituous liquors from
20	a wholesaler licensed under this article 3 for more than one licensed
21	premises. A wholesaler licensed under this article 3 shall not base the
22	price for the malt, vinous, or spirituous liquors it sells to a liquor-licensed
23	drugstore licensed under this section on the total volume of malt, vinous,
24	or spirituous liquors that the licensee purchases for multiple licensed
25	premises.
26	(8) (a) ON AND AFTER JANUARY 1, 2025, THE STATE OR A LOCAL

27 LICENSING AUTHORITY SHALL NOT ISSUE ANY NEW LIQUOR-LICENSED

DRUGSTORE LICENSES. ON AND AFTER JANUARY 1, 2025, THE STATE OR
 LOCAL LICENSING AUTHORITY MAY RENEW A LIQUOR-LICENSED
 DRUGSTORE LICENSE ONLY IF THE LICENSEE IS AN INDEPENDENT
 PHARMACY.

(b) THE STATE AND LOCAL LICENSING AUTHORITIES SHALL TREAT
ANY PENDING APPLICATION FOR A LIQUOR-LICENSED DRUGSTORE LICENSE
OR RENEWAL LICENSE BY A DRUGSTORE THAT IS NOT AN INDEPENDENT
PHARMACY AS AN APPLICATION FOR A FERMENTED MALT BEVERAGE AND
WINE RETAILER LICENSE OR RENEWAL LICENSE FOR CONSUMPTION OFF THE
LICENSED PREMISES ISSUED PURSUANT TO SECTION 44-4-104 (1)(c).

(c) ON JANUARY 1, 2025, EVERY LIQUOR-LICENSED DRUGSTORE
LICENSE THAT WAS IN EFFECT ON DECEMBER 31,2024, AND THAT WAS
ISSUED TO A LICENSEE THAT WAS NOT AN INDEPENDENT PHARMACY,
AUTOMATICALLY CONVERTS TO A FERMENTED MALT BEVERAGE AND WINE
RETAILER LICENSE FOR CONSUMPTION OFF THE LICENSED PREMISES ISSUED
PURSUANT TO SECTION 44-4-104 (1)(c).

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18 (d) THE CONVERSION OF A LICENSE ISSUED UNDER THIS SECTION TO
19 A LICENSE ISSUED UNDER SECTION 44-3-409 OR 44-4-104 (1)(c) PURSUANT
20 TO THIS SUBSECTION (8) IS A CONTINUATION OF THE PRIOR LICENSE AND
21 DOES NOT AFFECT:

(I) ANY PRIOR DISCIPLINE, LIMITATION, OR CONDITION IMPOSED BY
 THE STATE LICENSING AUTHORITY ON A LICENSEE;

(II) THE DEADLINE FOR RENEWAL OF A LICENSE; OR

25 (III) ANY PENDING OR FUTURE INVESTIGATION OR
26 ADMINISTRATIVE PROCEEDING.

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1	SECTION 3. In Colorado Revised Statutes, 44-4-104, add (5),
2	(6), and (7) as follows:
3	44-4-104. Licenses - state license fees - requirements -
4	limitations - definition. (5) A PERSON LICENSED TO SELL FERMENTED
5	MALT BEVERAGES AND WINE UNDER SUBSECTION $(1)(c)$ OF THIS SECTION
6	SHALL NOT PLACE ANY TEMPORARY DISPLAYS OF ALCOHOL BEVERAGES:
7	(a) IMMEDIATELY ADJACENT TO NONALCOHOLIC SOFT DRINKS,
8	FRUIT JUICES, BOTTLED WATER, CANDY, OR TOYS;
9	(b) NEAR AN ENTRY OR EXIT OF THE LICENSED PREMISES; OR
10	(c) OUTSIDE OF THE AREA APPROVED BY THE LOCAL LICENSING
11	AUTHORITY FOR THE DISPLAY OF ALCOHOL BEVERAGES.
12	(6) A PERSON LICENSED PURSUANT TO SUBSECTION $(1)(c)$ of this
13	SECTION SHALL NOT SELL:
14	(a) A FERMENTED MALT BEVERAGE THAT IS GREATER THAN
15	FOURTEEN PERCENT ALCOHOL BY VOLUME; OR
16	(b) WINE THAT IS GREATER THAN SEVENTEEN PERCENT ALCOHOL
17	BY VOLUME.
18	(7) EXCEPT AS PROVIDED IN SECTION 44-3-407 (5), A PERSON
19	LICENSED PURSUANT TO SUBSECTION $(1)(c)$ of this section shall
20	ENSURE THAT ALL WORK PERFORMED ON THE LICENSED PREMISES IN
21	CONNECTION WITH THE HANDLING, SALE, AND DELIVERY OF FERMENTED
22	MALT BEVERAGES AND WINE IS PERFORMED BY AN EMPLOYEE OF THE
23	LICENSEE.
24	SECTION 4. In Colorado Revised Statutes, 44-4-107, amend
25	(6)(a)(I); and add (8) and (9) as follows:
26	44-4-107. Local licensing authority - application - fees -
27	definitions - rules. (6) (a) A person licensed under subsection (1)(a) of

1	this section who complies with this subsection (6) and rules promulgated
2	under this subsection (6) may deliver fermented malt beverages and wine
3	in sealed containers to a person of legal age if:
4	(I) The person receiving the delivery of fermented malt beverages
5	or wine is located at a place that is not licensed pursuant to this section
6	ARTICLE 3 OF THIS TITLE 44 OR THIS ARTICLE 4;
7	(8) A PERSON LICENSED PURSUANT TO SUBSECTION $(1)(a)$ of this
8	SECTION SHALL NOT PLACE ANY TEMPORARY DISPLAYS OF ALCOHOL
9	BEVERAGES:
10	(a) IMMEDIATELY ADJACENT TO NONALCOHOLIC SOFT DRINKS,
11	FRUIT JUICES, BOTTLED WATER, CANDY, OR TOYS;
12	(b) NEAR AN ENTRY OR EXIT OF THE LICENSED PREMISES; OR
13	(c) OUTSIDE OF THE AREA APPROVED BY THE LOCAL LICENSING
14	AUTHORITY FOR THE DISPLAY OF ALCOHOL BEVERAGES.
15	(9) A person licensed pursuant to subsection $(1)(a)$ of this
16	SECTION SHALL NOT SELL:
17	(a) A FERMENTED MALT BEVERAGE THAT IS GREATER THAN
18	FOURTEEN PERCENT ALCOHOL BY VOLUME; OR
19	(b) WINE THAT IS GREATER THAN SEVENTEEN PERCENT ALCOHOL
20	BY VOLUME.
21	SECTION 5. In Colorado Revised Statutes, 44-3-407, amend (4);
22	and add (5) as follows:
23	44-3-407. Wholesaler's license - prohibitions - discrimination
24	in wholesale sales - legislative intent - labor - enforcement. (4) (a) A
25	wholesaler shall make available to all retailers licensed pursuant to this
26	article 3 and article 4 of this title 44 in this state without discrimination
27	all malt, vinous, and spirituous liquors offered by the wholesaler for sale

1 at wholesale. A wholesaler shall use its best efforts to make available to 2 licensed retailers each brand of alcohol beverage that the wholesaler has 3 been authorized to distribute. A WHOLESALER MAY OFFER VARIABLE 4 PRICING BASED ON QUANTITIES ORDERED BY A LICENSED RETAILER ON A 5 PER-LICENSED-LOCATION BASIS, INCLUDING MULTIPLE CASE DISCOUNTS. 6 A WHOLESALER SHALL NOT OTHERWISE OFFER MORE FAVORABLE PRICING 7 TO ANY LICENSED RETAILER THAT IS NOT ALSO OFFERED TO EVERY RETAIL 8 LIQUOR STORE LICENSEE. A WHOLESALER SHALL NOT OFFER MORE 9 FAVORABLE PRODUCT AVAILABILITY; RELEVANT INFORMATION 10 REGARDING PRODUCTS THE WHOLESALER OFFERS FOR SALE, INCLUDING 11 VINTAGES AND QUANTITIES ON HAND; DEAL QUANTITIES, FEE STRUCTURES, 12 DISCOUNTS, REBATES, CREDITS, OR ACCESS TO SUPPLIER COUPONS; OR 13 OTHER TERMS OR CONDITIONS OF SALE TO A LICENSED RETAILER THAT ARE 14 NOT ALSO OFFERED TO EVERY RETAIL LIQUOR STORE LICENSEE.

(b) (I) Nothing in this section prohibits a wholesaler from
establishing reasonable allocation procedures when the anticipated
demand for a product is greater than the supply of the product PURSUANT
TO THIS SUBSECTION (4)(b).

19 (II) A WHOLESALER SHALL USE REASONABLE, GOOD FAITH, 20 NONDISCRIMINATORY JUDGMENT IN ALLOCATING A LIMITED SUPPLY OF A 21 PRODUCT AMONG THE LICENSED RETAILERS DESIRING TO PURCHASE THE 22 PRODUCT. IN DETERMINING HOW TO ALLOCATE THE PRODUCT, A 23 WHOLESALER MAY TAKE INTO ACCOUNT THE ANNUAL PURCHASE VOLUME 24 OF LICENSED RETAILERS ON A PER-LICENSED-LOCATION BASIS BUT SHALL 25 NOT AGGREGATE THE PURCHASES OF MULTIPLE LOCATIONS LICENSED TO 26 SELL AT RETAIL FOR CONSUMPTION OFF THE LICENSED PREMISES, WHICH 27 LICENSES ARE HELD BY THE SAME OR A RELATED GROUP OF PERSONS.

(III) A WHOLESALER SHALL USE REASONABLE, GOOD FAITH
 EFFORTS TO ACQUIRE FROM ITS SUPPLIERS AS MUCH OF THE PRODUCT IN
 QUESTION AS NECESSARY TO SUPPLY FERMENTED MALT BEVERAGE AND
 WINE RETAILERS AND RETAIL LIQUOR STORE LICENSEES DESIRING TO
 PURCHASE SUCH PRODUCT IN THE AMOUNTS REQUESTED.

6 (IV) A WHOLESALER SHALL NOT INTENTIONALLY LIMIT ITS SUPPLY
7 OR THE AVAILABILITY OF ANY PRODUCT FOR THE PURPOSE OF OR WITH THE
8 RESULT OF A DISCRIMINATORY AMOUNT OF THAT PRODUCT BEING
9 ALLOCATED TO A PARTICULAR RETAILER OR RETAILERS.

10

(c) THE INTENT OF THIS SUBSECTION (4) IS TO:

(I) ENSURE THAT RETAILERS LICENSED TO SELL FOR CONSUMPTION
 OFF THE LICENSED PREMISES WITH MULTIPLE LICENSEES AND MULTIPLE
 LOCATIONS DO NOT RECEIVE ANY PREFERENTIAL TREATMENT OVER
 INDEPENDENT, SINGLE LOCATION RETAILERS; AND

(II) PROHIBIT A RETAILER LICENSED TO SELL FOR CONSUMPTION
OFF THE LICENSED PREMISES FROM MAINTAINING CERTAIN PRODUCTS AS
"PRIVATE LABELS" AVAILABLE ONLY AT THE RETAILER'S LOCATION.

18 (d) THE STATE LICENSING AUTHORITY MAY RECOVER THE COST OF
19 ENFORCING THIS SUBSECTION (4) FROM A PERSON FOUND IN VIOLATION OF
20 THIS SUBSECTION (4). MONEY COLLECTED PURSUANT TO THIS SUBSECTION
21 (4)(d) SHALL BE DEPOSITED IN THE LIQUOR ENFORCEMENT DIVISION AND
22 STATE LICENSING AUTHORITY CASH FUND CREATED IN SECTION 44-6-101.

(5) A WHOLESALER SHALL NOT PROVIDE ANY LABOR TO OR FOR
THE BENEFIT OF A PERSON LICENSED TO SELL FERMENTED MALT
BEVERAGES AND WINE PURSUANT TO SECTION 44-4-104 (1)(c) ON THE
PERSON'S LICENSED PREMISES BEYOND THE DELIVERY OF PRODUCT FROM
THE WHOLESALER'S DELIVERY VEHICLE TO THE NEAREST LOCATION INSIDE

THE LICENSED PREMISES THAT DOES NOT BLOCK INGRESS TO OR EGRESS
 FROM THE LICENSED PREMISES.

3 SECTION 6. In Colorado Revised Statutes, amend 44-6-101 as
4 follows:

5 44-6-101. Liquor enforcement division and state licensing 6 authority cash fund. There is hereby created in the state treasury the 7 liquor enforcement division and state licensing authority cash fund. The 8 fund consists of money transferred in accordance with sections 44-3-407 9 (4)(d), 44-3-502 (1), 44-4-105 (2), and 44-7-104.5 (6). The general 10 assembly shall make annual appropriations from the fund for a portion of 11 the direct and indirect costs of the liquor enforcement division and the 12 state licensing authority in the administration and enforcement of articles 13 3 to 5 and 7 of this title 44. Any money remaining in the fund at the end 14 of each STATE fiscal year remains in the fund and does not revert to the 15 general fund or any other fund. The fund shall be maintained in 16 accordance with section 24-75-402.

SECTION 7. In Colorado Revised Statutes, 44-3-411, amend (2)
as follows:

19 44-3-411. Beer and wine license. (2) (a) Every person selling 20 malt and vinous liquors as provided in this section shall purchase THE 21 malt and vinous liquors only from a wholesaler licensed pursuant to this 22 article 3 OR FROM A RETAILER LICENSED PURSUANT TO SECTION 44-3-409; 23 except that, during a calendar year, any A person selling malt and vinous 24 liquors as provided in this section may purchase not more than two 25 thousand dollars' worth of malt and vinous liquors from retailers licensed 26 pursuant to sections 44-3-409, 44-3-410 and 44-4-104 (1)(c).

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(b) A beer and wine licensee shall retain evidence of each

purchase of malt and vinous liquors from a retailer licensed pursuant to section 44-3-409, 44-3-410 or 44-4-104 (1)(c) in the form of a purchase receipt showing the name of the licensed retailer, the date of purchase, a description of the malt or vinous liquor purchased, and the price paid for the purchase MALT AND VINOUS LIQUORS. The beer and wine licensee shall retain the receipt and shall make it available to the state and local licensing authorities at all times during business hours.

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9 SECTION 8. In Colorado Revised Statutes, 44-3-413, amend (7)
10 as follows:

44-3-413. Hotel and restaurant license - definitions - rules.
(7) (a) Except as provided in subsection (7)(b) of this section, every
person selling alcohol beverages as provided in this section shall purchase
THE alcohol beverages only from a wholesaler licensed pursuant to this
article 3 OR FROM A RETAILER LICENSED PURSUANT TO SECTION 44-3-409.

(b) (I) During a calendar year, a person selling alcohol beverages
as provided in this section may purchase not more than two thousand
dollars' worth of malt, vinous, and spirituous liquors from retailers
licensed pursuant to sections 44-3-409, 44-3-410 and 44-4-104 (1)(c).

20 (II) A hotel and restaurant licensee shall retain evidence of each 21 purchase of malt, vinous, or spirituous liquors from a retailer licensed 22 pursuant to section 44-3-409, 44-3-410 or 44-4-104 (1)(c) in the form of 23 a purchase receipt showing the name of the licensed retailer, the date of 24 purchase, a description of the alcohol beverages purchased, and the price 25 paid for the alcohol beverages. The licensee shall retain the receipt and 26 make it available to the state and local licensing authorities at all times 27 during business hours.

2 SECTION 9. In Colorado Revised Statutes, 44-3-414, amend
3 (2) as follows:

4 **44-3-414.** Tavern license. (2) (a) Every person selling alcohol 5 beverages as provided in this section shall purchase THE alcohol 6 beverages only from a wholesaler licensed pursuant to this article 3 OR 7 FROM A RETAILER LICENSED PURSUANT TO SECTION 44-3-409; except that, 8 during a calendar year, a person selling alcohol beverages as provided in 9 this section may purchase not more than two thousand dollars' worth of 10 malt, vinous, and spirituous liquors from retailers licensed pursuant to 11 sections 44-3-409, 44-3-410 and 44-4-104 (1)(c).

12 (b) A tavern licensee shall retain evidence of each purchase of 13 malt, vinous, or spirituous liquors from a retailer licensed pursuant to 14 section 44-3-409, 44-3-410 or 44-4-104 (1)(c) in the form of a purchase 15 receipt showing the name of the licensed retailer, the date of purchase, a 16 description of the alcohol beverages purchased, and the price paid for the 17 alcohol beverages. The tavern licensee shall retain the receipt and make 18 it available to the state and local licensing authorities at all times during 19 business hours.

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21 SECTION 10. In Colorado Revised Statutes, 44-3-416, amend
22 (2) as follows:

44-3-416. Retail gaming tavern license. (2) (a) Every person
selling alcohol beverages as described PROVIDED in this section shall
purchase the alcohol beverages only from a wholesaler licensed pursuant
to this article 3 OR FROM A RETAILER LICENSED PURSUANT TO SECTION
44-3-409; except that, during a calendar year, a person selling alcohol

beverages as provided in this section may purchase not more than two
 thousand dollars' worth of malt, vinous, or spirituous liquors from
 retailers licensed pursuant to sections 44-3-409, 44-3-410 and 44-4-104
 (1)(c).

5 (b) A retail gaming tavern licensee shall retain evidence of each 6 purchase of malt, vinous, or spirituous liquors from a retailer licensed 7 pursuant to section 44-3-409, 44-3-410 or 44-4-104 (1)(c) in the form of 8 a purchase receipt showing the name of the licensed retailer, the date of 9 purchase, a description of the alcohol beverages purchased, and the price 10 paid for the alcohol beverages. The licensee shall retain the receipt and 11 make it available to the state and local licensing authorities at all times 12 during business hours.

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SECTION 11. In Colorado Revised Statutes, 44-3-417, amend
(3) as follows:

16 44-3-417. Brew pub license - definitions - repeal. (3) (a) Every 17 person selling alcohol beverages pursuant to AS PROVIDED IN this section 18 shall purchase alcohol beverages, other than those that are manufactured 19 at the licensed brew pub, ONLY from a wholesaler licensed pursuant to 20 this article 3 OR FROM A RETAILER LICENSED PURSUANT TO SECTION 21 44-3-409; except that, during a calendar year, a person selling alcohol 22 beverages as provided in this section may purchase not more than two 23 thousand dollars' worth of malt, vinous, and spirituous liquors from 24 retailers licensed pursuant to sections 44-3-409, 44-3-410 and 44-4-104 25 (1)(c).

(b) The brew pub licensee shall retain evidence of each purchaseof malt, vinous, and spirituous liquors from a retailer licensed pursuant

to section 44-3-409, 44-3-410 or 44-4-104 (1)(c) in the form of a purchase receipt showing the name of the licensed retailer, the date of purchase, a description of the alcohol beverages purchased, and the price paid for the alcohol beverages. The licensee shall retain the receipt and make it available to THE state and local licensing authorities at all times during business hours.

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- 8 SECTION 12. In Colorado Revised Statutes, 44-3-418, amend
 9 (2) as follows:

10 44-3-418. Club license - legislative declaration. (2) (a) Every 11 person selling alcohol beverages as provided in this section shall purchase 12 the alcohol beverages only from a wholesaler licensed pursuant to this 13 article 3 OR FROM A RETAILER LICENSED PURSUANT TO SECTION 44-3-409; 14 except that, during a calendar year, a person selling alcohol beverages as 15 provided in this section may purchase not more than two thousand dollars' 16 worth of malt, vinous, and spirituous liquors from retailers licensed 17 pursuant to sections 44-3-409, 44-3-410 and 44-4-104 (1)(c).

18 (b) The club licensee shall retain evidence of each purchase of 19 malt, vinous, or spirituous liquors from a retailer licensed pursuant to 20 section 44-3-409, 44-3-410 or 44-4-104 (1)(c) in the form of a purchase 21 receipt showing the name of the licensed retailer, the date of purchase, a 22 description of the alcohol beverages purchased, and the price paid for the 23 alcohol beverages. The licensee shall retain the receipt and make it 24 available to the state and local licensing authorities at all times during 25 business hours.

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SECTION 13. In Colorado Revised Statutes, 44-3-419, amend

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1 (4) as follows:

2 44-3-419. Arts license - definition. (4) (a) Every person selling 3 alcohol beverages as provided in this section shall purchase the alcohol 4 beverages only from a wholesaler licensed pursuant to this article 3 OR 5 FROM A RETAILER LICENSED PURSUANT TO SECTION 44-3-409; except that, 6 during a calendar year, a person selling alcohol beverages as provided in 7 this section may purchase not more than two thousand dollars' worth of 8 malt, vinous, and spirituous liquors from retailers licensed pursuant to 9 sections 44-3-409, 44-3-410 and 44-4-104 (1)(c).

10 (b) An arts licensee shall retain evidence of each purchase of malt, 11 vinous, or spirituous liquors from a retailer licensed pursuant to section 12 44-3-409, 44-3-410 or 44-4-104 (1)(c) in the form of a purchase receipt 13 showing the name of the licensed retailer, the date of purchase, a 14 description of the alcohol beverages purchased, and the price paid for the 15 alcohol beverages. The licensee shall retain the receipt and make it 16 available to the state and local licensing authorities at all times during 17 business hours.

18

19 SECTION 14. In Colorado Revised Statutes, 44-3-420, amend
20 (2) as follows:

44-3-420. Racetrack license. (2) (a) Every person selling alcohol
beverages as provided in this section shall purchase the alcohol beverages
only from a wholesaler licensed pursuant to this article 3 OR FROM A
RETAILER LICENSED PURSUANT TO SECTION 44-3-409; except that, during
a calendar year, a person selling alcohol beverages as provided in this
section may purchase not more than two thousand dollars' worth of malt,
vinous, and spirituous liquors from retailers licensed pursuant to sections

1 44-3-409, 44-3-410 and 44-4-104 (1)(c).

2 (b) A racetrack licensee shall retain evidence of each purchase of 3 malt, vinous, or spirituous liquors from a retailer licensed pursuant to 4 section 44-3-409, 44-3-410 or 44-4-104 (1)(c) in the form of a purchase 5 receipt showing the name of the licensed retailer, the date of purchase, a description of the alcohol beverages purchased, and the price paid for the 6 7 alcohol beverages. The licensee shall retain the receipt and make it 8 available to the state and local licensing authorities at all times during 9 business hours.

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SECTION 15. In Colorado Revised Statutes, 44-3-422, amend
(3) as follows:

13 44-3-422. Vintner's restaurant license. (3) (a) Every person 14 selling alcohol beverages pursuant to AS PROVIDED IN this section shall 15 purchase the alcohol beverages, other than those that are manufactured at 16 the licensed vintner's restaurant, ONLY from a wholesaler licensed 17 pursuant to this article 3 OR FROM A RETAILER LICENSED PURSUANT TO 18 SECTION 44-3-409; except that, during a calendar year, a person may 19 purchase not more than two thousand dollars' worth of malt, vinous, and 20 spirituous liquors from retailers licensed pursuant to sections 44-3-409; 21 44-3-410 and 44-4-104 (1)(c).

(b) The vintner's restaurant licensee shall retain evidence of each
purchase of malt, vinous, and spirituous liquors from a retailer licensed
pursuant to section 44-3-409, 44-3-410 or 44-4-104 (1)(c) in the form of
a purchase receipt showing the name of the licensed retailer, the date of
purchase, a description of the alcohol beverages purchased, and the price
paid for the alcohol beverages. The licensee shall retain the receipt and

make it available to THE state and local licensing authorities at all times
 during business hours.

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4 SECTION 16. In Colorado Revised Statutes, 44-3-426, amend
5 (4) as follows:

6 44-3-426. Distillery pub license - legislative declaration definition. (4) (a) Except as provided in subsection (4)(b) of this section,
every person selling alcohol beverages pursuant to AS PROVIDED IN this
section must SHALL purchase alcohol beverages, other than those that are
fermented and distilled at the licensed distillery pub, ONLY from a
wholesaler licensed pursuant to this article 3 OR FROM A RETAILER
LICENSED PURSUANT TO SECTION 44-3-409.

(b) (I) During a calendar year, a person selling alcohol beverages
as provided in this section may purchase not more than two thousand
dollars' worth of malt, vinous, and spirituous liquors from retailers
licensed pursuant to sections 44-3-409, 44-3-410 and 44-4-104 (1)(c).

17 (II) The distillery pub licensee shall retain evidence of each 18 purchase of malt, vinous, and spirituous liquors from a retailer licensed 19 pursuant to section 44-3-409, 44-3-410 or 44-4-104 (1)(c) in the form of a purchase receipt showing the name of the licensed retailer, the date of 20 21 purchase, a description of the alcohol beverages purchased, and the price 22 paid for the alcohol beverages. The licensee shall retain the receipt and 23 make it available to THE state and local licensing authorities at all times 24 during business hours.

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26 SECTION 17. In Colorado Revised Statutes, 44-3-428, amend
27 (2) as follows:

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1 44-3-428. Lodging and entertainment license. (2) (a) A lodging 2 and entertainment facility licensed to sell alcohol beverages as provided 3 in this section shall purchase THE alcohol beverages only from a 4 wholesaler licensed pursuant to this article 3 OR FROM A RETAILER 5 LICENSED PURSUANT TO SECTION 44-3-409; except that, during a calendar 6 year, a lodging and entertainment facility licensed to sell alcohol 7 beverages as provided in this section may purchase not more than two 8 thousand dollars' worth of malt, vinous, and spirituous liquors from 9 retailers licensed pursuant to sections 44-3-409, 44-3-410 and 44-4-104 10 (1)(c).

11 (b) A lodging and entertainment facility licensee shall retain 12 evidence of each purchase of malt, vinous, or spirituous liquors from a 13 retailer licensed pursuant to section 44-3-409, 44-3-410 or 44-4-104 14 (1)(c) in the form of a purchase receipt showing the name of the licensed 15 retailer, the date of purchase, a description of the alcohol beverages 16 purchased, and the price paid for the alcohol beverages. The lodging and 17 entertainment facility licensee shall retain the receipt and make it 18 available to the state and local licensing authorities at all times during 19 business hours.

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21 SECTION 18. In Colorado Revised Statutes, 26-2-104, amend
22 (2)(a)(II)(C) and (2)(h)(I)(B) as follows:

23 26-2-104. Public assistance programs - electronic benefits
 24 transfer service - joint reports with department of revenue - signs 25 rules. (2) (a) (II) Only those businesses that offer products or services
 26 related to the purpose of the public assistance benefits are allowed to
 27 participate in the electronic benefits transfer service through the use of

point-of-sale terminals. Clients shall not be allowed to access cash
 benefits through the electronic benefits transfer service from automated
 teller machines in this state located in:

4 (C) Retail establishments licensed to sell malt, vinous, or 5 spirituous liquors pursuant to part 3 of article 3 of title 44; except that the 6 prohibition in this subsection (2)(a)(II)(C) does not apply to 7 establishments licensed as liquor-licensed drugstores under section 8 44-3-410 OR FERMENTED MALT BEVERAGE AND WINE RETAILERS AS 9 DEFINED IN SECTION 44-3-103 (18.5);

(h) (I) On or before January 1, 2016, The department of revenue
shall adopt rules pursuant to the "State Administrative Procedure Act",
article 4 of title 24, that relate to a client's use of automated teller
machines at locations where the use is prohibited. The rules must apply
to the following establishments:

(B) Retail establishments licensed to sell malt, vinous, or
spirituous liquors pursuant to part 3 of article 3 of title 44, excluding
establishments licensed as liquor-licensed drugstores under section
44-3-410 AND FERMENTED MALT BEVERAGE AND WINE RETAILERS AS
DEFINED IN SECTION 44-3-103 (18.5);

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21 SECTION 19. In Colorado Revised Statutes, 44-3-303, amend
 22 (1)(b), (1)(c)(I), and (2); and repeal (1)(c)(II) as follows:

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44-3-303. Transfer of ownership and temporary permits. (1) (b) When a license has been issued to a husband and wife, SPOUSES or to general or limited partners, the death of a spouse or partner shall not

require the surviving spouse or partner to obtain a new license. All rightsand privileges granted under the original license shall continue in full

1 force and effect as to such survivors for the balance of the license period.

2 (c) (I) Except as provided in subsection (1)(c)(II) of this section, 3 For any other transfer of ownership, application must be made to the state 4 and local licensing authorities on forms prepared and furnished by the 5 state licensing authority. In determining whether to permit a transfer of 6 ownership, the licensing authorities shall consider only the requirements 7 of section 44-3-307 and 1 CCR 203-2, rule 47-302, entitled "Changing, 8 Altering, or Modifying Licensed Premises", or any analogous successor 9 rule. The local licensing authority may conduct a hearing on the 10 application for transfer of ownership after providing notice in accordance 11 with subsection (1)(c)(III) of this section. Any transfer of ownership 12 hearing by the state licensing authority must be held in accordance with 13 section 44-3-305 (2).

14 (II) A license merger and conversion as provided for in section 15 44-3-410 (1)(b) includes a transfer of ownership of at least two retail 16 liquor stores, a change of location of one of the retail liquor stores, and 17 a merger and conversion of the retail liquor store licenses into a single 18 liquor-licensed drugstore license, all as part of a single transaction, and 19 the liquor-licensed drugstore applicant need not apply separately for a 20 transfer of ownership under this section. The liquor-licensed drugstore 21 applying for a license merger and conversion pursuant to section 22 44-3-410 (1)(b) is ineligible for a temporary permit pursuant to this 23 section. The local licensing authority shall consider the reasonable 24 requirements of the neighborhood pursuant to section 44-3-312 when 25 making a determination on the merger and conversion of the retail liquor 26 store licenses into a single liquor-licensed drugstore license. The local 27 licensing authority may hold a hearing on the application for the license

merger and conversion after providing notice in accordance with
 subsection (1)(c)(III) of this section.

3 (2) Notwithstanding any provision of this article 3 to the contrary, 4 a local licensing authority may issue a temporary permit to a transferee of 5 any retail class of alcohol beverage license issued by the local licensing 6 authority pursuant to this article 3 or article 4 of this title 44. except that 7 a local licensing authority shall not issue a temporary permit to a 8 liquor-licensed drugstore that has acquired ownership of licensed retail 9 liquor stores in accordance with section 44-3-410 (1)(b). A temporary 10 permit authorizes a transferee to continue selling alcohol beverages as 11 permitted under the permanent license during the period in which an 12 application to transfer the ownership of the license is pending.

13 SECTION 20. In Colorado Revised Statutes, 44-3-312, amend
14 (2)(a) as follows:

15 44-3-312. Results of investigation - decision of authorities. 16 (2) (a) Before entering any decision approving or denying the AN 17 application, the local licensing authority shall consider, except where this 18 article 3 specifically provides otherwise, the facts and evidence adduced 19 as a result of its investigation, as well as any other facts, the reasonable 20 requirements of the neighborhood for the type of license for which 21 application has been made, the desires of the adult inhabitants, the 22 number, type, and availability of alcohol beverage outlets located in or 23 near the neighborhood under consideration, and any other pertinent 24 matters affecting the qualifications of the applicant for the conduct of the 25 type of business proposed; except that the reasonable requirements of the 26 neighborhood shall not be considered in the issuance of a club liquor 27 license. For the merger and conversion of retail liquor store licenses to a

-25-

1	single liquor-licensed drugstore license in accordance with section
2	44-3-410(1)(b), the local licensing authority shall consider the reasonable
3	requirements of the neighborhood and the desires of the adult inhabitants
4	of the neighborhood.
5	SECTION 21. In Colorado Revised Statutes, 44-3-409, amend
6	(2)(a)(I); and repeal (3)(a)(I) and (5) as follows:
7	44-3-409. Retail liquor store license - rules. (2) (a) A person
8	licensed under this section to sell malt, vinous, and spirituous liquors in
9	a retail liquor store:
10	(I) Shall purchase the malt, vinous, and spirituous liquors only
11	from a wholesaler licensed pursuant to this article 3 OR FROM A RETAILER
12	LICENSED PURSUANT TO THIS SECTION; and
13	(3) (a) A person licensed to sell at retail who complies with this
14	subsection (3) and rules promulgated pursuant to this subsection (3) may
15	deliver malt, vinous, and spirituous liquors to a person of legal age if:
16	(I) The person receiving the delivery of malt, vinous, or spirituous
17	liquors is located at a place that is not licensed pursuant to this section;
18	(5) A liquor-licensed drugstore may apply to the state and local
19	licensing authorities, as part of a single application, for a merger and
20	conversion of retail liquor store licenses to a single liquor-licensed
21	drugstore license as provided in section 44-3-410 (1)(b).
22	
23	SECTION 22. In Colorado Revised Statutes, 44-3-501, repeal
24	(3)(a)(XVI) as follows:
25	44-3-501. State fees - rules. (3) (a) The state licensing authority
26	shall establish fees for processing the following types of applications,
27	notices, or reports required to be submitted to the state licensing

1 authority:

2 (XVI) Applications for transfer of ownership, change of location, 3 and license merger and conversion pursuant to section 44-3-410 (1)(b); 4 5 SECTION 23. In Colorado Revised Statutes, 44-3-505, amend 6 (1) introductory portion; and **repeal** 4)(a)(V) as follows: 7 44-3-505. Local license fees. (1) The applicant shall pay the 8 following license fees to the treasurer of the municipality CITY, city and 9 county, or county where the licensed premises is located annually in 10 advance: 11 12 (4) (a) Each application for a license provided for in this article 3 13 and article 4 of this title 44 filed with a local licensing authority must be 14 accompanied by an application fee in an amount determined by the local 15 licensing authority to cover actual and necessary expenses, subject to the 16 following limitations: 17 (V) For a transfer of ownership, change of location, and license 18 merger and conversion pursuant to section 44-3-410 (1)(b), not to exceed 19 one thousand dollars. 20 SECTION 24. In Colorado Revised Statutes, 44-3-901, amend 21 (1)(g), (6)(k)(I), and (6)(k)(V) as follows:22 44-3-901. Unlawful acts - exceptions - definitions. (1) Except 23 as provided in section 18-13-122, it is unlawful for any person: 24 (g) To sell at retail any malt, vinous, or spirituous liquors in sealed 25 containers without holding a retail liquor store or liquor-licensed 26 drugstore license, except as permitted by section 44-3-107 (2) or 44-3-301 27 (6)(b) or any other provision of this article 3, or to sell at retail any

fermented malt beverages in sealed containers without holding a
fermented malt beverage retailer's license under section 44-4-104 (1)(c)
or to sell at retail any fermented malt beverages and wine in sealed
containers without holding a fermented malt beverage and wine retailer's
license under section 44-4-104 (1)(c) OR 44-4-107 (1)(a);

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7 (6) It is unlawful for any person licensed to sell at retail pursuant
8 to this article 3 or article 4 of this title 44:

9

(k) (I) Except as provided in subsections (6)(k)(II), (6)(k)(IV), and
(6)(k)(V) of this section, to have on the licensed premises, if licensed as
a retail liquor store, liquor-licensed drugstore, fermented malt beverage
retailer, or fermented malt beverage and wine retailer, any container that
shows evidence of having once been opened or that contains a volume of
liquor less than that specified on the label of the container;

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17 (V) A person holding a retail liquor store or liquor-licensed 18 drugstore license under this article 3 or a fermented malt beverage and 19 wine retailer's license under section 44-4-107 (1)(a) may have upon the 20 licensed premises an open container of an alcohol beverage product that 21 the licensee discovers to be damaged or defective so long as the licensee 22 marks the product as damaged or for return and stores the open container 23 outside the sales area of the licensed premises until the licensee is able to 24 return the product to the wholesaler OR RETAILER from whom the product 25 was purchased.

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SECTION 25. Act subject to petition - effective date. This act

takes effect at 12:01 a.m. on the day following the expiration of the 1 2 ninety-day period after final adjournment of the general assembly; except 3 that, if a referendum petition is filed pursuant to section 1 (3) of article V 4 of the state constitution against this act or an item, section, or part of this 5 act within such period, then the act, item, section, or part will not take 6 effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the 7 8 official declaration of the vote thereon by the governor.