



Liquor

During the 2018 legislative session, the General Assembly considered several bills to clarify practices related to events at which alcohol is auctioned or sold, redefined Japanese rice wine, and passed additional legislation related to the retail sale of low- and full-strength beer.

Liquor at Special Events

The General Assembly codified certain practices by special event permit holders related to alcohol sales at events. *House Bill 18-1096* allows educational organizations, as well as any municipality, county, or special district to apply for a special event permit to allow beer, wine, and spirits to be sold at events. Further, *Senate Bill 18-067* made explicit in state law that organizations holding a special event permit are allowed to auction sealed containers of alcohol for fundraising purposes.

Colorado's "cork and carry" law allows retailers such as restaurants and brew pubs to sell an opened and resealed bottle of wine to a customer to take with them as long as the retailer also sells meals at the location. *Senate Bill 18-173* clarifies that sandwiches and snacks may also be construed as meals.

Wine

Japanese rice wine, or sake, is classified as malt liquor under current state licensing and

manufacturing regulations, and sake distilleries in the state are not allowed to operate sales rooms. *Senate Bill 18-079* classifies sake as a vinous liquor, which allows sake manufacturers to obtain either a wine manufacturer or a limited winery license and operate sales rooms to serve and sell their product.

Business Transfers and Imports

When a liquor license holder surrenders its license or otherwise goes out of business, state law has prohibited transferring alcohol from the defunct license holder to another license holder. *Senate Bill 18-138* permits the transfer of alcohol inventory between liquor license holders when there is a common ownership of at least 10 percent between them. The new law does not apply, however, in the case of selling a business, transferring a license to a new owner, or relocating a business.

Under current law, a manufacturer or importer of alcohol beverages must file a notice of intent to import alcohol with the state at least 30 days prior to the importation or sale of the alcohol. *Senate Bill 18-124* removed the 30-day waiting period to import alcohol to Colorado and sell it to licensed wholesalers.

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Liquor (Cont'd.)

The End of 3.2 Beer

Under current law, beginning January 1, 2019, both malt liquor (full-strength beer) and fermented malt beverages (currently defined as beer that does not exceed 3.2 percent alcohol) will both be defined as full-strength beer. As a result, grocery and convenience stores that have only been licensed to sell fermented malt beverages will now be able to sell full-strength beer.

Senate Bill 18-243 made changes to state law related to the licensing, delivery, tasting, location requirements, and public consumption of full-strength beer, among other provisions.

After January 1, 2019, new full-strength beer licensees must receive at least 20 percent of gross revenues from food to be consumed off the premises and abide by certain distance requirements from schools and retail liquor stores. All full-strength beer licensees must prohibit customers from buying alcohol at a self-checkout unless an employee over 21 years old is providing assistance and may not sell beer below cost except as part of a close-out sale. These licensees are permitted to have open containers on the premises as part of a sampling event and may provide delivery services.

Under the bill, employees of retail liquor stores, grocery stores that sell alcohol, and grocery and convenience stores that sell full-strength beer must be at least 18 years old to sell or handle alcohol and 21 years old to deliver alcohol. Employees must verify that the person receiving the alcohol is at least 21 years old, and the employee must use a vehicle owned or leased by the grocery or liquor store.

The bill modifies requirements related to multiple business locations to include additional licensees and modifies distance requirements for new licensed grocery stores, including specifying that the stores must be at least 500 feet from an existing liquor store. Local governments are also able to determine whether to permit a new full-strength beer licensee near a school.

Finally, current law prohibits public consumption of full-strength beer, wine, and spirits. *Senate Bill 18-243* allows state or local governments to establish certain exceptions to public consumption via local ordinances or rules. The Colorado Parks and Wildlife Commission may also establish exceptions for state recreational properties.

House Bill 18-1441 adds a provision to the Colorado Beer Code stating that state and local liquor licensing authorities may not issue a liquor license to sell full-strength beer for a location that is within 500 feet of a school, university, or seminary.