

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

**ENGROSSED**

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

LLS NO. 17-0630.01 Christy Chase x2008

**SENATE BILL 17-143**

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**SENATE SPONSORSHIP**

**Williams A.,** Court, Fenberg, Hill, Kagan, Kerr, Tate, Todd

**HOUSE SPONSORSHIP**

**Nordberg and Garnett,**

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**Senate Committees**

Business, Labor, & Technology

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE RETAIL SALE OF ALCOHOL BEVERAGES.**

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**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>.)*

In the 2016 legislative session, the general assembly enacted Senate Bill 16-197, which changed the system for licensing establishments that are authorized to sell alcohol beverages in sealed containers to customers for consumption off the licensed premises, referred to as the "retail sale" or "sale at retail" of alcohol beverages. Some of the changes made by the 2016 legislation include:

- ! Authorizing persons licensed to sell at retail on or before January 1, 2016, to obtain multiple retail licenses, subject

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.*

SENATE  
Amended 2nd Reading  
February 27, 2017

to a tiered schedule, to restrictions based on proximity to another retail licensed premises, and to other requirements and limitations;

- ! Allowing retail liquor stores to sell a broad array of nonalcohol products, subject to a 20% limit on gross sales revenue from the sale of nonalcohol products;
- ! Requiring retail licensees to check the identification of consumers purchasing alcohol beverages to verify that they are at least 21 years of age;
- ! Prohibiting employees of certain alcohol beverage licensees who are under 21 years of age from selling malt, vinous, or spirituous liquors; and
- ! Changing the hours during which fermented malt beverages may be sold from between 5 a.m. and 12 midnight to between 8 a.m. and 12 midnight.

The bill modifies portions of the 2016 legislation as follows:

- ! Modifies the definition of a liquor-licensed drugstore to specify that the licensee need not be a drugstore but must have a licensed drugstore within its premises (**section 1**);
- ! Excludes revenues from the sale of cigarettes, tobacco products, nicotine products, and lottery products from the calculation of the cap on a retail liquor store's gross revenues from the sale of nonalcohol products (**sections 1 and 3**);
- ! Imposes the proximity restrictions on a retail liquor store that is seeking permission to relocate its premises to ensure the new location is not within 1,500 feet of another business licensed to sell at retail, or, if in a small town, within 3,000 feet of another business with a retail sales license (**section 2**);
- ! Allows a liquor-licensed drugstore that applied for a new liquor-licensed drugstore license before October 1, 2016, to obtain multiple retail licenses, subject to the schedule established in the 2016 legislation (**section 4**);
- ! Allows a corporation member of a controlled group of corporations that owns or has an interest in a liquor-licensed drugstore to obtain interests in additional liquor-licensed drugstores in the same manner as any other member of the controlled group, but the entire group is subject to the limits on the total number of multiple licenses allowed under current law; (**section 4**)
- ! Restores the hours for permitted sales of fermented malt beverages to between 5 a.m. and 12 midnight (**section 5**);
- ! Clarifies that employees of a licensed tavern or lodging and entertainment facility that regularly serves meals, which

employees are under 21 years of age, are not prohibited from selling alcohol beverages (**section 5**);

! Repeals the requirement that retail sales licensees check customers' identification to verify their age (**sections 4 and 5**); and

! Exempts liquor-licensed drugstores from the prohibition against having an automated teller machine on the premises from which individuals enrolled in public assistance programs administered by the department of human services may obtain cash benefits through the electronic benefits transfer service (**section 6**).

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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, (16), 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 (16) "Liquor-licensed drugstore" means ~~any drugstore licensed by~~  
7 ~~the state board of pharmacy~~ A BUSINESS that has also applied for and has  
8 been granted a license by the state AND LOCAL licensing ~~authority~~  
9 AUTHORITIES to sell malt, vinous, and spirituous liquors in original sealed  
10 containers for consumption off the premises AND HAS A DRUGSTORE  
11 LICENSED BY THE STATE BOARD OF PHARMACY WITHIN ITS PREMISES.

12 (31) "Retail liquor store" means an establishment engaged only in  
13 the sale of malt, vinous, and spirituous liquors and nonalcohol products,  
14 but only if SUBJECT TO the LIMITATION ON annual gross revenues from the  
15 sale of nonalcohol products does not exceed twenty percent of the retail  
16 liquor store's total annual gross revenues FOOD ITEMS SPECIFIED IN  
17 SECTION 12-47-407 (1)(b).

18 **SECTION 2.** In Colorado Revised Statutes, 12-47-301, **amend**  
19 (9)(a)(II) as follows:

1           **12-47-301. Licensing in general.** (9) (a) (II) (A) Notwithstanding  
2 ~~subparagraph (I) of this paragraph (a)~~ SUBSECTION (9)(a)(I) OF THIS  
3 SECTION, for a retail liquor store licensed on or before January 1, 2016,  
4 the licensee may apply to move the permanent location to another place  
5 within or outside the municipality or county in which the license was  
6 originally granted.

7           (B) THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT  
8 GRANT PERMISSION UNDER THIS SUBSECTION (9)(a)(II) FOR A NEW  
9 LOCATION WITHIN OR OUTSIDE THE MUNICIPALITY OR COUNTY IN WHICH  
10 THE LICENSE WAS ORIGINALLY GRANTED IF THE NEW LOCATION IS WITHIN  
11 ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER LICENSED PREMISES  
12 LICENSED TO SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS AT RETAIL FOR  
13 CONSUMPTION OFF THE LICENSED PREMISES OR, FOR A PREMISES LOCATED  
14 IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER,  
15 WITHIN THREE THOUSAND FEET OF ANOTHER LICENSED PREMISES LICENSED  
16 TO SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS AT RETAIL FOR  
17 CONSUMPTION OFF THE LICENSED PREMISES.

18           (C) It is unlawful for the licensee to sell any alcohol beverages at  
19 the new location until permission is granted by the state and local  
20 licensing authorities.

21           **SECTION 3.** In Colorado Revised Statutes, 12-47-407, **amend**  
22 (1)(b); and add (7) as follows:

23           **12-47-407. Retail liquor store license.** (1) (b) In addition, retail  
24 liquor stores may sell any nonalcohol products, but only if the A  
25 RETAIL LIQUOR STORE'S annual gross revenues from the sale of nonalcohol  
26 products do FOOD ITEMS MUST not exceed twenty percent of the retail  
27 liquor store's total annual gross revenues.

1           (7) AS USED IN THIS SECTION, "FOOD ITEMS" MEANS ANY RAW,  
2           COOKED, OR PROCESSED EDIBLE SUBSTANCE, OTHER THAN ICE OR  
3           BEVERAGES, INTENDED FOR USE OR FOR SALE IN WHOLE OR IN PART FOR  
4           HUMAN CONSUMPTION.

5           **SECTION 4.** In Colorado Revised Statutes, 12-47-408, **amend**  
6           (1)(b)(I) introductory portion, (2)(a)(III), (4)(a), and (4)(b)(IV)  
7           introductory portion; **repeal** (2)(a)(IV); and **add** (4)(c) as follows:

8           **12-47-408. Liquor-licensed drugstore license - multiple**  
9           **licenses permitted - requirements - repeal.** (1) (b) (I) On or after  
10           January 1, 2017, to qualify for an additional liquor-licensed drugstore  
11           license under this section, a liquor-licensed drugstore licensee, A  
12           CORPORATION WITHIN A CONTROLLED GROUP OF CORPORATIONS AS  
13           DESCRIBED IN SUBSECTION (4)(c) OF THIS SECTION, or a retail liquor store  
14           licensee that was licensed as a liquor-licensed drugstore on February 21,  
15           2016, must apply to the state and local licensing authorities, as part of a  
16           single application, for a transfer of ownership of at least two licensed  
17           retail liquor stores that were licensed or had applied for a license on or  
18           before May 1, 2016, a change of location of one of the retail liquor stores,  
19           and a merger and conversion of the retail liquor store licenses into a  
20           single liquor-licensed drugstore license. The applicant may apply for a  
21           transfer, change of location, and merger and conversion only if all of the  
22           following requirements are met:

23           (2) (a) A person licensed under this section to sell malt, vinous,  
24           and spirituous liquors as provided in this section shall:

25           (III) Not allow consumers to purchase malt, vinous, or spirituous  
26           liquors at a self-checkout or other mechanism that allows the consumer  
27           to complete the alcohol beverage purchase without assistance from and

1 completion of the transaction by an employee of the liquor-licensed  
2 drugstore; AND

3 (IV) ~~Require, in accordance with section 12-47-901 (10),~~  
4 ~~consumers attempting to purchase malt, vinous, or spirituous liquors to~~  
5 ~~present a valid identification, as determined by the state licensing~~  
6 ~~authority by rule; and~~

7 (4) (a) Except as provided in ~~paragraph (b) of this subsection (4)~~  
8 SUBSECTION (4)(b) AND (4)(c) OF THIS SECTION, it is unlawful for any  
9 owner, part owner, shareholder, or person interested directly or indirectly  
10 in a liquor-licensed drugstore to conduct, own either in whole or in part,  
11 or be directly or indirectly interested in any other business licensed  
12 pursuant to this article.

13 (b) An owner, part owner, shareholder, or person interested  
14 directly or indirectly in a liquor-licensed drugstore may have an interest  
15 in:

16 (IV) For a liquor-licensed drugstore licensed on or before January  
17 1, 2016, OR A LIQUOR-LICENSED DRUGSTORE THAT SUBMITTED AN  
18 APPLICATION FOR A NEW LIQUOR-LICENSED DRUGSTORE LICENSE BEFORE  
19 OCTOBER 1, 2016, additional liquor-licensed drugstore licenses as  
20 follows, but only if obtained in accordance with ~~paragraph (b) of~~  
21 ~~subsection (1)~~ SUBSECTION (1)(b) of this section:

22 (c) A CORPORATION WITHIN A CONTROLLED GROUP OF  
23 CORPORATIONS, AS DETERMINED UNDER 26 U.S.C. SEC. 1563 (a) AND  
24 IMPLEMENTING REGULATIONS, THAT FULLY OR PARTIALLY OWNS OR HAS  
25 A DIRECT OR INDIRECT INTEREST IN A LIQUOR-LICENSED DRUGSTORE HAS  
26 THE SAME ELIGIBILITY TO HAVE AN INTEREST IN ADDITIONAL  
27 LIQUOR-LICENSED DRUGSTORES PURSUANT TO SUBSECTION (4)(b)(IV) OF

1 THIS SECTION AS ANY OTHER MEMBER OF THE SAME CONTROLLED GROUP  
2 OF CORPORATIONS, BUT THE ENTIRE CONTROLLED GROUP OF  
3 CORPORATIONS IS SUBJECT TO THE LIMITATION ON THE NUMBER OF  
4 ADDITIONAL COMMONLY OWNED LIQUOR-LICENSED DRUGSTORES  
5 SPECIFIED IN SAID SUBSECTION (4)(b)(IV).

6 **SECTION 5.** In Colorado Revised Statutes, 12-47-901, **amend**  
7 (5) introductory portion, (5)(c), and (5)(p)(II) as follows:

8 **12-47-901. Unlawful acts - exceptions - definitions.** (5) It is  
9 unlawful for any person licensed to sell at retail pursuant to this ~~article~~  
10 ARTICLE 47 or article 46 of this ~~title~~ TITLE 12:

11 (c) Except as provided in section 18-13-122, ~~C.R.S.~~, to sell  
12 fermented malt beverages to any person under the age of twenty-one years  
13 or to any person between the hours of:

14 (I) 12 midnight and 8 a.m., IF SELLING FERMENTED MALT  
15 BEVERAGES IN SEALED CONTAINERS; AND

16 (II) 2 A.M. AND 5 A.M., IF SELLING FERMENTED MALT BEVERAGES  
17 FOR CONSUMPTION ON THE LICENSED PREMISES;

18 (p) (II) If licensed as a tavern under section 12-47-412 THAT DOES  
19 NOT REGULARLY SERVE MEALS, a lodging and entertainment facility under  
20 section 12-47-426 THAT DOES NOT REGULARLY SERVE MEALS, a retail  
21 liquor store under section 12-47-407, or a liquor-licensed drugstore under  
22 section 12-47-408, to permit an employee who is under twenty-one years  
23 of age to sell malt, vinous, or spirituous liquors; or

24 ==

25 **SECTION 6.** In Colorado Revised Statutes, 26-2-104, **amend**  
26 (2)(a)(II)(C), (2)(h)(I) introductory portion, and (2)(h)(I)(B) as follows:

27 **26-2-104. Public assistance programs - electronic benefits**

1 **transfer service - joint reports with department of revenue - signs -**  
2 **rules.** (2) (a) (II) Only those businesses that offer products or services  
3 related to the purpose of the public assistance benefits are allowed to  
4 participate in the electronic benefits transfer service through the use of  
5 point of sale terminals. Clients shall not be allowed to access cash  
6 benefits through the electronic benefits transfer service from automated  
7 teller machines in this state located in:

8 (C) Retail establishments licensed to sell malt, vinous, or  
9 spirituous liquors pursuant to part 3 of article 47 of title 12; ~~C.R.S.~~  
10 EXCEPT THAT THE PROHIBITION IN THIS SUBSECTION (2)(a)(II)(C) DOES  
11 NOT APPLY TO ESTABLISHMENTS LICENSED AS LIQUOR-LICENSED  
12 DRUGSTORES UNDER SECTION 12-47-408;

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

18 (B) Retail establishments licensed to sell malt, vinous, or  
19 spirituous liquors pursuant to part 3 of article 47 of title 12, ~~C.R.S.~~  
20 EXCLUDING ESTABLISHMENTS LICENSED AS LIQUOR-LICENSED  
21 DRUGSTORES UNDER SECTION 12-47-408;

22 **SECTION 7. Act subject to petition - effective date.** This act  
23 takes effect at 12:01 a.m. on the day following the expiration of the  
24 ninety-day period after final adjournment of the general assembly (August  
25 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a  
26 referendum petition is filed pursuant to section 1 (3) of article V of the  
27 state constitution against this act or an item, section, or part of this act



1 within such period, then the act, item, section, or part will not take effect  
2 unless approved by the people at the general election to be held in  
3 November 2018 and, in such case, will take effect on the date of the  
4 official declaration of the vote thereon by the governor.