

**Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 20-0208.01 Christy Chase x2008

SENATE BILL 20-053

SENATE SPONSORSHIP

Bridges,

HOUSE SPONSORSHIP

(None),

Senate Committees

Business, Labor, & Technology
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE ABILITY OF A RETAIL LIQUOR STORE LICENSEE TO**
102 **OBTAIN ADDITIONAL RETAIL LIQUOR STORE LICENSES.**

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.

The bill modifies the provisions governing the ability of a retail

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.

liquor store to obtain additional retail liquor store licenses as follows:

- ! Retains the ability of a retail liquor store owner that applied for a license on or before January 1, 2016, to obtain one additional retail liquor store license on or after January 1, 2017, but removes the requirement that the licensee be a Colorado resident;
- ! On or after the effective date of the bill, mirrors the multiple license provisions applicable to liquor-licensed drugstore licenses by allowing a retail liquor store owner to obtain: A maximum of 5 total retail liquor store licenses between the effective date of the bill and December 31, 2021; a maximum of 8 total retail liquor store licenses between January 1, 2022, and December 31, 2026; a maximum of 13 total retail liquor store licenses between January 1, 2027, and December 31, 2031; a maximum of 20 total retail liquor store licenses between January 1, 2032, and December 31, 2036; and an unlimited number of retail liquor store licenses on or after January 1, 2037; and
- ! For additional licenses obtained on or after the effective date of the bill, requires a person seeking additional licenses to apply to transfer ownership of, change location of, and merge at least 2 retail liquor store licenses located within the same local licensing authority jurisdiction as the applicant's premises into a single retail liquor store license.

Additionally, the bill prohibits a retail liquor store from allowing customers to use a self-checkout to complete an alcohol beverage purchase and requires a retail liquor store 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.

The bill sets state and local application fees for a retail liquor store licensee applying for a transfer of ownership, change of location, and merger of 2 retail liquor store licenses.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-3-303, **amend**
3 (1)(c)(II) and (2) as follows:

4 **44-3-303. Transfer of ownership - mergers and conversions of**
5 **licenses - temporary permits.** (1) (c) (II) (A) A LICENSE TRANSFER AND

1 MERGER AS PROVIDED FOR IN SECTION 44-3-409 (1)(d) INCLUDES A
2 TRANSFER OF OWNERSHIP OF AT LEAST TWO RETAIL LIQUOR STORES, A
3 CHANGE OF LOCATION OF ONE OF THE RETAIL LIQUOR STORES, AND A
4 MERGER OF THE RETAIL LIQUOR STORE LICENSES INTO A SINGLE RETAIL
5 LIQUOR STORE LICENSE, ALL AS PART OF A SINGLE TRANSACTION. A license
6 merger and conversion as provided for in section 44-3-410 (1)(b) includes
7 a transfer of ownership of at least two retail liquor stores, a change of
8 location of one of the retail liquor stores, and a merger and conversion of
9 the retail liquor store licenses into a single liquor-licensed drugstore
10 license, all as part of a single transaction. ~~and~~ The RETAIL LIQUOR STORE
11 OR liquor-licensed drugstore applicant need not apply separately for a
12 transfer of ownership under this section. ~~The~~

13 (B) NEITHER A RETAIL LIQUOR STORE APPLYING FOR A LICENSE
14 TRANSFER AND MERGER PURSUANT TO SECTION 44-3-409 (1)(d) NOR A
15 liquor-licensed drugstore applying for a license merger and conversion
16 pursuant to section 44-3-410 (1)(b) is ~~ineligible~~ ELIGIBLE for a temporary
17 permit pursuant to this section.

18 (C) The local licensing authority shall consider the reasonable
19 requirements of the neighborhood pursuant to section 44-3-312 when
20 making a determination on the TRANSFER AND MERGER OF RETAIL LIQUOR
21 STORE LICENSES INTO A SINGLE RETAIL LIQUOR STORE LICENSE OR THE
22 merger and conversion of the retail liquor store licenses into a single
23 liquor-licensed drugstore license, AS APPLICABLE. The local licensing
24 authority may hold a hearing on the application for the license TRANSFER
25 AND MERGER OR merger and conversion after providing notice in
26 accordance with subsection (1)(c)(III) of this section.

27 (2) Notwithstanding any provision of this article 3 to the contrary,

1 a local licensing authority may issue a temporary permit to a transferee of
2 any retail class of alcohol beverage license issued by the local licensing
3 authority pursuant to this article 3 or article 4 of this title 44; except that
4 a local licensing authority shall not issue a temporary permit to a RETAIL
5 LIQUOR STORE OR liquor-licensed drugstore that has acquired ownership
6 of licensed retail liquor stores in accordance with ~~section 44-3-410 (1)(b)~~
7 SECTION 44-3-409 (1)(d) OR 44-3-410 (1)(b), RESPECTIVELY. A temporary
8 permit authorizes a transferee to continue selling alcohol beverages as
9 permitted under the permanent license during the period in which an
10 application to transfer the ownership of the license is pending.

11 **SECTION 2.** In Colorado Revised Statutes, 44-3-312, **amend**
12 (2)(a) as follows:

13 **44-3-312. Results of investigation - decision of authorities.**

14 (2) (a) Before entering any decision approving or denying the
15 application, the local licensing authority shall consider, except where this
16 article 3 specifically provides otherwise, the facts and evidence adduced
17 as a result of its investigation, as well as any other facts, the reasonable
18 requirements of the neighborhood for the type of license for which
19 application has been made, the desires of the adult inhabitants, the
20 number, type, and availability of alcohol beverage outlets located in or
21 near the neighborhood under consideration, and any other pertinent
22 matters affecting the qualifications of the applicant for the conduct of the
23 type of business proposed; except that the reasonable requirements of the
24 neighborhood shall not be considered in the issuance of a club liquor
25 license. FOR THE TRANSFER AND MERGER OF RETAIL LIQUOR STORE
26 LICENSES TO A SINGLE RETAIL LIQUOR STORE LICENSE IN ACCORDANCE
27 WITH SECTION 44-3-409 (1)(d) OR for the merger and conversion of retail

1 liquor store licenses to a single liquor-licensed drugstore license in
2 accordance with section 44-3-410 (1)(b), the local licensing authority
3 shall consider the reasonable requirements of the neighborhood and the
4 desires of the adult inhabitants of the neighborhood.

5 **SECTION 3.** In Colorado Revised Statutes, 44-3-409, **amend**
6 (2)(a)(I), (2)(b), and (4)(b)(III); and **add** (1)(d), (2)(a)(III), (2)(a)(IV),
7 (4)(b)(III.5), (6), and (7) as follows:

8 **44-3-409. Retail liquor store license - rules.** (1) (d) (I) ON OR
9 AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(d), TO QUALIFY FOR
10 AN ADDITIONAL RETAIL LIQUOR STORE LICENSE UNDER SUBSECTION
11 (4)(b)(III.5) OF THIS SECTION, THE RETAIL LIQUOR STORE LICENSEE MUST
12 APPLY TO THE STATE AND LOCAL LICENSING AUTHORITIES, AS PART OF A
13 SINGLE APPLICATION, FOR A TRANSFER OF OWNERSHIP OF AT LEAST TWO
14 RETAIL LIQUOR STORES THAT WERE LICENSED OR HAD APPLIED FOR A
15 LICENSE ON OR BEFORE MAY 1, 2016, A CHANGE OF LOCATION OF ONE OF
16 THE RETAIL LIQUOR STORES, AND A MERGER OF THE RETAIL LIQUOR STORE
17 LICENSES INTO A SINGLE RETAIL LIQUOR STORE LICENSE. THE APPLICANT
18 MAY APPLY FOR A TRANSFER, CHANGE OF LOCATION, AND MERGER ONLY
19 IF ALL OF THE FOLLOWING REQUIREMENTS ARE MET:

20 (A) THE RETAIL LIQUOR STORES THAT ARE THE SUBJECT OF THE
21 TRANSFER OF OWNERSHIP ARE LOCATED WITHIN THE SAME LOCAL
22 LICENSING AUTHORITY JURISDICTION AS THE PREMISES FOR WHICH THE
23 APPLICANT IS SEEKING A RETAIL LIQUOR STORE LICENSE, AND, IF ANY
24 RETAIL LIQUOR STORES ARE LOCATED WITHIN ONE THOUSAND FIVE
25 HUNDRED FEET OF THE PREMISES OR, FOR A PREMISES LOCATED IN A
26 MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER, WITHIN
27 THREE THOUSAND FEET OF THE PREMISES, THE APPLICANT APPLIES TO

1 TRANSFER OWNERSHIP OF ALL RETAIL LIQUOR STORES LOCATED WITHIN
2 THAT DISTANCE. IF THERE ARE NO LICENSED RETAIL LIQUOR STORES OR
3 ONLY ONE LICENSED RETAIL LIQUOR STORE WITHIN THE SAME LOCAL
4 LICENSING AUTHORITY JURISDICTION AS THE PREMISES FOR WHICH A
5 RETAIL LIQUOR STORE LICENSE IS SOUGHT, THE APPLICANT MUST APPLY TO
6 TRANSFER OWNERSHIP OF ONE OR TWO RETAIL LIQUOR STORES, AS
7 NECESSARY, THAT ARE LOCATED IN THE LOCAL LICENSING AUTHORITY
8 JURISDICTION THAT IS NEAREST TO THE JURISDICTION IN WHICH THE
9 PREMISES IS LOCATED.

10 (B) UPON TRANSFER AND MERGER OF THE RETAIL LIQUOR STORE
11 LICENSES TO A SINGLE RETAIL LIQUOR STORE LICENSE, THE PREMISES FOR
12 WHICH THE NEW RETAIL LIQUOR STORE LICENSE IS SOUGHT WILL BE
13 LOCATED AT LEAST ONE THOUSAND FIVE HUNDRED FEET FROM ALL
14 LICENSED RETAIL LIQUOR STORES THAT ARE WITHIN THE SAME LOCAL
15 LICENSING AUTHORITY JURISDICTION AS THE PREMISES FOR WHICH THE
16 NEW RETAIL LIQUOR STORE LICENSE IS SOUGHT OR, FOR A PREMISES
17 LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR
18 FEWER, AT LEAST THREE THOUSAND FEET FROM ALL LICENSED RETAIL
19 LIQUOR STORES THAT ARE WITHIN THE SAME LOCAL LICENSING AUTHORITY
20 JURISDICTION AS THE PREMISES FOR WHICH THE NEW RETAIL LIQUOR STORE
21 LICENSE IS SOUGHT.

22 (II) FOR PURPOSES OF DETERMINING WHETHER THE DISTANCE
23 REQUIREMENTS SPECIFIED IN SUBSECTION (1)(d)(I)(B) OF THIS SECTION
24 ARE SATISFIED, THE DISTANCE SHALL BE DETERMINED BY A RADIUS
25 MEASUREMENT THAT BEGINS AT THE PRINCIPAL DOORWAY OF THE
26 PREMISES FOR WHICH THE RETAIL LIQUOR STORE APPLICATION IS MADE
27 AND ENDS AT THE PRINCIPAL DOORWAY OF THE LICENSED RETAIL LIQUOR

1 STORE.

2 (III) IN MAKING ITS DETERMINATION ON THE TRANSFER OF
3 OWNERSHIP, CHANGE OF LOCATION, AND LICENSE MERGER APPLICATION,
4 THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE REASONABLE
5 REQUIREMENTS OF THE NEIGHBORHOOD AND THE DESIRES OF THE ADULT
6 INHABITANTS IN ACCORDANCE WITH SECTION 44-3-312.

7 (2) (a) A person licensed under this section to sell malt, vinous,
8 and spirituous liquors in a retail liquor store:

9 (I) Shall purchase the malt, vinous, and spirituous liquors only
10 from a wholesaler licensed pursuant to this article 3; ~~and~~

11 (III) SHALL NOT ALLOW CONSUMERS TO PURCHASE MALT, VINOUS,
12 OR SPIRITUOUS LIQUORS AT A SELF-CHECKOUT OR OTHER MECHANISM
13 THAT ALLOWS THE CONSUMER TO COMPLETE THE ALCOHOL BEVERAGE
14 PURCHASE WITHOUT ASSISTANCE FROM, AND COMPLETION OF THE
15 TRANSACTION BY, AN EMPLOYEE OF THE RETAIL LIQUOR STORE; AND

16 (IV) SHALL REQUIRE, IN ACCORDANCE WITH SECTION 44-3-901
17 (11), CONSUMERS ATTEMPTING TO PURCHASE MALT, VINOUS, OR
18 SPIRITUOUS LIQUORS TO PRESENT A VALID IDENTIFICATION, AS
19 DETERMINED BY THE STATE LICENSING AUTHORITY BY RULE.

20 (b) A person licensed under this section that obtains additional
21 retail liquor store licenses in accordance with ~~subsection (4)(b)(II)~~
22 SUBSECTION (4)(b)(III) OR (4)(b)(III.5) of this section may operate under
23 a single or consolidated corporate entity but shall not commingle
24 purchases of or credit extensions for purchases of malt, vinous, or
25 spirituous liquors from a wholesaler licensed under this article 3 for more
26 than one licensed premises. A wholesaler licensed under this article 3
27 shall not base the price for the malt, vinous, or spirituous liquors it sells

1 to a retail liquor store licensed under this section on the total volume of
2 malt, vinous, or spirituous liquors that the licensee purchases for multiple
3 licensed premises.

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

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

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

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

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

19 (III.5) FOR A RETAIL LIQUOR STORE THAT APPLIED FOR A LICENSE
20 ON OR BEFORE JANUARY 1, 2016, ADDITIONAL RETAIL LIQUOR STORE
21 LICENSES AS FOLLOWS, BUT ONLY IF THE PREMISES FOR WHICH AN
22 ADDITIONAL RETAIL LIQUOR STORE LICENSE IS SOUGHT SATISFIES THE
23 DISTANCE REQUIREMENTS SPECIFIED IN SUBSECTION (1)(a)(II) OF THIS
24 SECTION AND THE RETAIL LIQUOR STORE LICENSEE APPLYING FOR AN
25 ADDITIONAL LICENSE OBTAINS THE ADDITIONAL RETAIL LIQUOR STORE
26 LICENSE IN ACCORDANCE WITH THE REQUIREMENTS OF SUBSECTION (1)(d)
27 OF THIS SECTION:

1 (A) ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION
2 (4)(b)(III.5) AND BEFORE JANUARY 1, 2022, A MAXIMUM OF FIVE TOTAL
3 RETAIL LIQUOR STORE LICENSES, INCLUDING THE INITIAL RETAIL LIQUOR
4 STORE LICENSE APPLIED FOR ON OR BEFORE JANUARY 1, 2016, AND ANY
5 ADDITIONAL RETAIL LIQUOR STORE LICENSE OBTAINED UNDER SUBSECTION
6 (4)(b)(III) OF THIS SECTION;

7 (B) ON OR AFTER JANUARY 1, 2022, AND BEFORE JANUARY 1,
8 2027, A MAXIMUM OF EIGHT TOTAL RETAIL LIQUOR STORE LICENSES,
9 INCLUDING THE INITIAL RETAIL LIQUOR STORE LICENSE APPLIED FOR ON OR
10 BEFORE JANUARY 1, 2016, AND ANY ADDITIONAL RETAIL LIQUOR STORE
11 LICENSES OBTAINED UNDER SUBSECTION (4)(b)(III) OR (4)(b)(III.5)(A) OF
12 THIS SECTION;

13 (C) ON OR AFTER JANUARY 1, 2027, AND BEFORE JANUARY 1,
14 2032, A MAXIMUM OF THIRTEEN TOTAL RETAIL LIQUOR STORE LICENSES,
15 INCLUDING THE INITIAL RETAIL LIQUOR STORE LICENSE APPLIED FOR ON OR
16 BEFORE JANUARY 1, 2016, AND ANY ADDITIONAL RETAIL LIQUOR STORE
17 LICENSES OBTAINED UNDER SUBSECTION (4)(b)(III), (4)(b)(III.5)(A), OR
18 (4)(b)(III.5)(B) OF THIS SECTION;

19 (D) ON OR AFTER JANUARY 1, 2032, AND BEFORE JANUARY 1,
20 2037, A MAXIMUM OF TWENTY TOTAL RETAIL LIQUOR STORE LICENSES,
21 INCLUDING THE INITIAL RETAIL LIQUOR STORE LICENSE APPLIED FOR ON OR
22 BEFORE JANUARY 1, 2016, AND ANY ADDITIONAL RETAIL LIQUOR STORE
23 LICENSES OBTAINED UNDER SUBSECTION (4)(b)(III), (4)(b)(III.5)(A),
24 (4)(b)(III.5)(B), OR (4)(b)(III.5)(C) OF THIS SECTION; AND

25 (E) ON OR AFTER JANUARY 1, 2037, AN UNLIMITED NUMBER OF
26 RETAIL LIQUOR STORE LICENSES; OR

27 (6) A LICENSED WHOLESALER SHALL MAKE ALL DELIVERIES OF

1 ALCOHOL BEVERAGES TO A SPECIFIED RETAIL LIQUOR STORE THROUGH A
2 COMMON CARRIER, THROUGH A CONTRACT CARRIER, OR ON VEHICLES
3 OWNED BY THE WHOLESALER.

4 (7) A RETAIL LIQUOR STORE MUST OBTAIN AND MAINTAIN A
5 CERTIFICATION AS A RESPONSIBLE ALCOHOL BEVERAGE VENDOR IN
6 ACCORDANCE WITH PART 10 OF THIS ARTICLE 3.

7 **SECTION 4.** In Colorado Revised Statutes, 44-3-501, **add**
8 (3)(a)(XVIII) as follows:

9 **44-3-501. State fees.** (3) (a) The state licensing authority shall
10 establish fees for processing the following types of applications, notices,
11 or reports required to be submitted to the state licensing authority:

12 (XVIII) APPLICATIONS FOR TRANSFER OF OWNERSHIP, CHANGE OF
13 LOCATION, AND LICENSE MERGER PURSUANT TO SECTION 44-3-409 (1)(d).

14 **SECTION 5.** In Colorado Revised Statutes, 44-3-505, **add**
15 (4)(a)(VI) as follows:

16 **44-3-505. Local license fees.** (4) (a) Each application for a
17 license provided for in this article 3 and article 4 of this title 44 filed with
18 a local licensing authority must be accompanied by an application fee in
19 an amount determined by the local licensing authority to cover actual and
20 necessary expenses, subject to the following limitations:

21 (VI) FOR A TRANSFER OF OWNERSHIP, CHANGE OF LOCATION, AND
22 LICENSE MERGER PURSUANT TO SECTION 44-3-409 (1)(d), NOT TO EXCEED
23 ONE THOUSAND DOLLARS.

24 **SECTION 6. Act subject to petition - effective date.** This act
25 takes effect at 12:01 a.m. on the day following the expiration of the
26 ninety-day period after final adjournment of the general assembly (August
27 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a

1 referendum petition is filed pursuant to section 1 (3) of article V of the
2 state constitution against this act or an item, section, or part of this act
3 within such period, then the act, item, section, or part will not take effect
4 unless approved by the people at the general election to be held in
5 November 2020 and, in such case, will take effect on the date of the
6 official declaration of the vote thereon by the governor.