

# State of Colorado

## Department of Revenue

### Liquor Enforcement Division



**Colorado Beer, Liquor, Special Event Codes  
and  
Code of Regulations 1, C. C. R. 203-2  
Inclusive as of June 2007**

**Roxanne Huber  
Executive Director  
Department of Revenue**

**Dan Hartman  
Acting Division Director  
Liquor Enforcement Division**

---

Prepared by: Mrs. Nit Hamby  
Liquor Enforcement Division  
1881 Pierce Street, Room 108A  
Lakewood, Colorado 80214-1495  
Phone 303-205-2300, E-Mail: [Nhamby@spike.dor.state.co.us](mailto:Nhamby@spike.dor.state.co.us)  
Website: [www.revenue.state.co.us](http://www.revenue.state.co.us) click on Liquor Enforcement Information  
*Call: 303-370-2165 to purchase additional code books*



# Contents

Beer Codes - Article 46, Title 12, C.R.S. ....	p5
Liquor Codes - Article 47, Title 12, C.R.S. ....	p11
Special Events Codes - Article 48, Title 12, C.R.S.....	p93
Code of Regulations - 1 C.C.R. 203-2 .....	p97



**TITLE 12  
PROFESSIONS AND OCCUPATIONS**

**ARTICLE 46  
Fermented Malt Beverages**

12-46-101.	Short title. ....	p5
12-46-102.	Legislative declaration. ....	p5
12-46-103.	Definitions. ....	p5
12-46-104.	Licenses - state license fees - requirements. ....	p6
12-46-105.	Fees and taxes - allocation. ....	p8
12-46-106.	Lawful acts. ....	p9
12-46-107.	Local licensing authority - application - fees. ....	p9

**12-46-101. Short title.** This article shall be known and may be cited as the "Colorado Beer Code".

**12-46-102. Legislative declaration.** (1) The general assembly hereby declares that it is in the public interest that fermented malt beverages shall be manufactured, imported, and sold only by persons licensed as provided in this article. The general assembly further declares that it is lawful to manufacture and sell fermented malt beverages containing not more than three and two-tenths percent alcohol by weight subject to the provisions of this article and applicable provisions of articles 47 and 48 of this title.

(2) The general assembly recognizes that fermented malt beverages are separate and distinct from malt, vinous, and spirituous liquors, and as such require a separate and distinct regulatory framework under this article. To aid administrative efficiency, however, the provisions in article 47 of this title shall apply to the regulation of fermented malt beverages, except when otherwise expressly provided for in this article.

**12-46-103. Definitions.** Definitions applicable to this article also appear in article 47 of this title. As used in this article, unless the context otherwise requires:

(1) "Fermented malt beverage" means any beverage obtained by the fermentation of any infusion or decoction of barley, malt, hops, or any similar product or any combination thereof in water containing not less than one-half of one percent alcohol by volume and not more than three and two-tenths percent alcohol by weight or four percent alcohol by volume; except that "fermented malt beverage" shall not include confectionery containing alcohol within the limits prescribed by section 25-5-410 (1) (i) (II), C.R.S.

(2) "License" means a grant to a licensee to manufacture or sell fermented malt beverages as provided by this article.

(3) "Licensed premises" means the premises specified in an application for a license under this article which are owned or in possession of the licensee and within which such licensee is authorized to sell, dispense, or serve fermented malt beverages in accordance with the provisions of this article.

(4) "Local licensing authority" means the governing body of a municipality or city and county, the board of county commissioners of a county, or any authority designated by municipal or county charter, municipal ordinance, or county resolution.

(5) "Sell at wholesale" means selling to any other than the intended consumer of fermented malt beverages. "Sell at wholesale" shall not be construed to prevent a brewer or wholesale beer dealer from selling fermented malt beverages to the intended consumer thereof or to prevent a licensed manufacturer or importer from selling such beverages to a licensed wholesaler.

(6) "State licensing authority" means the executive director of the department of revenue or the deputy director of the department of revenue if the executive director so designates.

**12-46-104. Licenses - state license fees - requirements.** (1) The licenses to be granted and issued by the state licensing authority pursuant to this article for the manufacture, importation, and sale of fermented malt beverages shall be as follows:

(a) A manufacturer's license shall be granted and issued to any person, partnership, association, organization, or corporation qualifying under section 12-47-301 and not prohibited from licensure under section 12-47-307 to manufacture and sell fermented malt beverages upon the payment of an annual license fee of one hundred fifty dollars to the state licensing authority. A manufacturer so licensed may have additional warehouses in the state upon payment of the wholesaler's license fee as provided in this section.

(b) A wholesaler's license shall be granted and issued to any person, partnership, association, organization, or corporation qualifying under section 12-47-301 and not prohibited from licensure under section 12-47-307 to sell fermented malt beverages upon the payment of an annual license fee of one hundred fifty dollars to the state licensing authority. Each wholesaler's license application shall designate the territory within which the licensee may sell the designated products of any manufacturer, as agreed upon by the licensee and the manufacturer of such products.

(c) A retailer's license shall be granted and issued to any person, partnership, association, organization, or corporation qualifying under section 12-47-301 and not prohibited from licensure under section 12-47-307 to sell at retail the said fermented malt beverages upon paying an annual license fee of seventy-five dollars to the state licensing authority.

(d)(I) A nonresident manufacturer's license shall be granted and issued to any person manufacturing fermented malt beverages outside of the state of Colorado for the sole purposes listed in subparagraph (III) of this paragraph (d), upon the payment of an annual license fee of one hundred fifty dollars to the state licensing authority.

(II) An importer's license shall be granted and issued to any person importing fermented malt beverages into this state for the sole purposes listed in subparagraph (III) of this paragraph (d), upon the payment of an annual license fee of one hundred fifty dollars to the state licensing authority.

(III) The licenses referred to in subparagraphs (I) and (II) of this paragraph (d) shall be issued for the following purposes only:

(A) To import and sell fermented malt beverages within this state to a person licensed as a wholesaler pursuant to this section;

(B) To maintain stocks of fermented malt beverages and to operate fermented malt beverages warehouses by procuring a wholesaler's license as provided in this section;

(C) To solicit orders from retail licensees and fill such orders through licensed wholesalers.

(IV) Each applicant for a license as a manufacturer, nonresident manufacturer, or importer of fermented malt beverages shall enter into a written contract with each wholesaler with which the applicant intends to do business, which contract shall designate the territory within which the product of such applicant shall be sold by the respective wholesaler. The contract shall be submitted to the state licensing authority with an application, and such applicant, if licensed, shall have a continuing duty to submit any subsequent revisions, amendments, or superseding contracts to the state licensing authority.

(V) A manufacturer, nonresident manufacturer, or importer licensed to sell fermented malt beverages under this article shall not contract with more than one wholesaler to sell the products of such manufacturer, nonresident manufacturer, or importer in the same territory.

(1.5) Notwithstanding the amount specified for any fee in subsection (1) of this section, the state licensing authority by rule or as otherwise provided by law may reduce the amount of one or more of the fees if necessary pursuant to section 24-75-402 (3), C.R.S., to reduce the uncommitted reserves of the fund to which all or any portion of one or more of the fees is credited. After the uncommitted reserves of the fund are sufficiently reduced, the state licensing authority by rule or as otherwise provided by law may increase the amount of one or more of the fees as provided in section 24-75-402 (4), C.R.S.

(2) The manufacturer's or wholesaler's licenses provided by this article shall permit the licensee to sell fermented malt beverages in sealed containers to retailers and consumers thereof, as long as the beverages have been unloaded and placed in the physical possession of a licensed wholesaler at its licensed premises in this state and inventoried for purposes of tax collection before being delivered to any such retailer or consumer. Wholesalers of fermented malt beverages receiving products to be held as required by this subsection (2) shall be liable for the payment of any tax due on such products under section 12-47-503.

(3) It is unlawful for any manufacturer or wholesaler or any person, partnership, association, organization, or corporation interested financially in or with any of the licensees described in this article to be interested financially, directly or indirectly, in the business of any retail licensee licensed pursuant to this article, or for any retail licensee under this article to be interested financially, directly or indirectly, in the

business of any manufacturer or wholesaler or any person, partnership, association, organization, or corporation interested in or with any of the manufacturers or wholesalers licensed pursuant to this article.

**12-46-105. Fees and taxes - allocation.** (1) (a) The state licensing authority shall establish fees for processing the following types of applications, notices, or reports required to be submitted to the state licensing authority: Applications for new fermented malt beverage licenses pursuant to section 12-47-301 and regulations thereunder; applications for change of location pursuant to section 12-47-301 and regulations thereunder; applications for changing, altering, or modifying licensed premises pursuant to section 12-47-301 and regulations thereunder; applications for warehouse or branch house permits pursuant to section 12-46-104 and regulations thereunder; applications for duplicate licenses; and notices of change of name or trade name pursuant to section 12-47-301 and regulations thereunder. The amounts of such fees, when added to the other fees and taxes transferred to the liquor enforcement division and state licensing authority cash fund pursuant to subsection (2) of this section and section 12-47-502 (1), shall reflect the direct and indirect costs of the liquor enforcement division and the state licensing authority in the administration and enforcement of this article and articles 47 and 48 of this title. At least annually, the amounts of the fees shall be reviewed and, if necessary, adjusted to reflect such direct and indirect costs.

(b) Except as provided in paragraph (c) of this subsection (1), the state licensing authority shall establish a basic fee that shall be paid at the time of service of any subpoena upon the state licensing authority or upon any employee of the division, plus a fee for meals and a fee for mileage at the rate prescribed for state officers and employees in section 24-9-104, C.R.S., for each mile actually and necessarily traveled in going to and returning from the place named in the subpoena. If the person named in the subpoena is required to attend the place named in the subpoena for more than one day, there shall be paid, in advance, a sum to be established by the state licensing authority for each day of attendance to cover the expenses of the person named in the subpoena.

(c) The subpoena fee established pursuant to paragraph (b) of this subsection (1) shall not be applicable to any state or local governmental agency.

(2) (a) All state license fees provided for by this article and all fees provided for by paragraphs (a) and (b) of subsection (1) of this section for processing applications, reports, and notices shall be paid to the department of revenue, which shall transmit the fees and taxes to the state treasurer. The state treasurer shall credit eighty-five percent of the fees and taxes to the old age pension fund and the balance to the general fund.

(b) An amount equal to the revenues attributable to fifty dollars of each state license fee provided for by this article and the processing fees provided for by paragraphs (a) and (b) of subsection (1) of this section shall be transferred out of the general fund to the liquor enforcement division and state licensing authority cash fund. Such transfer shall be made by the state treasurer as soon as possible after the twentieth day of the month following the payment of such fees.



(c) The expenditures of the state licensing authority and the liquor enforcement division shall be paid out of appropriations from the liquor enforcement division and state licensing authority cash fund as provided in section 24-35-401, C.R.S.

(3) Eighty-five percent of the local license fees set forth in section 12-46-107 (2) shall be paid to the department of revenue, which shall transmit the fees to the state treasurer to be credited to the old age pension fund.

**12-46-106. Lawful acts.** It is lawful for a person under eighteen years of age who is under the supervision of a person on the premises over eighteen years of age to be employed in a place of business where fermented malt beverages are sold at retail in containers for off-premises consumption. During the normal course of such employment, any person under eighteen years of age may handle and otherwise act with respect to fermented malt beverages in the same manner as that person does with other items sold at retail; except that no person under eighteen years of age shall sell or dispense fermented malt beverages, check age identification, or make deliveries beyond the customary parking area for the customers of the retail outlet. This section shall not be construed to permit the violation of any other provisions of this section under circumstances not specified in this section.

**12-46-107. Local licensing authority - application - fees.** (1) The local licensing authority shall issue only the following classes of fermented malt beverage licenses:

(a) Sales for consumption off the premises of the licensee;

(b) Sales for consumption on the premises of the licensee;

(c) Sales for consumption both on and off the premises of the licensee. A person licensed pursuant to this paragraph (c) may deliver at retail fermented malt beverages in factory-sealed containers in conjunction with the delivery of food products if such person has obtained a permit for the delivery of fermented malt beverages from the state licensing authority. The state licensing authority shall promulgate rules as are necessary for the proper delivery of fermented malt beverages pursuant to this paragraph (c) and shall have the authority to issue a permit to any person who is licensed pursuant to and delivers fermented malt beverages under this paragraph (c).

(2) The local licensing authority shall collect an annual license fee of twenty-five dollars if the licensed premises is located in a municipality or city and county and fifty dollars if the licensed premises is located outside the corporate limits of a municipality or city and county.

**Please refer to Colorado Code of Regulations 1 CCR 203-2 relating to Beer Code.**



**ARTICLE 47**  
**Alcohol Beverages**

**PART 1**

**GENERAL PROVISIONS**

12-47-101.	Short title. ....	p13
12-47-102.	Legislative declaration. ....	p13
12-47-103.	Definitions. ....	p13
12-47-104.	Interstate wine shipments - permits. ....	p18
12-47-105.	Local option. ....	p19
12-47-106.	Exemptions. ....	p19
12-47-107.	Permitted acts. ....	p20

**PART 2**

**STATE LICENSING AUTHORITY - DUTIES**

12-47-201.	State licensing authority - creation. ....	p21
12-47-202.	Duties of state licensing authority. ....	p21
12-47-203.	Performance of duties. ....	p23

**PART 3**

**STATE AND LOCAL LICENSING**

12-47-301.	Licensing in general. ....	p23
12-47-302.	License renewal. ....	p27
12-47-303.	Transfer of ownership and temporary permits. ....	p27
12-47-304.	State licensing authority-application and issuance procedures ....	p29
12-47-305.	Denial of application. ....	p31
12-47-306.	Inactive licenses. ....	p31
12-47-307.	Persons prohibited as licensees. ....	p31
12-47-308.	Unlawful financial assistance. ....	p33
12-47-309.	Local licensing authority-applications-optional premises license ....	p35
12-47-310.	Optional premises license - local option. ....	p36
12-47-311.	Public notice - posting and publication. ....	p37
12-47-312.	Results of investigation - decision of authorities. ....	p38
12-47-313.	Restrictions for applications for new license. ....	p39

**PART 4**

**CLASSES OF LICENSES AND PERMITS**

12-47-401.	Classes of licenses. ....	p40
12-47-402.	Manufacturer's license. ....	p41
12-47-403.	Limited winery license. ....	p43
12-47-403.5	Wine festival permit. ....	p44
12-47-404.	Importer's license. ....	p45
12-47-405.	Nonresident manufacturers and importers of malt liquor. ....	p46
12-47-406.	Wholesaler's license. ....	p47
12-47-406.3	Termination of wholesalers - remedies-definitions. ....	p48
12-47-407.	Retail liquor store license. ....	p52
12-47-408.	Liquor-licensed drugstore license. ....	p53
12-47-409.	Beer and wine license. ....	p54
12-47-410.	Bed and breakfast permit. ....	p54
12-47-411.	Hotel and restaurant license. ....	p55

12-47-412.	Tavern license. ....	p58
12-47-413.	Optional premises license. ....	p59
12-47-414.	Retail gaming tavern license. ....	p60
12-47-415.	Brew pub license. ....	p60
12-47-416.	Club license - legislative declaration. ....	p61
12-47-417.	Arts license. ....	p62
12-47-418.	Racetrack license. ....	p63
12-47-419.	Public transportation system license. ....	p63
12-47-420.	Vintner's restaurant license. ....	p64
12-47-421.	Removal of vinous liquor from licensed premises ....	p65

**PART 5**

**LICENSE FEES AND EXCISE TAXES**

12-47-501.	State fees. ....	p65
12-47-502.	Fees and taxes - allocation. ....	p67
12-47-503.	Excise tax - records. ....	p68
12-47-504.	Lien to secure payment of taxes - exemptions - recovery. ....	p71
12-47-505.	Local license fees. ....	p72

**PART 6**

**DISCIPLINARY ACTIONS**

12-47-601.	Suspension - revocation - fines. ....	p74
------------	---------------------------------------	-----

**PART 7**

**INSPECTION OF BOOKS AND RECORDS**

12-47-701.	Inspection procedures. ....	p76
------------	-----------------------------	-----

**PART 8**

**JUDICIAL REVIEW AND CIVIL LIABILITY**

12-47-801.	Civil liability - legislative declaration. ....	p76
12-47-802.	Judicial review. ....	p78

**PART 9**

**UNLAWFUL ACTS - ENFORCEMENT**

12-47-901.	Unlawful acts - exceptions. ....	p78
12-47-902.	Testing for intoxication by law enforcement officers - when prohibited. ....	p86
12-47-902.5	Alcohol-without-liquid devices - legislative declaration -unlawful acts. ....	p87
12-47-903.	Violations - penalties. ....	p88
12-47-904.	Duties of inspectors and police officers. ....	p89
12-47-905.	Warrants - searches and seizures. ....	p89
12-47-906.	Return on warrant - sale of liquor seized. ....	p90
12-47-907.	Loss of property rights. ....	p91

**PART 10**

**RESPONSIBLE ALCOHOL BEVERAGE VENDOR ACT**

12-47-1001.	This part 10 shall be known and may be cited as the Responsible Alcohol Beverage Vendor Act. ....	p92
12-47-1002.	Responsible vendors - standards ....	p92

**PART 1**  
**GENERAL PROVISIONS**

**12-47-101. Short title.** This article shall be known and may be cited as the "Colorado Liquor Code".

**12-47-102. Legislative declaration.** (1) The general assembly hereby declares that this article shall be deemed an exercise of the police powers of the state for the protection of the economic and social welfare and the health, peace, and morals of the people of this state and that no provisions of this article shall ever be construed so as to authorize the establishment or maintenance of any saloon.

(2) The general assembly further declares that it is lawful to manufacture and sell for beverages or medicinal purposes malt, vinous, or spirituous liquors, subject to the terms, conditions, limitations, and restrictions in this article.

**12-47-103. Definitions.** As used in this article and article 46 of this title, unless the context otherwise requires:

- (1) "Adult" means a person lawfully permitted to purchase alcohol beverages.
- (2) "Alcohol beverage" means fermented malt beverage or malt, vinous, or spirituous liquors; except that "alcohol beverage" shall not include confectionery containing alcohol within the limits prescribed by section 25-5-410 (1) (i) (II), C.R.S.
- (3) "Bed and breakfast" means an overnight lodging establishment that provides at least one meal per day at no charge other than a charge for overnight lodging and does not sell malt, vinous, or spirituous liquors by the drink.
- (4) "Brew pub" means a retail establishment that manufactures not more than one million eight hundred sixty thousand gallons of malt liquor on its premises each year.
- (5) "Brewery" means any establishment where malt liquors are manufactured, except brew pubs licensed under this article.
- (6) "Club" means:
  - (a) A corporation that:
    - (I) Has been incorporated for not less than three years; and
    - (II) Has a membership that has paid dues for a period of at least three years; and
    - (III) Has a membership that for three years has been the owner, lessee, or occupant of an establishment operated solely for objects of a national, social, fraternal, patriotic, political, or athletic nature, but not for pecuniary gain, and the property as well as the advantages of which belong to the members;

(b) A corporation that is a regularly chartered branch, or lodge, or chapter of a national organization that is operated solely for the objects of a patriotic or fraternal organization or society, but not for pecuniary gain.

(6.5) "Colorado Grown" means wine produced from one hundred percent Colorado - grown grapes, other fruits, or other agricultural products containing natural sugar, including honey, manufactured by a winery that is located in Colorado and licensed pursuant to part 3 of this Article.

(7) "Distillery" means any establishment where spirituous liquors are manufactured.

(8) "Fermented malt beverage" has the same meaning as provided in section 12-46-103 (1).

(9) "Good cause", for the purpose of refusing or denying a license renewal or initial license issuance, means:

(a) The licensee or applicant has violated, does not meet, or has failed to comply with any of the terms, conditions, or provisions of this article or any rules and regulations promulgated pursuant to this article;

(b) The licensee or applicant has failed to comply with any special terms or conditions that were placed on its license in prior disciplinary proceedings or arose in the context of potential disciplinary proceedings;

(c) In the case of a new license, the applicant has not established the reasonable requirements of the neighborhood or the desires of its adult inhabitants as provided in section 12-47-301 (2); or

(d) Evidence that the licensed premises have been operated in a manner that adversely affects the public health, welfare, or safety of the immediate neighborhood in which the establishment is located, which evidence must include a continuing pattern of fights, violent activity, or disorderly conduct. For purposes of this paragraph (d), "disorderly conduct" has the meaning as provided for in section 18-9-106, C.R.S.

(10) "Hard cider" means an alcohol beverage containing at least one-half of one percent and less than seven percent alcohol by volume that is made by fermentation of the natural juice of apples or pears, including but not limited to flavored hard cider and hard cider containing not more than 0.392 gram of carbon dioxide per hundred milliliters. For the purpose of simplicity of administration of this article, hard cider shall in all respects be treated as a vinous liquor except where expressly provided otherwise.

(11) "Hotel" means any establishment with sleeping rooms for the accommodation of guests and having restaurant facilities.

(12) "Inhabitant", with respect to cities or towns having less than forty thousand population, means an individual who resides in a given neighborhood or community for more than six months each year.

(13) "License" means a grant to a licensee to manufacture or sell malt, vinous, or spirituous liquors as provided by this article.

(14) "Licensed premises" means the premises specified in an application for a license under this article which are owned or in possession of the licensee within which such licensee is authorized to sell, dispense, or serve malt, vinous, or spirituous liquors in accordance with the provisions of this article.

(15) "Limited winery" means any establishment manufacturing not more than one hundred thousand gallons, or the metric equivalent thereof, of vinous liquors annually within Colorado.

(16) "Liquor-licensed drugstore" means any drugstore licensed by the state board of pharmacy that has also applied for and has been granted a license by the state licensing authority to sell malt, vinous, and spirituous liquors in original sealed containers for consumption off the premises.

(17) "Local licensing authority" means the governing body of a municipality or city and county, the board of county commissioners of a county, or any authority designated by municipal or county charter, municipal ordinance, or county resolution.

(18) "Location" means a particular parcel of land that may be identified by an address or by other descriptive means.

(19) "Malt liquors" includes beer and shall be construed to mean any beverage obtained by the alcoholic fermentation of any infusion or decoction of barley, malt, hops, or any other similar product, or any combination thereof, in water containing more than three and two-tenths percent of alcohol by weight or four percent alcohol by volume.

(20) "Meal" means a quantity of food of such nature as is ordinarily consumed by an individual at regular intervals for the purpose of sustenance.

(21) "Medicinal spirituous liquors" means any alcohol beverage, excepting beer and wine, that has been aged in wood for four years and bonded by the United States government and is at least one hundred proof.

(22)(a) "Optional premises" means: (I) The premises specified in an application for a hotel and restaurant license under this article with related outdoor sports and recreational facilities for the convenience of its guests or the general public located on or adjacent to the hotel or restaurant within which such licensee is authorized to sell or serve malt, vinous, or spirituous liquors in accordance with the provisions of this article and at the discretion of the state and local licensing authorities; or

(II) The premises specified in an application for an optional premises license located on an applicant's outdoor sports and recreational facility.

(b) For purposes of this subsection (22), "outdoor sports and recreational facility" means a facility that charges a fee for the use of such facility.

- (23) "Person" means a natural person, partnership, association, company, corporation, or organization or a manager, agent, servant, officer, or employee thereof.
- (23.5) "Personal consumer" means an individual who is at least twenty-one years of age, does not hold an alcohol beverage license issued in this state, and intends to use wine purchased under section 12-47-104 for personal consumption only and not for resale or other commercial purposes.
- (24) "Premises" means a distinct and definite location, which may include a building, a part of a building, a room, or any other definite contiguous area.
- (25) "Racetrack" means any premises where race meets or simulcast races with pari-mutuel wagering are held in accordance with the provisions of article 60 of this title.
- (26) "Rectify" means to blend spirituous liquors with neutral spirits or other spirituous liquors of different age.
- (27) "Rectifying plant" means any establishment where spirituous liquors are blended with neutral spirits or other spirituous liquors of different age.
- (28) "Resort complex" means a hotel with at least fifty sleeping rooms and that has related sports and recreational facilities for the convenience of its guests or the general public located contiguous or adjacent to the hotel. For purposes of a resort complex only, "contiguous or adjacent" means within the overall boundaries or scheme of development or regularly accessible from the hotel by its members and guests.
- (29) "Resort hotel" means a hotel, as defined in subsection (11) of this section, with well-defined occupancy seasons.
- (30) "Restaurant" means an establishment, which is not a hotel as defined in subsection (11) of this section, provided with special space, sanitary kitchen and dining room equipment, and persons to prepare, cook, and serve meals, where, in consideration of payment, meals, drinks, tobaccos, and candies are furnished to guests and in which nothing is sold excepting food, drinks, tobaccos, candies, and items of souvenir merchandise depicting the theme of the restaurant or the geographical or historic subjects of the nearby area. Any establishment connected with any business wherein any business is conducted, excepting hotel business, limited gaming conducted pursuant to article 47.1 of this title, or the sale of food, drinks, tobaccos, candies, or such items of souvenir merchandise, is declared not to be a restaurant. Nothing in this subsection (30) shall be construed to prohibit the use in a restaurant of orchestras, singers, floor shows, coin-operated music machines, amusement devices that pay nothing of value and cannot by adjustment be made to pay anything of value, or other forms of entertainment commonly provided in restaurants.
- (31) "Retail liquor store" means an establishment engaged only in the sale of malt, vinous, and spirituous liquors and soft drinks and mixers, all in sealed containers



for consumption off the premises; tobaccos, tobacco products, smokers' supplies, and nonfood items related to the consumption of such beverages; and liquor-filled candy and food items approved by the state licensing authority, which are prepackaged, labeled, and directly related to the consumption of such beverages and are sold solely for the purpose of cocktail garnish in containers up to sixteen ounces. Nothing in this section shall be construed to authorize the sale of food items that could constitute a snack, a meal, or portion of a meal.

(32) "School" means a public, parochial, or nonpublic school that provides a basic academic education in compliance with school attendance laws for students in grades one to twelve. "Basic academic education" has the same meaning as set forth in section 22-33-104 (2) (b), C.R.S.

(33) "Sealed containers" means any container or receptacle used for holding an alcohol beverage, which container or receptacle is corked or sealed with any stub, stopper, or cap.

(34) "Sell" or "sale" means any of the following: To exchange, barter, or traffic in; to solicit or receive an order for except through a licensee licensed under this article or article 46 or 48 of this title; to keep or expose for sale; to serve with meals; to deliver for value or in any way other than gratuitously; to peddle or to possess with intent to sell; to possess or transport in contravention of this article; to traffic in for any consideration promised or obtained, directly or indirectly.

(35) "Sell at wholesale" means selling to any other than the intended consumer of malt, vinous, or spirituous liquors. "Sell at wholesale" shall not be construed to prevent a brewer or wholesale beer dealer from selling malt liquors to the intended consumer thereof, or to prevent a licensed manufacturer or importer from selling malt, vinous, or spirituous liquors to a licensed wholesaler.

(36) "Spirituous liquors" means any alcohol beverage obtained by distillation, mixed with water and other substances in solution, and includes among other things brandy, rum, whiskey, gin, and every liquid or solid, patented or not, containing at least one-half of one percent alcohol by volume and which is fit for use for beverage purposes. Any liquid or solid containing beer or wine in combination with any other liquor, except as provided in subsections (19) and (39) of this section, shall not be construed to be fermented malt or malt or vinous liquor but shall be construed to be spirituous liquor.

(37) "State licensing authority" means the executive director of the department of revenue or the deputy director of the department of revenue if the executive director so designates.

(37.5) "Tastings" means the sampling of malt, vinous, or spirituous liquors that may occur on the premises of a retail liquor store licensee or liquor-licensed drugstore licensee by adult patrons of the licensee pursuant to the provisions of section 12-47-301(10).

(38) "Tavern" means an establishment serving malt, vinous, and spirituous liquors in which the principal business is the sale of such beverages at retail for consumption on the premises and where sandwiches and light snacks are available for

consumption on the premises.

(39) "Vinous liquors" means wine and fortified wines that contain not less than one-half of one percent and not more than twenty-one percent alcohol by volume and shall be construed to mean an alcohol beverage obtained by the fermentation of the natural sugar contents of fruits or other agricultural products containing sugar.

(39.5) "Vintner's restaurant" means a retail establishment that sells food for consumption on the premises and that manufactures not more than two hundred fifty thousand gallons of wine on its premises each year.

(40) "Winery" means any establishment where vinous liquors are manufactured; except that the term does not include a vintner's restaurant licensed pursuant to section 12-47-420.

**12-47-104. Interstate Wine shipments - permits.** (1)(a) The holder of a winery direct shipper's permit may sell and deliver wine that is produced or bottled by the permittee to a personal consumer located in Colorado.

(b) The holder of a winery direct shipper's permit may not sell or ship wine to a minor, as defined in section 2-4-401 (6), C.R.S.

(2) A winery direct shipper's permit may be issued to only a person who applies for such permit to the state licensing authority and who:

(a) Operates a winery located in the United States and holds all state and federal licenses, permits, or both, necessary to operate the winery, including the federal winemaker's and blender's basic permit;

(b) Expressly submits to personal jurisdiction in Colorado state and federal courts for civil, criminal, and administrative proceedings and expressly submits to venue in the city and county of Denver, Colorado, as proper venue for any proceedings that may be initiated by or against the state licensing authority; and

(c) Except as provided in sections 12-47-402(1) and 12-47-406(3), does not directly or indirectly have any financial interest in a Colorado wholesaler or retailer licensed pursuant to section 12-47-406 or 12-47-407.

(3)(a) All wine sold or shipped by the holder of a winery direct shipper's permit shall be in a package that is clearly and conspicuously labeled, showing that:

(I) The package contains wine; and

(II) The package may be delivered only to a person who is twenty-one years of age or older.

(b) Wine sold or shipped by a holder of a winery direct shipper's permit may not be delivered to any person other than:

(I) The person who purchased the wine;

(II) A recipient designated in advance by such purchaser; or

(III) A person who is twenty-one years of age or older.

(c) Wine may be delivered only to a person who is twenty-one years of age or older after the person accepting the package:

(I) Presents valid proof of identity and age; and

(II) Personally signs a receipt acknowledging delivery of the package.

(4) The holder of a winery direct shipper's permit shall maintain records of all sales and deliveries made under the permit in accordance with section 12-47-701.

(5) A personal consumer purchasing wine from the holder of a winery direct shipper's permit may not resell the wine.

(6) The state licensing authority may adopt rules and forms necessary to implement this section.

**12-47-105. Local option.** The operation of this article shall be statewide unless any municipality or city and county, by a majority of the registered electors of any municipality or city and county, voting at any regular election or special election called for that purpose in accordance with the election laws of this state, decides against the right to sell malt, vinous, or spirituous liquors or to limit such sale to any one or more of the classes of licenses as provided by this article within their respective limits. Said local option question shall be submitted only upon a petition signed by not less than fifteen percent of the registered electors in such municipality or city and county; otherwise, the procedure with reference to the calling and holding of said elections shall be substantially in accordance with the election laws of the state. The expenses of such election shall be borne by the municipality or city and county in which said elections are held. The question of prohibition of sale of malt, vinous, or spirituous liquors or the limitation of sales to any one or more of the classes of licenses provided in this article shall not be submitted to the registered electors more than once in any four-year period.

**12-47-106. Exemptions.** (1) The provisions of this article shall not apply to the sale or distribution of sacramental wines sold and used for religious purposes.

(2)(a) Any provision of this article or article 46 of this title to the contrary notwithstanding, when permitted by federal law and rules and regulations promulgated pursuant thereto, a head of a family may produce for family use and not for sale such amount of fermented malt beverage or malt or vinous liquor as is exempt from the federal excise tax on such alcohol beverage when produced by a head of a family for family use and not for sale.

(b) The production of fermented malt beverages or malt or vinous liquors under the circumstances set forth in this subsection (2) shall be in strict conformity with federal law and rules and regulations issued pursuant thereto.

(c) Fermented malt beverages or malt or vinous liquors produced pursuant to the

provisions of this subsection (2) shall be exempt from any tax imposed by this article, and the producer shall not be required to obtain any license provided by this article or article 46 of this title.

(d) Malt liquors produced pursuant to this subsection (2) may be transported and delivered by the producer to any licensed premise where consumption of malt liquors by persons over the age of twenty-one is authorized for use at organized affairs, exhibitions, or competitions, such as home brew contests, tastings, or judgments. Consumption shall be limited solely to the participants in and judges of such events. Malt liquors used for the purposes described in this paragraph (d) shall be served in portions not exceeding six ounces and shall not be sold, offered for sale, or made available for consumption by the general public.

(3)(a) The provisions of this article or article 46 of this title, with the exception of the requirements of section 12-47-503, shall not apply to the occasional sale of an alcohol beverage to any individual twenty-one years of age or older at public auction by any person where such auction sale is for the purpose of disposing of such alcohol beverage as may lawfully have come into the possession of such person in the due course of such person's regular business in the following manner:

(I) By reason of the failure of the owner of such alcohol beverage to claim the same or to furnish instructions as to the disposition thereof;

(II) By reason of the foreclosure of any lawful lien upon such alcohol beverage by said person in accordance with lawful procedure;

(III) By reason of salvage of such alcohol beverage, in the case of carriers, from shipments damaged in transit;

(IV) By reason of a lawful donation of such alcohol beverage to an organization qualifying under section 12-48-102 for a special event permit; except that no more than four public auctions per year shall be conducted pursuant to this subparagraph (IV).

(b) The state licensing authority shall be presented records of all transactions referred to in paragraph (a) of this subsection (3).

(4) Any passenger twenty-one years of age or older arriving at any airport in this state on an air flight originating in a foreign country who is thereby subject to customs clearance at such airport may lawfully possess up to one gallon or four liters (one imperial gallon), whichever measure is applicable, of an alcohol beverage without liability for the Colorado excise tax thereon.

**12-47-107. Permitted acts.** Any person who has an interest in a liquor license may also be listed as an officer or director on a license owned by a municipality or governmental entity if such person does not individually manage or receive any direct financial benefit from the operation of such license.

**PART 2**  
**STATE LICENSING AUTHORITY - DUTIES**

**12-47-201. State licensing authority - creation.** (1) For the purpose of regulating and controlling the licensing of the manufacture, distribution, and sale of alcohol beverages in this state, there is hereby created the state licensing authority, which shall be the executive director of the department of revenue or the deputy director of the department of revenue if the executive director so designates.

(2) The executive director of the department of revenue shall be the chief administrative officer of the state licensing authority and may employ, pursuant to section 13 of article XII of the state constitution, such clerks and inspectors as may be determined to be necessary.

**12-47-202. Duties of state licensing authority.** (1) The state licensing authority shall:

(a) Grant or refuse licenses for the manufacture, distribution, and sale of alcohol beverages as provided by law and suspend or revoke such licenses upon a violation of this article, 46 or 48 of this title, or any rule or regulation adopted pursuant to such articles;

(b) Make such general rules and regulations and such special rulings and findings as necessary for the proper regulation and control of the manufacture, distribution, and sale of alcohol beverages and for the enforcement of this article and articles 46 and 48 of this title and alter, amend, repeal, and publish the same from time to time;

(c) Hear and determine at public hearing all complaints against any licensee and administer oaths and issue subpoenas to require the presence of persons and production of papers, books, and records necessary to the determination of any hearing so held;

(d) Keep complete records of all acts and transactions of the state licensing authority, which records, except confidential reports obtained from the licensee showing the sales volume or quantity of alcohol beverages sold or stamps purchased or customers served, shall be open for inspection by the public;

(e) Prepare and transmit annually, in the form and manner prescribed by the heads of the principal departments pursuant to section 24-1-136, C.R.S., a report accounting to the governor for the efficient discharge of all responsibilities assigned by law or directive to the state licensing authority;

(f) Notify all persons to whom wholesale licenses have been issued as to applications for licenses and renewals of the licenses provided in sections 12-46-104 (1) and 12-47-407 to 12-47-418.

(2) (a) (I) Rules and regulations made pursuant to paragraph (b) of subsection (1) of this section may cover, but shall not be limited to, the following subjects:

(A) Compliance with or enforcement or violation of any provision of this article, 46 or 48 of this title, or any rule or regulation issued pursuant to such articles;

- (B) Specifications of duties of officers and employees;
  - (C) Instructions for local licensing authorities and law enforcement officers;
  - (D) All forms necessary or convenient in the administration of this article and articles 46 and 48 of this title;
  - (E) Inspections, investigations, searches, seizures, and such activities as may become necessary from time to time, including a range of penalties for use by licensing authorities, which shall include aggravating and mitigating factors to be considered, when persons under twenty-one years of age are utilized to investigate sales of alcohol beverages by liquor licensees to underage persons;
  - (F) Limitation of number of licensees as to any area or vicinity;
  - (G) Misrepresentation, unfair practices, and unfair competition;
  - (H) Control of signs and other displays on licensed premises;
  - (I) Use of screens;
  - (J) Identification of licensees and their employees;
  - (K) Storage, warehouses, and transportation;
  - (L) Health and sanitary requirements;
  - (M) Standards of cleanliness, orderliness, and decency, and sampling and analysis of products;
  - (N) Standards of purity and labeling;
  - (O) Records to be kept by licensees and availability thereof;
  - (P) Practices unduly designed to increase the consumption of alcohol beverages; and
  - (Q) Such other matters as are necessary for the fair, impartial, stringent, and comprehensive administration of this article and articles 46 and 48 of this title.
- (II) Nothing in this article and articles 46 and 48 of this title shall be construed as delegating to the state licensing authority the power to fix prices. The licensing authority shall make no rule that would abridge the right of any licensee to fairly, honestly, and lawfully advertise the place of business of or the commodities sold by such licensee. All such rules shall be reasonable and just.
- (b)(I) The state licensing authority shall make no rule regulating the sale on credit of any alcohol beverage.
- (II) Licensees shall comply with the prohibition of extending credit for more than thirty days for the sale of alcohol beverages, including beer, contained in 27 CFR 6.

(3) In any hearing held by the state licensing authority pursuant to this article or article 46 or 48 of this title, no person may refuse, upon request of the state licensing authority, to testify or provide other information on the ground of self-incrimination; but no testimony or other information produced in the hearing or any information directly or indirectly derived from such testimony or other information may be used against such person in any criminal prosecution based on a violation of this article or article 46 or 48 of this title except a prosecution for perjury in the first degree committed in so testifying. Continued refusal to testify or provide other information shall constitute grounds for suspension or revocation of any license granted pursuant to this article or article 46 or 48 of this title.

**12-47-203. Performance of duties.** (1) The performance of the functions or activities set forth in this article and articles 46 and 48 of this title shall be subject to available appropriations; but nothing in this section shall be construed to remove from the state licensing authority the responsibility for performing such functions or activities in accordance with law at the level of funding provided.

(2) Notwithstanding the provisions of subsection (1) of this section, the state shall be the final interpretive authority as it relates to this article and articles 46 and 48 of this title and the rules and regulations promulgated thereunder, concerning persons licensed pursuant to this article and articles 46 and 48 of this title as wholesalers, manufacturers, importers, and public transportation system licensees.

### **PART 3 STATE AND LOCAL LICENSING**

**12-47-301. Licensing in general.** (1) No local licensing authority shall issue a license provided for in this article or article 46 or 48 of this title until that share of the license fee due the state has been received by the department of revenue. All licenses granted pursuant to this article and articles 46 and 48 of this title shall be valid for a period of one year from the date of their issuance unless revoked or suspended pursuant to section 12-47-601 or 12-47-306.

(2)(a) Before granting any license, all licensing authorities shall consider, except where this article and article 46 of this title specifically provide otherwise, the reasonable requirements of the neighborhood, the desires of the adult inhabitants as evidenced by petitions, remonstrances, or otherwise, and all other reasonable restrictions that are or may be placed upon the neighborhood by the local licensing authority. With respect to a second or additional license described in section 12-47-401 (1)(j) to (1)(t) or 12-47-410 (1) or in a financial institution referred to in section 12-47-308 (4) for the same licensee, all licensing authorities shall consider the effect on competition of the granting or disapproving of additional licenses to such licensee, and no application for a second or additional hotel and restaurant or vintner's restaurant license that would have the effect of restraining competition shall be approved.

(b) A local licensing authority or the state on state-owned property may deny the issuance of any new tavern or retail liquor store license whenever such authority determines that the issuance of such license would result in or add to an undue concentration of the same class of license and, as a result, require the use of additional law enforcement resources.

(3)(a) Each license issued under this article and article 46 of this title is separate and distinct. It is unlawful for any person to exercise any of the privileges granted under any license other than that which the person holds or for any licensee to allow any other person to exercise such privileges granted under the licensee's license, except as provided in section 12-47-403.5. A separate license shall be issued for each specific business or business entity and each geographical location, and in said license the particular alcohol beverages the applicant is authorized to manufacture or sell shall be named and described. For purposes of this section, a resort complex with common ownership, a hotel and restaurant licensee with optional premises, an optional premises licensee for optional premises located on an outdoor sports and recreational facility, and a wine festival at which more than one licensee participates pursuant to a wine festival permit shall be considered a single business and location.

(b) At all times a licensee shall possess and maintain possession of the premises or optional premises for which the license is issued by ownership, lease, rental, or other arrangement for possession of such premises.

(4)(a) The licenses provided pursuant to this article and article 46 of this title shall specify the date of issuance, the period which is covered, the name of the licensee, the premises or optional premises licensed, the optional premises in the case of a hotel and restaurant license, and the alcohol beverages that may be sold on such premises or optional premises. The license shall be conspicuously placed at all times on the licensed premises or optional premises, and all sheriffs and police officers shall see to it that every person selling alcohol beverages within their jurisdiction has procured a license to do so.

(b) No local licensing authority shall issue, transfer location of, or renew any license to sell any alcohol beverages until the person applying for such license produces a license issued and granted by the state licensing authority covering the whole period for which a license or license renewal is sought.

(5) In computing any period of time prescribed by this article, the day of the act, event, or default from which the designated period of time begins to run shall not be included. Saturdays, Sundays, and legal holidays shall be counted as any other day.

(6) Licensees at facilities owned by a municipality, county, or special district may possess and serve for on-premises consumption any type of malt, vinous, and spirituous liquor or fermented malt beverage as may be permitted pursuant to guidelines established by the local and state licensing authorities and need not have meals available for consumption. However, fermented malt beverages and malt, vinous, and spirituous liquors may not be served on the same premises at the same time.

(7) A licensee shall report each transfer or change of financial interest in the license to the state licensing authority and, for retail licenses, to the local licensing authority, within thirty days after the transfer or change. A report shall be required for transfers of capital stock of a public corporation; except that a report shall not be required for transfers of such stock totaling less than ten percent in any one year, but any transfer



of a controlling interest shall be reported regardless of size. It is unlawful for the licensee to fail to report a transfer required by this subsection (8). Such failure to report shall be grounds for suspension or revocation of the license.

(8) Each licensee holding a fermented malt beverage on-premises license or on-and off-premises license, beer and wine license, tavern license, club license, arts license, or racetrack license shall manage such premises himself or herself or employ a separate and distinct manager on the premises and shall report the name of such manager to the state and local licensing authorities. Such licensee shall report any change in managers to the state and local licensing authorities within thirty days after the change. It is unlawful for the licensee to fail to report the name of or any change in managers as required by this subsection (8). Such failure to report shall be grounds for suspension of the license.

(9)(a) A licensee may move his or her permanent location to any other place in the same city, town, or city and county for which the license was originally granted, or in the same county if such license was granted for a place outside the corporate limits of any city, town, or city and county, but it shall be unlawful to sell any alcohol beverage at any such place until permission to do so is granted by all the licensing authorities provided for in this article.

(b) In permitting such change of location, such licensing authorities shall consider the reasonable requirements of the neighborhood to which the applicant seeks to change his or her location, the desires of the adult inhabitants as evidenced by petitions, remonstrances, or otherwise, and all reasonable restrictions that are or may be placed upon the new district by the council, board of trustees, or licensing authority of the city, town, or city and county or by the board of county commissioners of any county.

(10)(a) The provisions of this subsection (10) shall only apply within a county, city, and county, or municipality if the governing body of the county, city and county, or municipality adopts an ordinance or resolution authorizing tastings pursuant to this subsection (10). The ordinance or resolution may provide for stricter limits than this subsection (10) on the number of tastings per year per licensee, the days on which tastings may occur, or the number of hours each tasting may last.

(b) A retail liquor store or liquor-licensed drugstore licensee who wishes to conduct tastings may submit an application or application renewal to the local licensing authority. The local licensing authority may reject the application if the applicant fails to establish that he or she is able to conduct tastings without violating the provisions of this section or creating a public safety risk to the neighborhood. A local licensing authority may establish its own application procedure and may charge a reasonable application fee.

(c) Tastings shall be subject to the following limitations:

(l) Tastings shall be conducted only by a person who has completed a server training program that meets the standards established by the Liquor Enforcement Division in the Department of Revenue and who is either a retail liquor store licensee or a liquor-licensed drugstore licensee, or an employee of a licensee, and only on a licensee's licensed premises.

- (II) The alcohol used in tasting shall be purchased through a licensed wholesaler, licensed brew pub, or winery licensed pursuant to section 12-47-403 at a cost that is not less than the laid-in cost of such alcohol.
- (III) The size of an individual alcohol sample shall not exceed one ounce of malt or vinous liquor or one-half of one ounce of spirituous liquor.
- (IV) Tastings shall not exceed a total of five hours in duration per day, which need not be consecutive.
- (V) Tastings shall be conducted only during the operating hours in which the licensee on whose premises the tastings occur is permitted to sell alcohol beverages, and in no case earlier than 11 a.m. or later than 7 p.m.
- (VI) The licensee shall prohibit patrons from leaving the licensed premises with an unconsumed sample.
- (VII) The licensee shall promptly remove all open and unconsumed alcohol beverage samples from the licensed premises or shall destroy the samples immediately following the completion of the tasting.
- (VIII) The licensee shall not serve a person who is under twenty-one years of age or who is visibly intoxicated.
- (IX) The licensee shall not serve more than four individual samples to a patron during a tasting.
- (X) Alcohol samples shall be in open containers and shall be provided to a patron free of charge.
- (XI) Tastings may occur on no more than four of the six days from a Monday to the following Saturday, not to exceed one hundred four days per year.
- (XII) No manufacturer of spirituous or vinous liquors shall induce a licensee through free goods or financial or in-kind assistance to favor the manufacturer's products being sampled at a tasting. The licensee shall bear the financial and all other responsibility for a tasting.
- d. A violation of a limitation specified in this subsection (10) or of section 12-47-801 by a retail liquor store or liquor-licensed drugstore licensee, whether by his or her employees, agents, or otherwise, shall be the responsibility of the retail liquor store or liquor-licensed drugstore licensee who is conducting the tasting.
- e. A retail liquor store or liquor-licensed drugstore licensee conducting a tasting shall be subject to the same revocation, suspension, and enforcement provisions as otherwise apply to the licensee.
- f. Nothing in this subsection (10) shall affect the ability of a Colorado winery licensed pursuant to Section 12-47-402 or 12-47-403 to conduct a tasting pursuant to the authority of Section 12-47-402(2) or 12-47-403(2)(e).

**12-47-302. License renewal.** (1) Ninety days prior to the expiration date of an existing license, the state licensing authority shall notify the licensee of such expiration date by first class mail at the business' last-known address. Application for the renewal of an existing license shall be made to the local licensing authority not less than forty-five days and to the state licensing authority not less than thirty days prior to the date of expiration. No application for renewal of a license shall be accepted by the local licensing authority after the date of expiration, except as provided in subsection (2) of this section, but filing with the local licensing authority shall be deemed filing with the state, and all renewals filed with the local licensing authorities prior to expiration, and subsequently approved, shall be processed by the state licensing authority, and the expiration date is extended until the state license is processed. The state or the local licensing authority, for good cause, may waive the forty-five- or thirty-day time requirements set forth in this subsection (1). The local licensing authority may cause a hearing on the application for renewal to be held. No renewal hearing provided for by this subsection (1) shall be held by the local licensing authority until a notice of hearing has been conspicuously posted on the licensed premises for a period of ten days and notice of the hearing has been provided the applicant at least ten days prior to the hearing. The licensing authority may refuse to renew any license for good cause, subject to judicial review. Any renewal hearing held by the state licensing authority shall be pursuant to section 12-47-305 (2).

(2)(a) Notwithstanding the provisions of subsection (1) of this section, a licensee whose license has been expired for not more than ninety days may file a late renewal application upon the payment of a nonrefundable late application fee of five hundred dollars to the local licensing authorities. A licensee who files a late renewal application and pays the requisite fees may continue to operate until both state and local licensing authorities have taken final action to approve or deny such licensee's late renewal application.

(b) No state or local licensing authority shall accept a late renewal application more than ninety days after the expiration of a licensee's permanent annual license. Any licensee whose permanent annual license has been expired for more than ninety days must apply for a new license pursuant to section 12-47-311 and shall not sell or possess for sale any alcohol beverage until all required licenses have been obtained.

(c) Notwithstanding the amount specified for the fee in paragraph (a) of this subsection (2), the state licensing authority by rule or as otherwise provided by law may reduce the amount of the fee if necessary pursuant to section 24-75-402 (3), C.R.S., to reduce the uncommitted reserves of the fund to which all or any portion of the fee is credited. After the uncommitted reserves of the fund are sufficiently reduced, the state licensing authority by rule or as otherwise provided by law may increase the amount of the fee as provided in section 24-75-402 (4), C.R.S.

**12-47-303. Transfer of ownership and temporary permits.** (1)(a) No license granted under the provisions of this article or article 46 of this title shall be transferable except as provided in this subsection (1), but this shall not prevent a change of location as provided in section 12-47-301 (9).

(b) When a license has been issued to a husband and wife, 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 rights and privileges granted under the original license shall continue in full force and effect as to such survivors for the balance of the license period.

(c) For any other transfer of ownership, application shall be made to the state and local licensing authorities on forms prepared and furnished by the state licensing authority. In determining whether to permit a transfer of ownership, the licensing authorities shall consider only the requirements of section 12-47-307 and 1 CCR 203-2, Rule 47-302, entitled "Changing, Altering, or Modifying Licensed Premises", or any analogous successor rule. The local licensing authority may cause a hearing on the application for transfer of ownership to be held. No hearing provided for by this paragraph(c) shall be held by the local licensing authority until a notice of hearing has been conspicuously posted on the licensed premises for a period of ten days and notice of the hearing has been provided the applicant at least ten days prior to the hearing. Any transfer of ownership hearing by the state licensing authority shall be pursuant to section 12-47-305 (2).

(d) When applying with the local licensing authority for a temporary permit, the applicant shall provide a copy, by facsimile or otherwise, of the statement made pursuant to subparagraph (V) of paragraph (b) of this subsection (3) to the state licensing authority. Such statement is a public record and shall be open to inspection by the public.

(2) Notwithstanding the provisions of this article to the contrary, a local licensing authority shall have discretionary authority to issue a temporary permit to a transferee of any retail class of alcohol beverage license issued by the local licensing authority pursuant to this article or article 46 of this title. Such temporary permit shall authorize a transferee to continue selling such alcohol beverages as permitted under the permanent license during the period in which an application to transfer the ownership of the license is pending.

(3) A temporary permit shall authorize a transferee to conduct business and sell alcohol beverages at retail in accordance with the license of the transferor subject to compliance with all of the following conditions:

(a) The premises where such alcohol beverages are sold shall have been previously licensed by the state and local licensing authorities, and such license shall have been valid at the time the application for transfer of ownership was filed with the local licensing authority that has jurisdiction to approve an application for a temporary permit.

(b) The applicant has filed with the local licensing authority on forms provided by the department of revenue an application for the transfer of the liquor license. Such application shall include, but not be limited to, the following information:

(l) The name and address of the applicant; if the applicant is a partnership, the names and addresses of all the partners; and, if the applicant is a corporation, association, or other organization, the names and addresses of the president, vice-president, secretary, and managing officer;

- (II) The applicant's financial interest in the proposed transfer;
- (III) The premises for which the temporary permit is sought; and
- (IV) Such other information as the local licensing authority may require.
- (V) A statement that all accounts for alcohol beverages sold to the applicant are paid.

(c) The application for a temporary permit shall be filed no later than thirty days after the filing of the application for transfer of ownership and shall be accompanied by a temporary permit fee not to exceed one hundred dollars.

(d) When applying with the local licensing authority for a temporary permit, the applicant shall provide a copy, by facsimile or otherwise, of the statement made pursuant to subparagraph (V) of paragraph (b) of this subsection (3) to the state licensing authority. Such statement is a public record and shall be open to inspection by the public.

(4) A temporary permit, if granted, by a local licensing authority shall be issued within five working days after the receipt of such application. A temporary permit issued pursuant to this section shall be valid until such time as the application to transfer ownership of the license to the applicant is granted or denied or for one hundred twenty days, whichever occurs first; except that, if the application to transfer the license has not been granted or denied within the one-hundred-twenty-day period and the transferee demonstrates good cause, the local licensing authority may extend, in its discretion, the validity of said permit for an additional period not to exceed sixty days.

(5) A temporary permit shall also be authorized in the event of a transfer of possession of the licensed premises by operation of law, a petition in bankruptcy pursuant to federal bankruptcy law, the appointment of a receiver, a foreclosure action by a secured party, or a court order dispossessing the prior licensee of all rights of possession pursuant to article 40 of title 13, C.R.S.

(6) A temporary permit may be canceled, revoked, or summarily suspended if the local or state licensing authority determines that there is probable cause to believe that the transferee has violated any provision of this article or article 46 of this title or has violated any rule or regulation adopted by the local or state licensing authority or has failed to truthfully disclose those matters required pursuant to the application forms required by the Department of Revenue.

**12-47-304. State licensing authority - application and issuance procedures.** (1) Applications for licenses under the provisions of this article and articles 46 and 48 of this title shall be made to the state licensing authority on forms prepared and furnished by the state licensing authority and shall set forth such information as the state licensing authority may require to enable the authority to determine whether a license should be granted. Such information shall include the name and address of the applicant, and if a partnership, also the names and addresses of all the partners, and if a corporation, association, or other organization,

also the names and addresses of the president, vice-president, secretary, and managing officer, together with all other information deemed necessary by the licensing authority. Each application shall be verified by the oath or affirmation of such person or persons as the state licensing authority may prescribe.

(b) Notwithstanding the requirements of paragraph (a) of this subsection (1), an applicant seeking licenses for multiple locations may request the state licensing authority to establish a master file. All requests for a master file shall be made on forms provided by the state licensing authority and shall contain such information as the state licensing authority may require to enable the authority to determine the suitability of the license applicant and its principal owners as required pursuant to section 12-47-307. The state licensing authority shall either approve the request for a master file and issue an approval letter, or deny the request pursuant to the provision of section 12-47-305. Any change to information contained in the master file shall be reported by the applicant or licensee to the state licensing authority within thirty days after the change. Failure to report all changes as required may be grounds for suspension or revocation of a license or licenses as determined by the state licensing authority. No local licensing authority shall require applicants with an approved master file to file additional background investigation forms or fingerprints. Nothing in this section shall prohibit a local licensing authority from conducting its own investigation, or from verifying any of the information provided by the applicant, or from denying the application of the applicant pursuant to the provisions set forth in section 12-47-307.

(c) As used in this part 3, "master file" means a file that is established by the state licensing authority and that contains licensing and background information for an applicant seeking licenses pursuant to this article in multiple locations. Such master file shall be available to the local licensing authority.

(d) The state licensing authority shall promulgate rules governing the minimum number of multiple locations required to establish and maintain a master file.

(2)(a) Before granting any license for which application has been made, the state licensing authority or one or more of its inspectors may visit and inspect the plant or property in which the applicant proposes to conduct business and investigate the fitness to conduct such business of any person or the officers and directors of any corporation applying for a license. In investigating the fitness of the applicant or a licensee, the state licensing authority may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency. In the event the state licensing authority takes into consideration information concerning the applicant's criminal history record, the state licensing authority shall also consider any information provided by the applicant regarding such criminal history record, including but not limited to evidence of rehabilitation, character references, and educational achievements, especially those items pertaining to the period of time between the applicant's last criminal conviction and the consideration of the application for a license.

(b) As used in paragraph (a) of this subsection (2), "criminal justice agency" means any federal, state, or municipal court or any governmental agency or subunit of such agency that performs the administration of criminal justice pursuant to a statute

or executive order and that allocates a substantial part of its annual budget to the administration of criminal justice.

(3) The state licensing authority shall not issue a license pursuant to this section until the local licensing authority has approved the application provided for in section 12-47-309.

**12-47-305. Denial of application.** (1) The state licensing authority shall refuse a state license if the premises on which the applicant proposes to conduct its business do not meet the requirements of this article, or if the character of the applicant or its officers or directors is such that violations of this article or article 46 or 48 of this title would be likely to result if a license were granted, or if in its opinion licenses already granted for the particular locality are adequate for the reasonable needs of the community.

(2) The state licensing authority shall not refuse a state license after a local license has been granted, except upon hearing after fifteen days' notice to the applicant and to the local licensing authority. The notice shall be in writing and shall state grounds upon which the application may be refused. If the applicant does not respond to the notice within fifteen days after the date of the notice, the application for a license shall be denied. Such hearing shall be conducted in accordance with the provisions of section 24-4-105, C.R.S., and judicial review of the state licensing authority's decision shall be pursuant to section 24-4-106, C.R.S.

**12-47-306. Inactive licenses.** The state or local licensing authority, in its discretion, may revoke or elect not to renew a retail license if it determines that the licensed premises has been inactive, without good cause, for at least one year or, in the case of a retail license approved for a facility that has not been constructed, such facility has not been constructed and placed in operation within two years after approval of the license application or construction of the facility has not commenced within one year after such approval.

**12-47-307. Persons prohibited as licensees.** (1) (a) No license provided by this article or article 46 or 48 of this title shall be issued to or held by:

(I) Any person until the annual fee therefor has been paid;

(II) Any person who is not of good moral character;

(III) Any corporation, any of whose officers, directors, or stockholders holding ten percent or more of the outstanding and issued capital stock thereof are not of good moral character;

(IV) Any partnership, association, or company, any of whose officers, or any of whose members holding ten percent or more interest therein, are not of good moral character;

(V) Any person employing, assisted by, or financed in whole or in part by any other person who is not of good character and reputation satisfactory to the respective licensing authorities;

(VI) Any person unless such person's character, record, and reputation are satisfactory to the respective licensing authority;

(VII) Any natural person under twenty-one years of age.

(b) (I) In making a determination as to character or when considering the conviction of a crime, a licensing authority shall be governed by the provisions of section 24-5-101, C.R.S.

(II) With respect to arts or club license applications, an investigation of the character of the president or chair of the board and the operational manager shall be deemed sufficient to determine whether to issue the arts or club license to the applicant.

(2) No license provided by this article shall be issued to or held by any sheriff, deputy sheriff, police officer, or prosecuting officer, or the state licensing authority, or any of its inspectors or employees.

(3)(a) In investigating the qualifications of the applicant or a licensee, the local licensing authority may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency. In the event the local licensing authority takes into consideration information concerning the applicant's criminal history record, the local licensing authority shall also consider any information provided by the applicant regarding such criminal history record, including but not limited to evidence of rehabilitation, character references, and educational achievements, especially those items pertaining to the period of time between the applicant's last criminal conviction and the consideration of the application for a license.

(b) As used in paragraph (a) of this subsection (3), "criminal justice agency" means any federal, state, or municipal court or any governmental agency or subunit of such agency that performs the administration of criminal justice pursuant to a statute or executive order and that allocates a substantial part of its annual budget to the administration of criminal justice.

(c) At the time of the application for a license, the applicant shall submit fingerprints and file personal history information concerning the applicant's qualifications for a license on forms prepared by the state licensing authority. The state and local licensing authorities shall submit such fingerprints to the Colorado Bureau of Investigation for the purpose of conducting fingerprints-based criminal history record checks. The Colorado Bureau of Investigation shall forward the fingerprints to the Federal Bureau of Investigation for the purpose of conducting fingerprints-based criminal history record checks. An applicant who has previously submitted fingerprints for alcohol beverage licensing purposes may request that the fingerprints on file be used. The licensing authority shall use the information resulting from the fingerprints-based criminal history record check to investigate and to determine if an applicant is qualified for a license pursuant to this article and article 46 of this title. The licensing authority shall not be prohibited from verifying any of the information required to be submitted by an applicant pursuant to this section. An applicant shall not be required to submit additional information beyond that required in this subsection (3) unless the licensing authority has determined any of the following:



(I) The applicant has misrepresented a material fact:

(II) The applicant has an established criminal history record:

(III) A prior criminal or administrative proceeding determined that the applicant violated alcohol beverage laws;

(IV) The information submitted by an applicant is incomplete; or

(V) The character, record, or reputation of the applicant, his or her agent, or his or her principal is such that a potential violation of this article or article 46 of this title may occur if a license is issued to the applicant.

**12-47-308. Unlawful financial assistance.** (1) (a) It is unlawful for any person licensed pursuant to article 46 or 47 of this title as a manufacturer, limited winery licensee, wholesaler, or importer, or any person, partnership, association, organization, or corporation interested financially in or with any of said licensees, to furnish, supply, or loan, in any manner, directly or indirectly, to any person licensed to sell at retail pursuant to the provisions of this article or article 46 or 48 of this title any financial assistance or any equipment, fixtures, chattels, or furnishings used in the storing, handling, serving, or dispensing of food or alcohol beverages within the premises or for making any structural alterations or improvements in or on the building on which such premises are located. This section shall not apply to signs or displays within such premises.

(b) Notwithstanding the provisions of paragraph (a) of this subsection (1), any person or party described in said paragraph (a) may provide financial or in-kind assistance, directly or indirectly, to a nonprofit arts organization that has been issued an arts license pursuant to section 12-47-417 or to a state institution of higher education as defined in section 23-1-123(7)(d), C.R.S., or the governing board of such institution, or to an institution of higher education as defined in section 23-3.7-102, C.R.S., that is operating pursuant to 26 U.S.C. sec. 501(c)(3) of the federal "Internal Revenue Code of 1986", as amended, if the institution has been issued a license pursuant to article 46, 47, or 48 of this title.

(2) The state licensing authority, by rule and regulation, shall require a complete disclosure of all persons having a direct or indirect financial interest, and the extent of such interest, in each hotel and restaurant license and each retail gaming tavern license issued under this article. A willful failure to report and disclose the financial interests of all persons having a direct or indirect financial interest in a hotel and restaurant license or in a retail gaming tavern license shall be grounds for suspension or revocation of such license by the state licensing authority. The invalidity of any provision of this subsection (2) concerning interest in more than one hotel and restaurant license or retail gaming tavern license shall invalidate all interests in more than one hotel and restaurant license or retail gaming tavern license, and such invalidity shall make any such interest unlawful financial assistance.

(3)(a) It is unlawful for any person licensed to sell at retail pursuant to this article or article 46 of this title to receive and obtain from the persons or parties described and referred to in subsection (1) (a) of this section, directly or indirectly, any financial assistance or any equipment, fixtures, chattels, or furnishings used in the storing,

handling, serving, or dispensing of food or alcohol beverages within the premises or from making any structural alterations or improvements in or on the building on which such premises are located. This subsection (3) shall not apply to signs or displays within such premises or to advertising materials that are intended primarily to advertise the product of the wholesaler or manufacturer and that have only negligible value in themselves or to the inspection and servicing of malt or vinous liquor-dispensing equipment to the extent necessary for the maintenance of reasonable standards of purity, cleanliness, and health.

(b) Notwithstanding the provisions of paragraph (a) of this subsection (3), a nonprofit arts organization that has been issued an arts license pursuant to section 12-47-417 or a state institution of higher education as defined in section 23-1-123 (7) (d), C.R.S., or the governing board of such institution, or an institution of higher education as defined in section 23-3.7-102, C.R.S., that is operating pursuant to 26 U.S.C. sec. 501(c)(3) of the federal "Internal Revenue Code of 1986", as amended, if the institution has been issued a license pursuant to article 46,47, or 48 of this title, may receive financial or in-kind assistance, directly or indirectly, from the persons or parties described and referred to in subsection (1)(a) of this section.

(4)(a) Except as otherwise authorized, it is unlawful for any person or corporation holding any license pursuant to this article or article 46 of this title or any person who is a stockholder, director, or officer of any corporation holding a license pursuant to this article or article 46 of this title to be a stockholder, director, or officer or to be interested, directly or indirectly, in any person or corporation that lends money to any person or corporation licensed pursuant to this article or article 46 of this title, but this subsection (4) shall not apply to banks, savings and loan associations, or industrial banks supervised and regulated by an agency of the state or federal government, or to FHA-approved mortgagees, or to stockholders, directors, or officers thereof; and it is unlawful for any person or corporation licensed pursuant to this article or article 46 of this title, or any stockholder, director, or officer of such corporation, to make any loan or be interested, directly or indirectly, in any loan to any other person licensed pursuant to the provisions of this article or article 46 of this title; except that this paragraph (a) shall not apply to any financial institution that comes into possession of a licensed premises by virtue of a foreclosure or deed in lieu of foreclosure if such financial institution does not retain such premises for longer than one year or for such time exceeding one year as provided in paragraph (b) of this subsection (4).

(b) In the case of a financial institution that comes into possession of a licensed premises by virtue of a foreclosure or deed in lieu of foreclosure, the state and the local licensing authority may grant a transfer of ownership for such license for a period of one year and, upon notice and hearing, renewal of such license may be granted. This paragraph (b) shall apply in the case of every foreclosure or deed in lieu of foreclosure in which disposition of the license has not otherwise been made by the state or local licensing authority.

(5) It is unlawful for any owner, part owner, shareholder, stockholder, or person interested, directly or indirectly, in any retail business or establishment of a person licensed to sell at retail pursuant to the provisions of this article or article 46 or 48 of this title to enter into any agreement with any person or party or to receive, possess,

or accept any money, fixtures, supplies, or things of value from any person or party, whereby a person licensed to sell at retail pursuant to this article or article 46 or 48 of this title may be influenced or caused, directly or indirectly, to buy, sell, dispense, or handle the product of any manufacturer of alcohol beverages. This subsection (5) shall not apply to displays within such premises.

(6) Any transaction, agreement, or arrangement prohibited by the provisions of this section, if made and entered into by and between the persons and parties described and referred to in this section, is unlawful, illegal, invalid, and void, and any obligation or liability arising out of such transaction, agreement, or arrangement shall be unenforceable in any court of this state by or against any such persons and parties entering into such transaction, agreement, or arrangement.

(7) This section is intended to prohibit and prevent the control of the outlets for the sale of alcohol beverages by any persons or parties other than the persons licensed pursuant to the provisions of this article or article 46 or 48 of this title.

(8) It is unlawful for an owner, part owner, shareholder, or person interested directly or indirectly in a brew pub or vintner's restaurant license to conduct, own in whole or in part, or be directly or indirectly interested in a wholesaler's license issued under this article.

**12-47-309. Local licensing authority - applications - optional premises licenses.** (1) A local licensing authority may issue only the following malt, vinous, and spirituous liquor licenses upon payment of the fee specified in section 12-47-505:

- (a) Retail liquor store license;
- (b) Liquor-licensed drugstore license;
- (c) Beer and wine license;
- (d) Hotel and restaurant license;
- (e) Tavern license;
- (f) Brew pub license;
- (g) Club license;
- (h) Arts license;
- (i) Racetrack license;
- (j) Optional premises license;
- (k) Retail gaming tavern license.
- (i) Vintner's restaurant license.

(2) An application for any license specified in subsection (1) of this section or section 12-46-107 shall be filed with the appropriate local licensing authority on forms provided by the state licensing authority and containing such information as the state licensing authority may require. Each application shall be verified by the oath or affirmation of such persons as prescribed by the state licensing authority.

(3) The applicant shall file at the time of application plans and specifications for the interior of the building if the building to be occupied is in existence at the time. If the building is not in existence, the applicant shall file a plot plan and a detailed sketch for the interior and submit an architect's drawing of the building to be constructed. In its discretion, the local licensing authority may impose additional requirements necessary for the approval of the application.

**12-47-310. Optional premises license - local option.** (1) No optional premises license, or optional premises permit for a hotel and restaurant license, as defined in section 12-47-103(22)(a), shall be issued within any municipality or the unincorporated portion of any county unless the governing body of the municipality has adopted by ordinance, or the governing body of the county has adopted by resolution, specific standards for the issuance of optional premises licenses or for optional premises for a hotel and restaurant license. No municipality or county shall be required to adopt such standards or make such licenses available within its jurisdiction.

(2) In addition to all other standards applicable to the issuance of licenses under this article, the governing body may adopt additional standards for the issuance of optional premises licenses or for optional premises for a hotel and restaurant license that may include:

(a) The specific types of outdoor sports and recreational facilities that are eligible to apply for an optional premises license or an optional premises for a hotel and restaurant license;

(b) Restrictions on the number of optional premises that any one licensee may have on an outdoor sports or recreational facility;

(c) A restriction on the minimum size of any applicant's outdoor sports or recreational facility that would be eligible for the issuance of an optional premises license or optional premises for a hotel and restaurant license;

(d) Any other requirements necessary to ensure the control of the premises and the ease of enforcement.

(3) An applicant for a hotel and restaurant license who desires to sell or serve alcohol beverages on optional premises shall file with the optional premises permit application a list of the optional premises locations. Such application and list shall be filed with the state and local licensing authorities upon initial application, and each license year thereafter. Approval of the areas must be obtained from the state licensing authority and the local licensing authority. The decision of each authority shall be discretionary. In the event that the state and local licensing authorities allow the area or areas to be designated optional premises, no alcohol beverages may be served on the optional premises without the licensee having provided written

notice to the state and local licensing authorities forty-eight hours prior to serving alcohol beverages on the optional premises. Such notice shall contain the specific days and hours on which the optional premises are to be used. This subsection (3) shall not be construed to permit the violation of any other provision of this article under circumstances not specified in this subsection (3).

(4) An applicant for an optional premises license who desires to sell, dispense, or serve alcohol beverages on optional premises shall file with the optional premises license application a list of the optional premises locations and the area in which the applicant desires to store malt, vinous, and spirituous liquors for future use on the optional premises. The application and additional information shall be filed with the state and local licensing authorities upon initial application, and each license year thereafter. Approval of the license and areas must be obtained from the state licensing authority and the local licensing authority. The decision of each authority shall be discretionary. In the event that the state and local licensing authorities allow the area or areas to be designated optional premises, no alcohol beverages may be served on the optional premises without the licensee having provided written notice to the state and local licensing authorities forty-eight hours prior to serving alcohol beverages on the optional premises. Such notice shall contain the specific days and hours on which the optional premises are to be used. This subsection (4) shall not be construed to permit the violation of any other provision of this article under circumstances not specified in this subsection (4).

**12-47-311. Public notice - posting and publication.** (1) Upon receipt of an application, except an application for renewal or for transfer of ownership, the local licensing authority shall schedule a public hearing upon the application not less than thirty days from the date of the application and shall post and publish the public notice thereof not less than ten days prior to such hearing. Public notice shall be given by the posting of a sign in a conspicuous place on the premises for which application has been made and by publication in a newspaper of general circulation in the county in which the premises are located.

(2) Notice given by posting shall include a sign of suitable material, not less than twenty-two inches wide and twenty-six inches high, composed of letters not less than one inch in height and stating the type of license applied for, the date of the application, the date of the hearing, and the name and address of the applicant, and such other information as may be required to fully apprise the public of the nature of the application. If the applicant is a partnership, the sign shall contain the names and addresses of all partners, and if the applicant is a corporation, association, or other organization, the sign shall contain the names and addresses of the president, vice-president, secretary, and manager or other managing officers.

(3) Notice given by publication shall contain the same information as that required for signs.

(4) If the building in which the alcohol beverage is to be sold is in existence at the time of the application, any sign posted as required in subsections (1) and (2) of this section shall be placed so as to be conspicuous and plainly visible to the general public. If the building is not constructed at the time of the application, the applicant shall post the premises upon which the building is to be constructed in such a manner that the notice shall be conspicuous and plainly visible to the general public.

(5) (a) At the public hearing held pursuant to this section, any party in interest shall be allowed to present evidence and to cross-examine witnesses.

(b) As used in this subsection (5), "party in interest" means any of the following:

(I) The applicant;

(II) An adult resident of the neighborhood under consideration;

(III) The owner or manager of a business located in the neighborhood under consideration;

(IV) The principal or representative of any school located within five hundred feet of the premises for which a malt, vinous, or spirituous liquor license is under consideration.

(c) The local licensing authority, in its discretion, may limit the presentation of evidence and cross-examination so as to prevent repetitive and cumulative evidence or examination.

(d) Nothing in this subsection (5) shall be construed to prevent a representative of an organized neighborhood group that encompasses part or all of the neighborhood under consideration from presenting evidence subject to this section. Such representative shall reside within the neighborhood group's geographic boundaries and shall be a member of the neighborhood group. Such representative shall not be entitled to cross-examine witnesses or seek judicial review of the licensing authority's decision.

**12-47-312. Results of investigation - decision of authorities.** (1) Not less than five days prior to the date of hearing, the local licensing authority shall make known its findings based on its investigation in writing to the applicant and other interested parties. The local licensing authority has authority to refuse to issue any licenses provided in sections 12-47-309 (1) and 12-46-107 for good cause, subject to judicial review.

(2) (a) Before entering any decision approving or denying the application, the local licensing authority shall consider, except where this article specifically provides otherwise, the facts and evidence adduced as a result of its investigation, as well as any other facts, the reasonable requirements of the neighborhood for the type of license for which application has been made, the desires of the adult inhabitants, the number, type, and availability of alcohol beverage outlets located in or near the neighborhood under consideration, and any other pertinent matters affecting the qualifications of the applicant for the conduct of the type of business proposed; except that the reasonable requirements of the neighborhood shall not be considered in the issuance of a club liquor license. The reasonable requirements of the neighborhood may, but are not required to, be considered in the conversion or transfer of a liquor-licensed drugstore license to a retail liquor store license.

(b) Any petitioning otherwise required to establish the reasonable requirements of the neighborhood shall be waived for a bed and breakfast permit applicant unless

the local licensing authority has previously taken affirmative, official action to rescind the availability of such waiver in all subsequent cases.

(3) Any decision of a local licensing authority approving or denying an application shall be in writing stating the reasons therefor, within thirty days after the date of the public hearing, and a copy of such decision shall be sent by certified mail to the applicant at the address shown in the application.

(4) No license shall be issued by any local licensing authority after approval of an application until the building in which the business is to be conducted is ready for occupancy with such furniture, fixtures, and equipment in place as is necessary to comply with the applicable provisions of this article and article 46 of this title, and then only after inspection of the premises has been made by the licensing authority to determine that the applicant has complied with the architect's drawing and the plot plan and detailed sketch for the interior of the building submitted with the application.

(5) After approval of any application, the local licensing authority shall notify the state licensing authority of such approval, who shall investigate and either approve or disapprove such application.

**12-47-313. Restrictions for applications for new license.** (1) No application for the issuance of any license specified in section 12-47-309 (1) or 12-46-107 (1) shall be received or acted upon:

(a)(I) If such application for a malt, vinous, or spirituous liquor license concerns a particular location that is the same as or within five hundred feet of a location for which, within the two years next preceding the date of the application, the state or a local licensing authority denied an application for the same class of license for the reason that the reasonable requirements of the neighborhood and the desires of the adult inhabitants were satisfied by the existing outlets.

(II) Subparagraph (I) of this paragraph (a) shall not apply to cities in which limited gaming is permitted pursuant to section 9 of article XVIII of the state constitution.

(III) No licensing authority shall consider an application for any license to sell fermented malt beverages at retail if, within one year next preceding the date of the application, the state or a local licensing authority has denied an application at the same location for the reason that the reasonable requirements of the neighborhood or the desires of the inhabitants were satisfied by the existing outlets.

(b) Until it is established that the applicant is, or will be, entitled to possession of the premises for which application is made under a lease, rental agreement, or other arrangement for possession of the premises, or by virtue of ownership thereof;

(c) For a location in an area where the sale of alcohol beverages as contemplated is not permitted under the applicable zoning laws of the municipality, city and county, or county;

(d)(I) If the building in which the malt, vinous, or spirituous liquor is to be sold is located within five hundred feet of any public or parochial school or the principal

campus of any college, university, or seminary; except this provision shall not affect the renewal or reissuance of a license once granted or apply to licensed premises located or to be located on land owned by a municipality, or apply to an existing licensed premises on land owned by the state, or apply to a liquor license in effect and actively doing business before said principal campus was constructed, or apply to any club located within the principal campus of any college, university, or seminary that limits its membership to the faculty or staff of such institution;

(II) The distances referred to in subparagraph (I) of this paragraph (d) are to be computed by direct measurement from the nearest property line of the land used for school purposes to the nearest portion of the building in which liquor is to be sold, using a route of direct pedestrian access.

(III) The local licensing authority of any city and county, by rule or regulation, the governing body of any other municipality, by ordinance, and the governing body of any other county, by resolution, may eliminate or reduce the distance restrictions imposed by this paragraph (d) for any class of license, or may eliminate one or more types of schools or campuses from the application of any distance restriction established by or pursuant to this paragraph (d).

(IV) In addition to the requirements of section 12-47-312 (2), the local licensing authority shall consider the evidence and make a specific finding of fact as to whether the building in which the liquor is to be sold is located within any distance restrictions established by or pursuant to this section. This finding shall be subject to judicial review pursuant to section 12-47-802.

(2) An application for the issuance of a tavern or retail liquor store license may be denied under this article if the local licensing authority or the state on state-owned property determines, pursuant to section 12-47-301 (2) (b), that the issuance of such license would result in or add to an undue concentration of the same class of license and, as a result, require the use of additional law enforcement resources.

#### **PART 4 CLASSES OF LICENSES AND PERMITS**

**12-47-401. Classes of licenses.** (1) For the purpose of regulating the manufacture, sale, and distribution of malt, vinous, and spirituous liquors, the state licensing authority in its discretion, upon application in the prescribed form made to it, may issue and grant to the applicant a license from any of the following classes, subject to the provisions and restrictions provided by this article:

- (a) Manufacturer's license;
- (b) Limited winery license;
- (c) Nonresident manufacturer's license;
- (d) Importer's license;
- (e) Malt liquor importer's license;



- (f) Wholesaler's liquor license;
- (g) Wholesaler's beer license;
- (h) Retail liquor store license;
- (i) Liquor-licensed drugstore license;
- (j) Beer and wine license;
- (k) Hotel and restaurant license;
- (l) Tavern license;
- (m) Brew pub license;
- (n) Club license;
- (o) Arts license;
- (p) Racetrack license;
- (q) Public transportation system license;
- (r) Optional premises license;
- (s) Retail gaming tavern license.
- (t) Vintner's restaurant license.

**12-47-402. Manufacturer's license.** (1) A manufacturer's license shall be issued by the state licensing authority to persons distilling, rectifying, or brewing within this state for the following purposes only:

- (a) To produce, manufacture, or rectify malt, vinous, or spirituous liquors;
- (b) To sell malt or vinous liquors of their own manufacture within this state. Brewers or winers licensed under this section may solicit business directly from licensed retail persons or consumers by procuring a wholesaler's license as provided in this article; except that any malt liquor sold at wholesale by a brewer that has procured a wholesaler's license shall be unloaded and placed in the physical possession of a licensed wholesaler at the wholesaler's licensed premises in this state and inventoried for purposes of tax collection prior to delivery to a retailer or consumer. Wholesalers of malt liquors receiving products to be held as required by this paragraph (b) shall be liable for the payment of any tax due on such products under section 12-47-503 (1) (a).
- (c) To sell vinous or spirituous liquors of their own manufacture within the state to persons licensed by this article without procuring a wholesaler's license;

(d) To sell malt, vinous, or spirituous liquors in other states, the laws of which permit the sale of alcohol beverages;

(e) To sell for export to foreign countries if such export for beverage or medicinal purposes is permitted by the laws of the United States; but Colorado distillers, rectifiers, winers, and brewers licensed under this section may sell their products distilled, rectified, or brewed in this state directly to licensed retail licensees by procuring a wholesaler's license.

(2) Any winery that has received a license pursuant to this section is authorized to conduct tasting and sell vinous liquors of its own manufacture, as well as other vinous liquors manufactured by other Colorado wineries licensed pursuant to this section or section 12-47-403, on the licensed premises of the winery and at one other licensed sales room location at no additional cost, whether included in the license at the time of the original license issuance or by supplemental application.

(3) Any winery that has received a license pursuant to this section is authorized to serve and sell food, general merchandise, and nonalcoholic beverages for consumption on the premises of any licensed premises or to be taken by the consumer.

(3.5) A winery that has received a license pursuant to this section may ship wine directly to personal consumers if such winery also has received a winery direct shipper's permit under section 12-47-104.

(4)(a) It is unlawful for a manufacturer licensed under this article or any person, partnership, association, organization, or corporation interested financially in or with a licensed manufacturer to be interested financially, directly or indirectly, in the business of any person licensed to sell at retail pursuant to this article.

(b) It is unlawful for any licensed manufacturer of vinous or spirituous liquors or any person, partnership, association, organization, or corporation interested financially in or with such a licensed manufacturer to be interested financially, directly or indirectly, in the business of any vinous or spirituous wholesale licensee; except that any such financial interest that occurred on or before July 1, 1969, shall be lawful.

(5) Each applicant for a license as a brewer shall enter into a written contract with each wholesaler with which the applicant intends to do business that designates the territory within which the product of such applicant is sold by the respective wholesaler. The contract shall be submitted to the state licensing authority with an application, and such applicant, if licensed, shall have a continuing duty to submit any subsequent revisions, amendments, or superseding contracts to the state licensing authority.

(6)(a) Any manufacturer of spirituous liquors that has received a license pursuant to this section is authorized to conduct tastings and sell to customers spirituous liquors of its own manufacture on its licensed premises and at one other licensed sales room location at no additional cost. Such additional sales room location may be included in the license at the time of the original license issuance or by supplemental application.

(b) Any manufacturer of spirituous liquors that has received a license pursuant to this section is authorized to serve and sell food, general merchandise, and nonalcoholic beverages for consumption on the premises or to be taken off the premises by the consumer.

(c) Prior to operating an additional sales room location, a manufacturer of spirituous liquors that has received a license pursuant to this section shall send a copy of the application or supplemental application for an additional sales room to the local licensing authority in the jurisdiction in which such sales room is proposed. The local licensing authority may request that the proposed sales room location license be denied by the state licensing authority if the local licensing authority determines that issuance of the proposed sales room license would be in conflict with the reasonable requirements of the neighborhood and the desires of the adult inhabitants as evidenced by petitions, remonstrances, or otherwise.

(d) The state licensing agency shall not grant a license for an additional sales room unless the applicant has complied with local zoning restrictions and the provisions of section 12-47-301(2)(a).

**12-47-403. Limited winery license.** (1) A Colorado limited winery license shall be granted by the state licensing authority to an applicant that certifies that it will manufacture not more than one hundred thousand gallons, or the metric equivalent thereof, of vinous liquors within Colorado. Each limited winery licensee shall annually certify to the state licensing authority its compliance with this subsection (1) and shall be subject to revocation of its license for false certification.

(2) A limited winery licensee is authorized:

(a) To manufacture vinous liquors;

(b) To sell vinous liquors of its own manufacture within this state at wholesale, at retail, or to personal consumers, including if the limited winery also has received a winery direct shipper's permit under section 12-47-104, sales to be delivered by common carrier to personal consumers.

(c) To sell vinous liquors of its own manufacture in other states, the laws of which permit the sale of such wines and liquors;

(d) To sell vinous liquors of its own manufacture for export to foreign countries if such export is permitted by the laws of the United States;

(e) To conduct tastings and sell vinous liquors of its own manufacture, as well as vinous liquors manufactured by other Colorado wineries, on the licensed premises of the limited winery and up to five other licensed premises, whether included in the license at the time of the original license or by supplemental application;

(f) To serve and sell food, general merchandise, and nonalcohol beverages for consumption on the premises of any licensed premises or to be taken by the consumer.

(2.3) In order to encourage and maintain the integrity and authenticity of Colorado's viticultural identity, support the wine-grape and fruit growing industries in Colorado, and inform the consumer of the source of grapes and fruit used by Colorado limited wineries to produce vinous liquors, The Liquor Enforcement Division shall, after consultation with the Colorado wine industry and other interested parties from the alcohol beverage industry, within one year after the effective date of this subsection (2.3), enact rules for the implementation, standardization, and enforcement of appellation labeling requirements that are consistent with, and, with respect to the origin of the grapes and other fruit used to manufacture the vinous liquor, more informative than currently required by federal wine labeling Regulations, 27 CFR, Chapter 1, Part 4, "Labeling and Advertising of Wine" and related regulations. Colorado's labeling regulations shall apply to manufacturer licensed pursuant to Section 12-47-402, C.R.S., or a Colorado limited winery licensed under this section in the manufacture of the vinous liquor contained in the labeled bottle. Honey wine, including honey wine flavored with fruit, herbs, or spices, shall be exempt from the labeling requirements included in this section.

(2.7)(a) A winery may affix the phrase "Colorado Grown" to bottles of wine described in section 12-47-103 (6.5).

(b) Effective July 1, 2006, it shall be unlawful for a Colorado winery to make any misleading statement on its product label regarding the origin of grapes, fruit, or other agricultural products used to make vinous liquor. This paragraph (b) shall not be construed to apply to the winery's name or address or to an appellation allowed under federal regulations.

(3) A person who has a financial interest in a limited winery license and relinquishes such license to apply for another license under this article shall be prohibited from obtaining a limited winery license for three years from the date of issuance of such other license.

(4)(a) It is unlawful for any limited winery licensee or any person, partnership, association, organization, or corporation interested financially in or with a limited winery licensee to be interested financially, directly or indirectly, in the business of any person licensed to sell at retail pursuant to this article.

(b) It is unlawful for any limited winery licensee or any person, partnership, association, organization, or corporation interested financially in or with a limited winery licensee to be interested financially, directly or indirectly, in the business of any vinous or spirituous wholesale licensee.

**12-47-403.5. Wine festival permit.** (1) A wine festival permit application may be filed with the state licensing authority by any limited winery licensee or by any manufacturer licensee that is licensed to manufacture vinous liquors. The applicant shall specify the licensed premises for the first of the wine festivals to be held, which application shall be filed at least ten business days before such festival is to be held. The applicant shall include a twenty-five dollar annual processing fee with the application filed with the state licensing authority. Such fee shall entitle the permittee to use the wine festival permit for twelve months after the date of issuance, so long as such permittee notifies the state licensing authority and the appropriate local licensing authority of the location of all other wine festivals under this permit at

least ten business days before any such festival is to be held. A wine festival permit shall entitle the permittee to hold no more than nine wine festivals during the twelve-month period.

(2) The applicant shall be the licensee filing the application, but any wine festival permit that is issued as a result of such application shall be considered to be jointly held by the permittee and the participating limited winery licensees or manufacturer licensees that are licensed to manufacture vinous liquors.

(3) Notification of all subsequent festivals shall be by supplemental application, as approved by the state licensing authority.

(4) The state licensing authority may deny a wine festival permit or supplemental application for any of the following reasons:

(a) A documented history of violations of this article or rules issued under this article by any participating licensee;

(b) The filing of an incomplete or late application; or

(c) A finding that the application, if granted, would result in violations of this article or rules issued under this article or violations of the laws of a local government.

(5) After the issuance of an initial wine festival permit, all supplemental applications that are complete and filed in a timely manner shall be deemed approved unless the state licensing authority provides the permittee with a notice of denial at least seventy-two hours prior to the date of the event.

(6) The permittee and participating licensees are authorized to use the licensed premises jointly to conduct wine tastings and sell any vinous liquors manufactured by a Colorado limited winery or manufacturer licensed to manufacture vinous liquors. No wine festival permit shall authorize the permittee to use the licensed premises for more than seventy-two hours for any one wine festival.

(7) If a violation of this article occurs during a wine festival and the licensee responsible for the violation can be identified, such licensee may be charged and the appropriate penalties shall apply. If the responsible party cannot be identified, the state licensing authority may send a written notice to every licensee identified on the permit application and may fine each the same dollar amount, which amount shall not exceed twenty-five dollars per licensee or two hundred dollars in the aggregate. No joint fine levied pursuant to this subsection (7) shall apply to the revocation of the licensee's license under section 12-47-601.

(8) A joint fine levied pursuant to subsection (7) of this section shall not create or increase civil liability under section 12-47-801(3) for a participating licensee or create joint liability for such a licensee.

**12-47-404. Importer's license.** (1) (a) An importer's license shall be issued to persons importing vinous or spirituous liquors into this state for the following purposes only:

(I) To import and sell such liquors to wholesale liquor licensees;

(II) To solicit orders from retail licensees and fill such orders through wholesale liquor licensees.

(b) Such license shall not permit the licensee to maintain stocks of alcohol beverages in this state.

(2) It is unlawful for any licensed importer of vinous or spirituous liquors or any person, partnership, association, organization, or corporation interested financially in or with such a licensed importer to be interested financially, directly or indirectly, in the business of any vinous or spirituous wholesale licensee; except that any such financial interest that occurred on or before July 1, 1969, shall be lawful.

**12-47-405. Nonresident manufacturers and importers of malt liquor.** (1) A nonresident manufacturer's license shall be issued to persons brewing malt liquor outside the state of Colorado for the purposes listed in subsection (3) of this section.

(2) A malt liquor importer's license shall be issued to persons importing malt liquor into this state for the purposes listed in subsection (3) of this section.

(3) The licenses referred to in subsections (1) and (2) of this section shall be issued for the following purposes only:

(a) To import and sell malt liquors within the state of Colorado to persons licensed as wholesalers pursuant to this article;

(b) To maintain stocks of malt liquors and to operate malt liquor warehouses by procuring a malt liquor wholesaler's license for each such operation as provided in this article;

(c) To solicit orders from retail licensees and fill such orders through malt liquor wholesalers.

(4) Any person holding a nonresident manufacturer's license or a malt liquor importer's license shall also be eligible to obtain a vinous and spirituous liquor importer's license pursuant to section 12-47-404; except that each such license obtained shall be separate and distinct.

(5) Each manufacturer, nonresident manufacturer, and malt liquor importer shall enter into a written contract with each wholesaler with which such manufacturer, nonresident manufacturer, and malt liquor importer intends to do business that designates the territory within which the product of such manufacturer, nonresident manufacturer, and malt liquor importer is sold by the respective wholesaler. A manufacturer, nonresident manufacturer, and malt liquor importer shall not contract with more than one wholesaler to sell their products within the same territory. The contract shall be submitted to the state licensing authority with any application, and such applicant, if licensed, shall have a continuing duty to submit any subsequent revisions, amendments, or superseding contracts to the state licensing authority.

(6) It is unlawful for a nonresident manufacturer licensed under this article, or any person, partnership, association, organization, or corporation interested financially in or with such a licensee, to be interested financially, directly or indirectly, in the business of any person licensed to sell at retail pursuant to this article.

**12-47-406. Wholesaler's license.** (1) (a) A wholesaler's liquor license shall be issued to persons selling vinous or spirituous liquors at wholesale for the following purposes only:

(I) To maintain and operate one or more warehouses in this state to handle vinous or spirituous liquors;

(II) To take orders for vinous and spirituous liquors at any place and deliver vinous and spirituous liquors on orders previously taken to any place if the licensee has procured a wholesaler's liquor license and the place where orders are taken and delivered is a place regularly licensed pursuant to the provisions of this article;

(III) To package vinous and spirituous liquors that a licensed importer has legally transported into Colorado or that a licensed manufacturer has legally produced in Colorado.

(b) A wholesaler's beer license shall be issued to persons selling malt liquors at wholesale who designate to the state licensing authority on their application the territory within which the licensee may sell the designated products of any brewer as agreed upon by the licensee and the brewer of such products for the following purposes only:

(I) To maintain and operate warehouses and one salesroom in this state to handle malt liquors to be denominated a wholesale beer store;

(II) To take orders for malt liquors at any place within the territory designated on the license application and deliver malt liquors on orders previously taken to any place within the designated geographical territory, if the licensee has procured a wholesaler's beer license and the place where orders are taken and delivered is a place regularly licensed pursuant to the provisions of this article.

(c) Each license shall be separate and distinct, but any person may secure both licenses upon the payment in advance of both fees provided in this article.

(d) All malt, vinous, and spirituous liquors purchased by any licensee under this section, and all malt, vinous, and spirituous liquors shipped into this state by or to any such licensee, shall be placed in the physical possession of such licensee at the licensee's warehouse facilities prior to delivery to persons holding licenses under this article.

(e) (I) A brewer or importer licensed pursuant to this article shall not sell malt liquors to a wholesaler without having a written contract with such wholesaler that designates the specific products of such brewer or importer to be sold by the wholesaler and that establishes the territory within which the wholesaler may sell the designated products.

(II) A brewer or importer shall not contract with more than one wholesaler to sell the products of such brewer or importer within the same territory.

(2) It is unlawful for any licensed wholesaler or any person, partnership, association, organization, or corporation interested financially in or with a licensed wholesaler to be interested financially, directly or indirectly, in the business of any person licensed to sell at retail pursuant to this article.

(3) It is unlawful for a licensed wholesaler of vinous or spirituous liquors or any person, partnership, association, organization, or corporation interested financially in or with such a wholesaler to be interested financially in the business of any licensed manufacturer or importer of vinous or spirituous liquors; except that any such financial interest that occurred on or before July 1, 1969, shall be lawful.

**12-47-406.3. Termination of wholesalers-remedies-definitions.** (1)(a) Except as provided in subsections (2) to (4) of this section, no supplier shall terminate an agreement with a wholesaler unless all of the following occur:

(I) The wholesaler fails to comply with a provision of a written agreement between the wholesaler and the supplier;

(II) The wholesaler receives written notification by certified mail, return receipt requested, from the supplier of the alleged noncompliance and is afforded no less than sixty days in which to cure such noncompliance;

(III) The wholesaler fails to cure such noncompliance within the allotted sixty-day cure period; and

(IV) The supplier provides written notice by certified mail, return receipt requested, to the wholesaler of such continued failure to comply with the agreement. The notification shall contain a statement of the intention of the supplier to terminate or not renew the agreement, the reasons for termination or nonrenewal, and the date the termination or nonrenewal shall take effect.

(b) If a wholesaler cures an alleged noncompliance within the cure period provided in subparagraph (II) of paragraph (a) of this subsection (1), any notice of termination from a supplier to a wholesaler shall be null and void.

(2) A supplier may immediately terminate an agreement with a wholesaler, effective upon furnishing written notification to the wholesaler by certified mail, return receipt requested, for any of the following reasons:

(a) The wholesaler's failure to pay any account when due and upon written demand by the supplier for such payment, in accordance with agreed payment terms;

(b) The assignment or attempted assignment by the wholesaler for the benefit of creditors, the institution of proceedings in bankruptcy by or against the wholesaler, the dissolution or liquidation of the wholesaler, or the insolvency of the wholesaler;



(c) The revocation or suspension of, or the failure to renew for a period of more than fourteen days, a state, local, or federal license or permit to sell products in this state;

(d) Failure of an owner of a wholesaler to sell his or her ownership interest in the distribution rights to the supplier's products within one hundred twenty days after such owner of a wholesaler has been convicted of a felony that, in the supplier's sole judgment, adversely affects the goodwill of the wholesaler or supplier;

(e) A wholesaler has been convicted of, found guilty of, or pled guilty or nolo contendere to, a charge of violating a law or regulation of the United States or of this state if it materially and adversely affects the ability of the wholesaler or supplier to continue to sell its products in this state;

(f) Any attempted transfer of ownership of the wholesaler, stock of the wholesaler, or stock of any parent corporation of the wholesaler, or any change in the beneficial ownership or control of any entity, without obtaining the prior written approval of the supplier, except as may otherwise be permitted pursuant to a written agreement between the parties;

(g) Fraudulent conduct in the wholesaler's dealings with the supplier or its products, including the intentional sale of products outside the supplier's established quality standards;

(h) The wholesaler ceases to conduct business for five consecutive business days, unless such cessation is the result of an act of God, war, or a condition of national, state or local emergency; or

(i) Any sale of products, directly or indirectly, to customers located outside the territory assigned to the wholesaler by the supplier. This paragraph (i) shall not prohibit wholesalers from making sales to licensed retailers who buy off the wholesaler's dock, so long as the retailer's licensed location is within the wholesaler's assigned territory.

(3) The supplier shall have the right to terminate an agreement with a wholesaler at any time by giving the wholesaler at least ninety days' written notice by certified mail, return receipt requested, with copies by first-class mail to all other wholesalers in all other states who have entered into the same distribution agreement with the supplier.

(4) If a particular brand of products is transferred by purchase or otherwise from a supplier to a successor supplier, the following shall occur:

(a) The successor supplier shall notify the existing wholesaler of the successor supplier's intent not to appoint the existing wholesaler for all or part of the existing wholesaler's territory for the product. The successor supplier shall mail the notice of termination by certified mail, return receipt requested, to the existing wholesaler. The successor supplier shall include in the notice the names, addresses, and telephone numbers of the successor wholesalers.

(b)(I) The successor wholesaler shall negotiate with the existing wholesaler to determine the fair market value of the existing wholesaler's right to distribute the product in the existing wholesaler's territory immediately before the successor supplier acquired rights to the particular brand of products. The successor wholesaler and the existing wholesaler shall negotiate the fair market value in good faith.

(II) The existing wholesaler shall continue to distribute the product until payment of the compensation agreed to under subparagraph (I) of this paragraph (b), or awarded under paragraph (c) of this subsection (4), is received.

(c)(I) If the successor wholesaler and the existing wholesaler fail to reach a written agreement on the fair market value within thirty days after the existing wholesaler receives the notice required pursuant to paragraph (a) of this subsection (4), the successor wholesaler or the existing wholesaler shall send a written notice to the other party requesting arbitration pursuant to the Uniform Arbitration Act, part 2 of article 22 of title 13, C.R.S. Arbitration shall be held for the purpose of determining the fair market value of the existing wholesaler's right to distribute the product in the existing wholesaler's territory immediately before the successor supplier acquired rights to the particular brand of products.

(II) Notice of intent to arbitrate shall be sent, as provided in subparagraph (I) of this paragraph (c), not later than thirty-five days after the existing wholesaler receives the notice required pursuant to paragraph (a) of this subsection (4). The arbitration proceeding shall conclude not later than forty-five days after the date the notice of intent to arbitrate is mailed to a party.

(III) Any arbitration held pursuant to this subsection (4) shall be conducted in a city within this state that:

(a) Is closest to the existing wholesaler; and

(b) Has a population of more than twenty thousand.

(IV) Any arbitration held pursuant to this paragraph (c) shall be conducted before one impartial arbitrator to be selected by the American Arbitration Association or its successor. The arbitration shall be conducted in accordance with the rules and procedures of the Uniform Arbitration Act, part 2 of article 22 of title 13, C.R.S.

(V) An arbitrator's award in any arbitration held pursuant to this paragraph (c) shall be monetary only and shall not enjoin or compel conduct. Any arbitration held pursuant to this paragraph (c) shall be in lieu of all other remedies and procedures.

(VI) The cost of the arbitrator and any other direct costs of an arbitration held pursuant to this paragraph (c) shall be equally divided by the parties engaged in the arbitration. All other costs shall be paid by the party incurring them.

(VII) The arbitrator in any arbitration held pursuant to the paragraph (c) shall render a written decision not later than thirty days after the conclusion of the arbitration,

unless this time is extended by mutual agreement of the parties and the arbitrator. The decision of the arbitrator is final and binding on the parties. The arbitrator's award may be enforced by commencing a civil action in any court of competent jurisdiction. Under no circumstances may the parties appeal the decision of the arbitrator.

(VIII) An existing wholesaler or successor wholesaler who fails to participate in the arbitration hearings in any arbitration held pursuant to this paragraph (c) waives all rights the existing wholesaler or successor wholesaler would have had in the arbitration and is considered to have consented to the determination of the arbitrator.

(IX) If the existing wholesaler does not receive payment from the successor wholesaler of the settlement or arbitration award required under paragraph (b) or (c) of this subsection (4) within thirty days after the date of the settlement or arbitration award:

(A) The existing wholesaler shall remain the wholesaler of the product in the existing wholesaler's territory to at least the same extent that the existing wholesaler distributed the product immediately before the successor wholesaler acquired rights to the product; and

(B) The existing wholesaler is not entitled to the settlement or arbitration award.

(5)(a) Any wholesaler or supplier who is aggrieved by a violation of any provision of subsections (1) and (3) of this section shall be entitled to recovery of damages caused by the violation. Except for a dispute arising under subsection (4) of this section, damages shall be sought in a civil action in any court of competent jurisdiction.

(b) Any dispute arising under subsections (1) and (3) of this section may also be settled by such dispute resolution procedures as may be provided by a written agreement between the parties.

(6) Nothing in this section shall be construed to limit or prohibit good-faith settlements voluntarily entered into by the parties.

(7) Nothing in this section shall be construed to give an existing wholesaler or a successor wholesaler any right to compensation if an agreement with the existing wholesaler or successor wholesaler is terminated by a successor supplier pursuant to subsections (1) to (3) of this section.

(8) Nothing in this section shall apply to a manufacturer that produces less than three hundred thousand gallons of malt beverages per calendar year.

(9) As used in this section:

(a) "Existing wholesaler" means a wholesaler who distributes a particular brand of products at the time a successor supplier acquires rights to manufacture or import the particular brand of products.

(b) "Fair market value" means the value that would be determined in a transaction

entered into without duress or threat of termination of the existing wholesaler's right and shall include all elements of value, including goodwill and going-concern value.

(c) "Products" means fermented malt beverages and malt liquors.

(d) "Successor supplier" means a primary source of supply, a brewer, or an importer that acquires rights to a product from a predecessor supplier.

(e) "Successor wholesaler" means one or more wholesalers designated by a successor supplier to replace the existing wholesaler, for all or part of the existing wholesaler's territory, in the distribution the existing product or products.

(f) "Supplier" means any person, partnership, corporation, association, or other business enterprise that is engaged in the manufacturing or importing of products.

(g) "Wholesaler" means the holder of a Colorado wholesaler's beer license or wholesaler's license to sell fermented malt beverages.

**12-47-407. Retail liquor store license.** (1) A retail liquor store license shall be issued to persons selling only malt, vinous, and spirituous liquors in sealed containers not to be consumed at the place where sold. Malt, vinous, and spirituous liquors in sealed containers shall not be sold at retail other than in retail liquor stores except as provided in section 12-47-408. In addition, retail liquor stores may sell nonfood items related to the consumption of such liquors, liquor-filled candy, and food items approved by the state licensing authority that are prepackaged, labeled, directly related to the consumption of such liquors, and sold solely for the purpose of cocktail garnish in containers up to sixteen ounces. Nothing in this section shall be construed to authorize the sale of food items that could constitute a snack, a meal, or portion of a meal. Nothing in this section or in section 12-47-103 (31) shall be construed to prohibit the sale of items by a retail liquor store on behalf of or to benefit a charitable organization, as defined in section 39-26-102, C.R.S., or a nonprofit corporation subject to the "Colorado Revised Nonprofit Corporation Act", articles 121 to 137 of title 7, C.R.S., and determined to be exempt from federal income tax by the federal internal revenue service, if the retail liquor store does not receive compensation for any such sale. Nothing in this section shall prohibit a retail liquor store licensee, at the option of the licensee, from displaying promotional material furnished by a manufacturer or wholesaler, which material permits a customer to purchase other items from a third person if the retail liquor store licensee does not receive payment from the third person and if the ordering of the additional merchandise is done by the customer directly from the third person. Nothing in this subsection (1) shall prohibit a retail liquor licensee from allowing tastings to be conducted on his or her licensed premises if an authorization for the tastings has been granted pursuant to Section 12-47-301.

(2) Every person selling malt, vinous, and spirituous liquors in a retail liquor store shall purchase such malt, vinous, and spirituous liquors only from a wholesaler licensed pursuant to this article.

(3) A person licensed to sell at retail who complies with this subsection (3) and rules promulgated pursuant thereto may deliver malt, vinous, and spirituous liquors

to a person of legal age if such person is at a place that is not licensed pursuant to this section. The state licensing authority shall promulgate rules as are necessary for the proper delivery of malt, vinous, and spirituous liquors and shall have the authority to issue a permit to any person who is licensed to sell at retail and delivers such liquors pursuant to this subsection (3). Such permits shall be subject to the same suspension and revocation provisions as are set forth in section 12-47-601 for other licenses granted pursuant to this article.

(4) It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in a retail liquor store to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to this article; except that such a person may have an interest in an arts license or an airline public transportation system license granted under this article, or in a financial institution referred to in section 12-47-308 (4).

(5) A licensee under the provisions of section 12-47-408 with a valid license in effect on July 1, 2000, may apply to a local licensing authority to convert or transfer such license to a retail liquor store license issued under the provisions of this section and may continue to operate as a retail liquor store licensee notwithstanding the limitations with respect to location within five hundred feet from any public or parochial school or the principal campus of any college, university, or seminary pursuant to the provisions of section 12-47-313 (1) (d) (I). The local licensing authority may, but shall not be required to, consider the reasonable requirements of the neighborhood pursuant to section 12-47-312 in making a determination on the conversion or transfer to a retail liquor store license.

**12-47-408. Liquor-licensed drugstore license.** (1) A liquor-licensed drugstore license shall be issued to persons selling malt, vinous, and spirituous liquors in sealed containers not to be consumed at the place where sold. Nothing in this subsection (1) shall prohibit a liquor-licensed drugstore licensee from allowing tastings to be conducted on his or her licensed premises if an authorization for the tastings has been granted pursuant to Section 12-47-301.

(2) Every person selling malt, vinous, and spirituous liquors as provided in this section shall purchase such malt, vinous, and spirituous liquors only from a wholesaler licensed pursuant to this article.

(3) A liquor-licensed drugstore licensee who complies with this subsection (3) and rules promulgated pursuant thereto may deliver malt, vinous, and spirituous liquors to a person of legal age if such person is at a place that is not licensed pursuant to this section. The state licensing authority shall promulgate rules as are necessary for the proper delivery of malt, vinous, and spirituous liquors and shall have the authority to issue a permit to any liquor-licensed drugstore licensee that will allow such licensee to deliver such liquors pursuant to such rules and this subsection (3). Such permits shall be subject to the same suspension and revocation provisions as are set forth in sections 12-47-306 and 12-47-601 for other licenses granted pursuant to this article.

(4) It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in a liquor-licensed drugstore to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to this

article; except that such a person may have an interest in an arts license or an airline public transportation system license granted under this article, or in a financial institution referred to in section 12-47-308 (4).

(5) A licensee under the provisions of this section with a valid license in effect on July 1, 2000, may apply to a local licensing authority to convert or transfer such license to a retail liquor store license issued under the provisions of section 12-47-407 and may continue to operate as a retail liquor store licensee notwithstanding the limitations with respect to location within five hundred feet from any public or parochial school or the principal campus of any college, university, or seminary pursuant to the provisions of section 12-47-313(1)(d)(l). The local licensing authority may, but shall not be required to, consider the reasonable requirements of the neighborhood pursuant to section 12-47-312 in making a determination on the conversion or transfer to a retail liquor store license.

**12-47-409. Beer and wine license.** (1) A beer and wine license shall be issued to persons selling malt and vinous liquors for consumption on the premises, and such licensees shall have available for consumption on the premises during business hours sandwiches and light snacks, but need not have meals available for consumption.

(2)(a) Every person selling malt and vinous liquors as provided in this section shall purchase such malt and vinous liquors only from a wholesaler licensed pursuant to this article; except that any person selling malt and vinous liquors as provided in this section may purchase not more than five hundred dollars' worth of such malt and vinous liquors during a calendar year from a retail liquor store.

(b) Each purchase of malt and vinous liquors as provided in this section shall be evidenced by a purchase receipt showing the name of the retail liquor store, the date of purchase, a description of the malt or vinous liquor purchased, and the price paid for such purchase. Such receipt shall be retained and shall be available to the state and local licensing authorities at all times during business hours.

(3) It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in a beer and wine license to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to this article; except that such a person may have an interest in a license described in section 12-47-401(1)(j) to (1)(t) or 12-47-410 (1) or in a financial institution referred to in section 12-47-308(4).

**12-47-410. Bed and breakfast permit.** (1) In lieu of a hotel and restaurant license, a person operating a bed and breakfast with not more than twenty sleeping rooms that offers complimentary malt, vinous, or spirituous liquors for consumption only on the premises and only by overnight guests may be issued a bed and breakfast permit. A bed and breakfast permittee shall not sell alcohol beverages by the drink and shall not serve alcohol beverages for more than four hours in any one day.

(2) An applicant for a bed and breakfast permit is exempt from any fee otherwise assessable under section 12-47-501 (2) or 12-47-505 (4)(a), but is subject to all other fees and all other requirements of this article.

(3) A local licensing authority may, at its option, determine that bed and breakfast permits are not available within its jurisdiction.

(4) A bed and breakfast permit may be suspended or revoked in accordance with section 12-47-601 if the permittee violates any provision of this article or any rule adopted pursuant to this article or fails truthfully to furnish any required information in connection with a permit application.

(5) It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in a bed and breakfast permit to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to this article; except that a person regulated under this section may have an interest in other bed and breakfast permits, in a license described in section 12-47-401 (1)(j) to (1)(t), or in a financial institution referred to in section 12-47-308 (4).

**12-47-411. Hotel and restaurant license.** (1) Except as otherwise provided in subsection (2) of this section, a hotel and restaurant license shall be issued to persons selling malt, vinous, and spirituous liquors in the place where such liquors are to be consumed, subject to the following restrictions:

(a) Restaurants shall sell malt, vinous, and spirituous liquors as provided in this section only to customers of such restaurant and only if meals are actually and regularly served and provide not less than twenty-five percent of the gross income from sales of food and drink of the business of the licensed premises.

(b) Hotels shall sell malt, vinous, and spirituous liquors as provided in this section only to customers of said hotel and, except in hotel rooms, only on the licensed premises where meals are actually and regularly served and provide not less than twenty-five percent of the gross income from sales of food and drink of the business of the licensed premises.

(c) Any hotel and restaurant licensee who is open for business and selling malt, vinous, or spirituous liquors by the drink shall serve meals between the hours of 8 a.m. and 8 p.m. and meals or light snacks and sandwiches after 8 p.m.; except that nothing in this paragraph (c) shall be construed to require a licensee to be open for business between the hours of 8 a.m. and 8 p.m.

(d) A hotel may be designated as a resort complex if it has at least fifty sleeping rooms and has related sports and recreational facilities located contiguous or adjacent to the hotel for the convenience of its guests or the general public. For purposes of a resort complex only, "contiguous or adjacent" means within the overall boundaries or scheme of development or regularly accessible from the hotel by its members and guests.

(2)(a) A resort complex shall designate its principal licensed premises and additional separate, related facilities that are located contiguous or adjacent to the licensed premises of the resort complex. Each related facility shall be identified by the resort complex at the time of initial licensure or upon license renewal. Each related facility shall also be clearly identified by its geographic location within the overall boundaries of the licensed premises of the resort complex. A resort complex may apply for a resort-complex-related facility permit for each related facility at the time of initial

licensure, upon license renewal, or at any time upon application by the resort complex.

(b) Customers and guests who purchase alcohol beverages at one related facility are permitted to carry such beverages to other related facilities within the overall licensed premises boundaries of the resort complex.

(c) Each related facility shall remain at all times under the ownership and control of the resort complex licensee. Any subletting or transfer of ownership or change of control of a related facility without proper notification and approval by state and local licensing authorities shall be considered a violation of this article and will be cause for the denial, suspension, revocation, or cancellation of the license of the entire resort complex, including all of its related facilities, pursuant to section 12-47-601.

(d) Except as provided in this subsection (2), for violations of section 12-47-307, and for violations of this article and regulations promulgated pursuant to this article that are intentionally authorized by the ownership or management of a resort complex, each related facility shall be considered separately licensed or permitted for the purpose of application of the sanctions imposed under section 12-47-601.

(e) For purposes of this section, "related facility" means those areas, as approved by the state and local licensing authorities, that are contiguous or adjacent to the resort hotel and that are owned by or under the exclusive possession and control of the resort complex licensee. Related facilities shall include:

(I) Those indoor areas or facilities contiguous or adjacent to the licensed premises of the resort complex that are operated under a separate trade name and are used by resort complex patrons;

(II) Related outdoor sports and recreation facilities located contiguous or adjacent to the resort complex that are used by patrons of the resort complex for a fee; and

(III) Distinct areas or facilities contiguous or adjacent to the resort complex that are directly related to the resort complex use.

(3) Notwithstanding any provision of this article to the contrary, a hotel, licensed pursuant to this article, may:

(a) Furnish and deliver complimentary malt, vinous, and spirituous liquors in sealed containers for the convenience of its guests;

(b) Sell malt, vinous, and spirituous liquors provided by the hotel in sealed containers, at any time, by means of a minibar located in hotel guest rooms, to adult registered guests of the hotel for consumption in such guest rooms if the price of the malt, vinous, and spirituous liquors is clearly posted. For purposes of this section, "minibar" means a closed container, either nonrefrigerated or refrigerated in whole or in part, access to the interior of which is restricted by means of a locking device that requires the use of a key, magnetic card, or similar device or which is controlled at all times by the hotel.



(c) Enter into a contract with a lodging facility for the purpose of authorizing such lodging facility to sell malt, vinous, and spirituous liquors pursuant to paragraph (b) of this subsection (3) if such lodging facility and hotel share common ownership and are located within one thousand feet of one another. The malt, vinous, or spirituous liquors that may be sold pursuant to this paragraph (c) shall be provided by and subject to the control of the licensed hotel. For purposes of this paragraph (c), "common ownership" means a controlling ownership interest that is held by the same person or persons, whether through separate corporations, partnerships, or other legal entities. To determine whether the distance limitation referred to in this paragraph (c) is met, the distance from the property line of the land used for the lodging facility to the portion of the hotel licensed under this article shall be measured using the nearest and most direct routes of pedestrian access.

(4) The state licensing authority shall promulgate rules that prohibit the placement of a container of malt, vinous, or spirituous liquors in a minibar if such container has a capacity of more than five hundred milliliters.

(5) It is the intent of this section to require hotel and restaurant licensees to maintain a bona fide restaurant business and not a mere pretext of such for obtaining a hotel and restaurant license.

(6) (a) Every person selling malt, vinous, and spirituous liquors as provided in this section shall purchase such malt, vinous, and spirituous liquors only from a wholesaler licensed pursuant to this article.

(b) (I) Any person selling malt, vinous, and spirituous liquors as provided in this section may purchase not more than one thousand dollars' worth of such malt, vinous, and spirituous liquors during a calendar year from a retail liquor store.

(II) Each purchase of malt, vinous, or spirituous liquors as provided in this section shall be evidenced by a purchase receipt showing the name of the retail liquor store, the date of purchase, a description of the malt, vinous, or spirituous liquor purchased, and the price paid for such purchase. Such receipt shall be retained and shall be available to the state and local licensing authorities at all times during business hours.

(7) Each hotel and restaurant license shall be granted for specific premises, and optional premises approved by the state and local licensing authorities, and issued in the name of the owner or lessee of the business.

(8) Each hotel and restaurant licensee shall manage or have a separate and distinct manager and shall register the manager of each liquor-licensed premises with the state and the local licensing authority. No person shall be a registered manager for more than one hotel and restaurant license.

(9) The registered manager for each hotel and restaurant license or the hotel and restaurant licensee shall purchase malt, vinous, or spirituous liquors for one licensed premises only, and such purchases shall be separate and distinct from purchases for any other hotel and restaurant license.

(10) When a person ceases to be a registered manager of a hotel and restaurant license, for whatever reason, the hotel and restaurant licensee shall notify the licensing authorities within five days and shall designate a new registered manager within thirty days.

(11) Either the state or the local licensing authority may refuse to accept any person as a registered manager unless the person is satisfactory to the respective licensing authorities as to character, record, and reputation. In determining a registered manager's character, record, and reputation, the state or local licensing authority may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency.

(12) The hotel and restaurant licensee shall pay a registration fee not to exceed seventy-five dollars to the state and to the local licensing authority for actual and necessary expenses incurred in establishing the character, record, and reputation of each registered manager.

(13)(a) It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in a hotel and restaurant license to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to this article.

(b) Notwithstanding paragraph(a) of this subsection (13), an owner, part owner, shareholder, or person interested directly or indirectly in a hotel and restaurant license may conduct, own either in whole or in part, or be directly or indirectly interested in a license described in section 12-47-401(1)(j) to (1)(t) or 12-47-410(1) or in a financial institution referred to in section 12-47-308 (4).

**12-47-412. Tavern license.** (1) A tavern license shall be issued to persons selling malt, vinous, or spirituous liquors by the drink only to customers for consumption on the premises, and such licensee shall have available for consumption on the premises during business hours sandwiches and light snacks, but need not have meals available for consumption.

(2) (a) Every person selling malt, vinous, and spirituous liquors as provided in this section shall purchase such malt, vinous, and spirituous liquors only from a wholesaler licensed pursuant to this article; except that any person selling malt, vinous, and spirituous liquors as provided in this section may purchase not more than five hundred dollars' worth of such malt, vinous, and spirituous liquors during a calendar year from a retail liquor store.

(b) Each purchase of malt, vinous, or spirituous liquors as provided in this section shall be evidenced by a purchase receipt showing the name of the retail liquor store, the date of purchase, a description of the malt, vinous, or spirituous liquor purchased, and the price paid for such purchase. Such receipt shall be retained and shall be available to the state and local licensing authorities at all times during business hours.

(3) It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in tavern licenses to conduct, own either in whole or in part, or be directly or indirectly interested in another business licensed pursuant to this article;

except that such a person may have an interest in a license described in section 12-47-401(1)(j) to (1)(t) or 12-47-410 (1) or in a financial institution referred to in section 12-47-308 (4).

(4) Each tavern licensee shall manage or have a separate and distinct manager for each licensed premises and shall register the manager of each licensed premises with both the state and the local licensing authority. No person shall be a registered manager for more than one tavern license.

(5) The registered manager for each tavern license or the tavern licensee shall purchase malt, vinous, or spirituous liquors for one licensed premises only, and such purchases shall be separate and distinct from purchases for any other tavern license.

(6) When a person ceases to be a registered manager for a tavern license, for whatever reason, the tavern licensee shall notify the licensing authorities within five days and shall designate a new registered manager within thirty days.

(7) The state licensing authority or the local licensing authority may refuse to accept any person as a registered manager unless the person is satisfactory to the respective licensing authorities as to character, record, and reputation. In determining a registered manager's character, record, and reputation, the state or local licensing authority may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency.

(8) The tavern licensee shall pay a registration fee not to exceed seventy-five dollars for actual and necessary expenses incurred in determining the character, record, and reputation of each registered manager. Such fee shall be paid to both the state and the local licensing authority.

**12-47-413. Optional premises license.** (1) An optional premises license shall be granted for optional premises approved by the state and local licensing authorities to persons selling malt, vinous, and spirituous liquors by the drink only to customers for consumption on the optional premises and for storing malt, vinous, and spirituous liquors in a secure area on or off the optional premises for future use on the optional premises.

(2)(a) It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in an optional premises license to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to this article.

(b) Notwithstanding paragraph (a) of this subsection (2), an owner, part owner, shareholder, or person interested directly or indirectly in an optional premises license may own, either in whole or in part, or be directly or indirectly interested in a license described in section 12-47-401 (1)(j) to (1)(t) or 12-47-410 (1) or in a financial institution referred to in section 12-47-308 (4).

**12-47-414. Retail gaming tavern license.** (1) A retail gaming tavern license shall be issued to persons who are licensed pursuant to section 12-47.1-501 (1)(c), who sell malt, vinous, or spirituous liquors by individual drink for consumption on the premises, and who sell sandwiches or light snacks or who contract with an establishment that provides such food services within the same building as the licensed premises. In no event shall any person hold more than three retail gaming tavern licenses.

(2)(a) Every person selling malt, vinous, or spirituous liquors as described in this section shall purchase such liquors only from a wholesaler licensed pursuant to this article; except that any person selling malt, vinous, or spirituous liquors as provided in this section may purchase not more than five hundred dollars' worth of such liquors during a calendar year from a retail liquor store.

(b) Each purchase of malt, vinous, or spirituous liquors from a retail liquor store as provided in this section shall be evidenced by a purchase receipt showing the name of the retail liquor store, the date of purchase, a description of the malt, vinous, or spirituous liquor purchased, and the price paid for such purchase. Such receipt shall be retained and shall be available to the state and local licensing authorities at all times during business hours.

(3) Nothing in this article shall permit more than one retail gaming tavern license per building where the licensed premises are located.

(4) It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in a retail gaming tavern license to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to this article; except that such a person may have an interest in a license described in section 12-47-401(1)(j) to (1)(t) or 12-47-410 (1) or in a financial institution referred to in section 12-47-308 (4).

**12-47-415. Brew pub license.** (1) A brew pub license may be issued to any person operating a brew pub and also selling malt, vinous, and spirituous liquors in the place where such liquors are to be consumed. Effective January 1, 1997, a brew pub license shall be issued to any hotel and restaurant licensee operating a licensed brewery with no action required on the part of the hotel and restaurant licensee.

(2) During the hours established in section 12-47-901 (5) (b), malt liquors manufactured by a brew pub licensee on the licensed premises may be:

(a) Furnished for consumption on the premises;

(b) Sold to independent wholesalers for distribution to licensed retailers;

(c) Sold to the public in sealed containers for off-premises consumption. Only malt liquors manufactured and packaged on the premises by the licensee shall be sold in sealed containers.

(d) Sold at wholesale to licensed retailers in an amount up to three hundred thousand gallons per calendar year.

(3) Every person selling malt, vinous, and spirituous liquors pursuant to this section shall purchase such malt, vinous, and spirituous liquors, other than those that are manufactured at the licensed brew pub, from a wholesaler licensed pursuant to this article; except that not more than five hundred dollars' worth of malt, vinous, and spirituous liquors may be purchased during each calendar year from a retail liquor store. Each such purchase of malt, vinous, and spirituous liquors shall be evidenced by a purchase receipt showing the name of the retail liquor store, the date of purchase, a description of the liquor purchased, and the price paid for such purchase. Such receipt shall be retained and made available to state and local licensing authorities at all times during business hours.

(4) A brew pub licensee shall sell malt, vinous, and spirituous liquors for on-premises consumption only if at least fifteen percent of the gross on-premises food and drink income of the business of the licensed premises is from the sale of food. For purposes of this subsection (4), "food" means a quantity of foodstuffs of such nature as is ordinarily consumed by an individual at regular intervals for the purpose of sustenance.

(5)(a) It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in a brew pub license to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to this article.

(b) Notwithstanding paragraph (a) of this subsection (5), a person interested directly or indirectly in a brew pub license may conduct, own either in whole or in part, or be directly or indirectly interested in a license described in section 12-47-401 (1)(j) to (1) (t) or 12-47-410 (1) or in a financial institution referred to in section 12-47-308(4).

**12-47-416. Club license - legislative declaration.** (1) A club license shall be issued to persons selling malt, vinous, and spirituous liquors by the drink only to members of such club and guests and only for consumption on the premises of such club.

(2)(a) Every person selling malt, vinous, and spirituous liquors as provided in this section shall purchase such malt, vinous, and spirituous liquors only from a wholesaler licensed pursuant to this article; except that any person selling malt, vinous, and spirituous liquors as provided in this section may purchase not more than five hundred dollars' worth of such malt, vinous, and spirituous liquors during a calendar year from a retail liquor store.

(b) Each purchase of malt, vinous, or spirituous liquors as provided in this section shall be evidenced by a purchase receipt showing the name of the retail liquor store, the date of purchase, a description of the malt, vinous, or spirituous liquor purchased, and the price paid for such purchase. Such receipt shall be retained and shall be available to the state and local licensing authorities at all times during business hours.

(3)(a) The general assembly finds, determines, and declares that the people of the state of Colorado desire to promote and achieve tax equity and fairness among all the state's citizens and further desire to conform to the public policy of

nondiscrimination. The general assembly further declares that the provisions of this subsection (3) are enacted for these reasons and for no other purpose.

(b) Any club licensee which has a policy to restrict membership on the basis of sex, race, religion, color, ancestry, or national origin shall, when issuing a receipt for expenses which may otherwise be used by taxpayers for deduction purposes pursuant to section 162 (a) of the federal "Internal Revenue Code of 1986", as amended, for purposes of determining taxes owed pursuant to article 22 of title 39, C.R.S., incorporate a printed statement on the receipt as follows: The expenditures covered by this receipt are nondeductible for state income tax purposes.

(4) It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in a club license to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to this article; except that:

(a) Such a person may have an interest in an arts license or an airline public transportation system license granted under this article, or in a financial institution referred to in section 12-47-308 (4);

(b) Any person who owns, in whole or in part, directly or indirectly, any other license issued pursuant to this article may be listed as an officer or director on a club license if such person does not individually manage or receive any direct financial benefit from the operation of such license.

**12-47-417. Arts license.** (1) (a) An arts license may be issued to any nonprofit arts organization which sponsors and presents productions or performances of an artistic or cultural nature and shall permit the licensee to sell malt, vinous, and spirituous liquors only to patrons of such productions or performances for consumption on the licensed premises in connection with such productions and performances. No person licensed pursuant to this section shall permit any exterior or interior advertising concerning the sale of alcohol beverages on such premises.

(b) An arts license may be issued to any municipality owning arts facilities at which productions or performances of an artistic or cultural nature are presented, in the same manner as provided for in paragraph (a) of this subsection (1) and subject to the same restrictions.

(2) Any provision of this article to the contrary notwithstanding, the proximity of premises licensed pursuant to this section to any public or parochial school or the principal campus of a college, university, or seminary shall not, in and of itself, affect the granting or denial of such license by the state and the local licensing authority, but a public or parochial school shall not contain a licensed premises. The campus of a college, university, or seminary may contain a licensed premises.

(3) As used in this section, "nonprofit arts organization" means only an organization subject to the provisions of articles 121 to 137 of title 7, C.R.S., and held to be tax-exempt by the federal internal revenue service.

(4)(a) Every person selling malt, vinous, and spirituous liquors as provided in this section shall purchase such malt, vinous, and spirituous liquors only from a

wholesaler licensed pursuant to this article; except that any person selling malt, vinous, and spirituous liquors as provided in this section may purchase not more than five hundred dollars' worth of such malt, vinous, and spirituous liquors during a calendar year from a retail liquor store.

(b) Each purchase of malt, vinous, or spirituous liquors as provided in this section shall be evidenced by a purchase receipt showing the name of the retail liquor store, the date of purchase, a description of the malt, vinous, or spirituous liquor purchased, and the price paid for such purchase. Such receipt shall be retained and shall be available to the state and local licensing authorities at all times during business hours.

**12-47-418. Racetrack license.** (1) A racetrack licensee may sell malt, vinous, and spirituous liquors by the drink for consumption on the licensed premises only to customers of such racetrack and shall serve food as well as such liquors.

(2)(a) Every person selling malt, vinous, and spirituous liquors as provided in this section shall purchase such malt, vinous, and spirituous liquors only from a wholesaler licensed pursuant to this article; except that any person selling malt, vinous, and spirituous liquors as provided in this section may purchase not more than five hundred dollars' worth of such malt, vinous, and spirituous liquors during a calendar year from a retail liquor store.

(b) Each purchase of malt, vinous, or spirituous liquors as provided in this section shall be evidenced by a purchase receipt showing the name of the retail liquor store, the date of purchase, a description of the malt, vinous, or spirituous liquor purchased, and the price paid for such purchase. Such receipt shall be retained and shall be available to the state and local licensing authorities at all times during business hours.

(3) If any person holds a valid license pursuant to this article to sell malt, vinous, and spirituous liquors by the drink for consumption on the licensed premises, such person shall not be required to obtain a racetrack class license pursuant to this section if simulcast races with pari-mutuel wagering occur on such licensed premises.

(4) It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in a racetrack license to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to this article; except that a person licensed under this section may have an interest in a license described in section 12-47-401 (1)(j) to (1)(t) or 12-47-410 (1) or in a financial institution referred to in section 12-47-308 (4).

**12-47-419. Public transportation system license.** (1) A public transportation system license shall be issued by the state licensing authority to every person operating a public transportation system selling any malt, vinous, or spirituous liquors by the drink to be served and consumed in or upon any dining, club, or parlor car; plane; bus; or other conveyance of such public transportation system. A public transportation system license issued to a commercial airline shall be deemed to authorize such licensee to sell malt, vinous, or spirituous liquors by the drink in an airport or airport concourse private club room that is in existence and operated by

such licensee on or before April 1, 1995. A public transportation system license issued to a common carrier railroad shall be deemed to authorize such licensee to sell malt, vinous, or spirituous liquors by the drink at any event not open to the public that is held in a museum owned and operated by the licensee so long as the licensee has notified the appropriate local law enforcement agency of such event no later than fourteen days prior to the scheduled date of the event.

(2) It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in a public transportation system license to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to this article; except that a person licensed under this section may be interested in a license described in section 12-47-401 (1)(j) to (1)(t) or 12-47-410 (1) or in a financial institution referred to in section 12-47-308(4), and a licensed public transportation system may be interested in any other retail liquor license or in a financial institution referred to in section 12-47-308(4).

**12-47-420. Vintner's restaurant license.** (1) A vintner's restaurant license may be issued to a person operating a vintner's restaurant and also selling malt, vinous, and spirituous liquors in the place where such liquors are to be consumed.

(2) During the hours established in section 12-47-901(5)(b), vinous liquors manufactured by a vintner's restaurant licensee on the licensed premises may be:

(a) Furnished for consumption on the premises;

(b) Sold to independent wholesalers for distribution to licensed retailers;

(c) Sold to the public in sealed containers for off-premises consumption. Only vinous liquors fermented, manufactured, and packaged on the premises by the licensee shall be sold in sealed containers.

(d) Sold at wholesale to licensed retailers in an amount up to fifty thousand gallons per calendar year.

(3) Every person selling malt, vinous, and spirituous liquors pursuant to this section shall purchase such malt, vinous, and spirituous liquors, other than those that are manufactured at the licensed vintner's restaurant, from a wholesaler licensed pursuant to this article; except that not more than five hundred dollars' worth of malt, vinous, and spirituous liquors may be purchased during each calendar year from a retail liquor store. Each such purchase of malt, vinous, and spirituous liquors shall be evidenced by a purchase receipt showing the name of the retail liquor store, the date of purchase, a description of the liquor purchased, and the price paid for such purchase. Such receipt shall be retained and made available to state and local licensing authorities at all times during business hours.

(4) A vintner's restaurant license shall sell malt, vinous, and spirituous liquors for on-premises consumption only if at least fifteen percent of the gross on-premises food and drink income of the business of the licensed premises is from the sale of food.



(5)(a) Subject to paragraph (b) of this subsection (5), it is unlawful for an owner, part owner, shareholder, or person interested directly or indirectly in a vintner's restaurant license to conduct, own either in whole or in part, or be directly or indirectly interested in another business licensed pursuant to this article.

(b) A person interested directly or indirectly in a vintner's restaurant license may conduct, own either in whole or in part, or be directly or indirectly interested in a license described in section 12-47-401 (1)(j) to (1)(t) or 12-47-410 (1) or in a financial institution referred to in section 12-47-308(4).

**12-47-421. Removal of vinous liquor from licensed premises.**

(1) Notwithstanding any provision of this article to the contrary, a licensee described in subsection (2) of this section may permit a customer of the licensee to reseal and remove from the licensed premises one opened container of partially consumed vinous liquor purchased on the premises so long as the originally sealed container did not contain more than 750 milliliters of vinous liquor.

(2) The provisions of this section shall apply to a licensee:

(a) That is duly licensed as a manufacturer's licensee under section 12-47-402, a limited winery licensee under section 12-47-403, a beer and wine licensee under section 12-47-409, a hotel and restaurant licensee under section 12-47-411, a tavern licensee under section 12-47-412, a brew pub licensee under 12-47-415, or a vintner's restaurant licensee under section 12-47-420; and (b) that has meals, as defined in section 12-47-103 (20), available for consumption on the licensed premises.

**PART 5  
LICENSE FEES AND EXCISE TAXES**

**12-47-501. State fees.** (1) The following license fees shall be paid to the department of revenue annually in advance:

- (a) For each resident and nonresident manufacturer's license, the fee shall be:
  - (I) For each brewery, three hundred dollars;
  - (II) For each winery, three hundred dollars;
  - (III) For each distillery or rectifier, one thousand fifty dollars;
  - (IV) For each limited winery, seventy dollars;
- (b) For each importer's license, three hundred dollars;
- (c) For each wholesaler's liquor license, one thousand fifty dollars;
- (d) For each wholesaler's beer license, five hundred fifty dollars;
- (e) For each retail liquor store license, one hundred dollars;
- (f) For each liquor-licensed drugstore license, one hundred dollars;

- (g) For each beer and wine license, seventy-five dollars;
- (h) For each hotel and restaurant license, seventy-five dollars;
- (h.5) For each resort-complex-related facility permit, seventy-five dollars per related facility as defined in section 12-47-411 (2)(e);
- (i) For each tavern license, seventy-five dollars;
- (j) For each optional premises license, seventy-five dollars;
- (k) For each retail gaming tavern license, seventy-five dollars;
- (l) For each brew pub or vintner's restaurant license, three hundred twenty-five dollars;
- (m) For each club license, seventy-five dollars;
- (n) For each arts license, seventy-five dollars;
- (o) For each racetrack license, seventy-five dollars;
- (p) For each public transportation system license, seventy-five dollars for each dining, club, or parlor car; plane; bus; or other vehicle in which such liquor is sold. No additional license fee shall be required by any municipality, city and county, or county for the sale of such liquor in dining, club, or parlor cars; planes; buses; or other conveyances.
- (q) For each bed and breakfast permit, fifty dollars.

(1.5) Notwithstanding the amount specified for any fee in subsection (1) of this section, the executive director of the department of revenue by rule or as otherwise provided by law may reduce the amount of one or more of the fees if necessary pursuant to section 24-75-402 (3), C.R.S., to reduce the uncommitted reserves of the fund to which all or any portion of one or more of the fees is credited. After the uncommitted reserves of the fund are sufficiently reduced, the executive director by rule or as otherwise provided by law may increase the amount of one or more of the fees as provided in section 24-75-402 (4), C.R.S.

(2) The state licensing authority shall establish fees for processing the following types of applications, notices, or reports required to be submitted to the state licensing authority: Applications for new liquor licenses pursuant to section 12-47-304 and regulations thereunder; applications to change location pursuant to section 12-47-301 (9) and regulations thereunder; applications for transfer of ownership pursuant to section 12-47-303 (1) (c) and regulations thereunder; applications for modification of licensed premises pursuant to section 12-47-301 and regulations thereunder; applications for branch warehouse permits pursuant to section 12-47-406 and regulations thereunder; applications for approval of a contract to sell alcohol beverages pursuant to section 12-47-411 (3)(c); applications for warehouse storage permits pursuant to section 12-47-202 and regulations thereunder; applications for duplicate licenses; applications for wine shipment permits pursuant to section

12-47-104; sole source registrations or new product registrations pursuant to section 12-47-901 (3)(b); hotel and restaurant optional premises registrations; expired license renewal applications pursuant to section 12-47-302; and notice of change of name or trade name pursuant to section 12-47-301 and regulations thereunder. The amounts of such fees, when added to the other fees transferred to the liquor enforcement division and state licensing authority cash fund pursuant to sections 12-46-105, 12-47-502 (1), and 12-48-104, shall reflect the direct and indirect costs of the liquor enforcement division and the state licensing authority in the administration and enforcement of this article and articles 46 and 48 of this title. The state licensing authority may charge corporate applicants and limited liability companies licensed under articles 46 and 47 of this title a fee for the cost of each fingerprint analysis and background investigation undertaken to qualify new officers, directors, stockholders, members, or managers pursuant to the requirements of section 12-47-307 (1); however, the state licensing authority shall not collect such a fee if the applicant has already undergone a background investigation by and paid a fee to a local licensing authority. At least annually, the amounts of the fees shall be reviewed and, if necessary, adjusted to reflect such direct and indirect costs.

(3) Except as provided in subsection (4) of this section, the state licensing authority shall establish a basic fee which shall be paid at the time of service of any subpoena upon the state licensing authority or upon any employee of the division, plus a fee for meals and a fee for mileage at the rate prescribed for state officers and employees in section 24-9-104, C.R.S., for each mile actually and necessarily traveled in going to and returning from the place named in the subpoena. If the person named in the subpoena is required to attend the place named in the subpoena for more than one day, there shall be paid, in advance, a sum to be established by the state licensing authority for each day of attendance to cover the expenses of the person named in the subpoena.

(4) The subpoena fee established pursuant to subsection (3) of this section shall not be applicable to any state or local governmental agency.

**12-47-502. Fees and taxes - allocation.** (1)(a) All state license fees and taxes provided for by this article and all fees provided for by section 12-47-501 (2) and (3) for processing applications, reports, and notices shall be paid to the department of revenue, which shall transmit the fees and taxes to the state treasurer. The state treasurer shall credit eighty-five percent of the fees and taxes to the old age pension fund and the balance to the general fund.

(b) An amount equal to the revenues attributable to fifty dollars of each state license fee provided for by this article and the processing fees provided for by section 12-47-501 (2) and (3) for processing applications, reports, and notices shall be transferred out of the general fund to the liquor enforcement division cash fund. Such transfer shall be made by the state treasurer as soon as possible after the twentieth day of the month following the payment of such fees.

(c) The expenditures of the state licensing authority and the liquor enforcement division shall be paid out of appropriations from the liquor enforcement division and state licensing authority cash fund as provided in section 24-35-401, C.R.S.

(2) Eighty-five percent of the local license fees shall be paid to the department of revenue, which shall transmit the fees to the state treasurer to be credited to the old age pension fund.

**12-47-503. Excise tax - records.** (1)(a) An excise tax at the rate of 8.0 cents per gallon, or the same per unit volume tax applied to metric measure, on all malt liquors, fermented malt beverages, and hard cider, 7.33 cents per liter on all vinous liquors except hard cider, and 60.26 cents per liter on all spirituous liquors is imposed, and such taxes shall be collected on all such respective beverages, not otherwise exempt from the tax, sold, offered for sale, or used in this state; except that, upon the same beverages, only one such tax shall be paid in this state. The manufacturer thereof, the holder of a winery direct shipper's permit, or the first licensee receiving alcohol beverages in this state if shipped from without the state, shall be primarily liable for the payment of any tax or tax surcharge imposed pursuant to this section; but, if such beverage is transported by a manufacturer or wholesaler to a point outside of the state and there disposed of, then such manufacturer or wholesaler, upon the filing with the state licensing authority of a duplicate bill of lading, invoice, or affidavit showing such transaction, shall not be subject to the tax provided in this section on such beverages, and, if such tax has already been paid, it shall be refunded to said manufacturer or wholesaler. For purposes of this section, "manufacturer" includes brew pub licensees.

(b)(I) Repealed.

(II) Effective July 1, 2000, a wine development fee at the rate of 1.0 cent per liter is imposed on all vinous liquors except hard cider sold, offered for sale, or used in this state. An amount equal to one hundred percent of the wine development fee collected pursuant to this subparagraph (II) shall be transferred from the general fund to the Colorado wine industry development fund created in section 35-29.5-105, C.R.S. Such transfers shall be made by the state treasurer as soon as possible after the twentieth day of the month following the collection of such wine development fee.

(III) In addition to the excise tax imposed pursuant to paragraph (a) of this subsection (1) and the excise tax surcharge imposed pursuant to subparagraph (I) of this paragraph (b), an additional excise tax surcharge at the rate of 5.0 cents per liter for the first nine thousand liters, 3.0 cents per liter for the next thirty-six thousand liters, and 1.0 cent per liter for all additional amounts, is imposed on all vinous liquors except hard cider produced by Colorado licensed wineries and sold, offered for sale, or used in this state. An amount equal to one hundred percent of the excise tax surcharge collected pursuant to this subparagraph (III) shall be transferred from the general fund to the Colorado wine industry development fund created in section 35-29.5-105, C.R.S. Such transfers shall be made by the state treasurer as soon as possible after the twentieth day of the month following the collection of such excise tax surcharge.

(c) An excise tax of ten dollars per ton of grapes is imposed upon all grapes of the vinifera varieties or other produce used in the production of wine in this state by a licensed Colorado winery, or vintner's restaurant, whether true or hybrid. The excise tax imposed pursuant to this paragraph (c) shall be paid to the department of revenue by the licensed winery or vintner's restaurant at the time of purchase of the product

by the winery or vintner's restaurant or of importation of the product, whichever is later. An amount equal to one hundred percent of such excise tax shall be transferred from the general fund to the Colorado wine industry development fund created in section 35-29.5-105, C.R.S. Such transfers shall be made by the state treasurer as soon as possible after the twentieth day of the month following the collection of such excise tax.

(d) The policy of this state is that alcoholics and intoxicated persons may not be subjected to criminal prosecution because of their consumption of alcohol beverages, but rather should be afforded a continuum of treatment in order that they may lead normal lives as productive members of society. The general assembly finds that the cost of implementing a statewide treatment plan is greater than originally estimated. By increasing the excise tax on alcohol beverages in Colorado, it is the intent of this general assembly that the increased revenues derived from this subsection (1) be viewed as one of the sources of funding for the future development of alcoholism treatment programs under the statute enacted in 1973 and for the payment of other related direct and indirect costs caused by the consumption of alcohol beverages.

(2) The state licensing authority shall make and publish such rules and regulations to secure and enforce the collection and payment of such tax as it may deem proper if such rules and regulations are not inconsistent with the provisions of this article.

(3) Except as provided in paragraph (c) of subsection (1) of this section, the excise taxes and excise tax surcharges provided for in this section shall be paid to the department of revenue upon the filing of the return provided for in subsection (4) of this section and shall be delivered to the department on or before the twentieth day of the month following the month in which such alcohol beverages are first sold in this state. As used in this subsection (3), "first sold" means the sale or disposal that occurs when a licensed wholesaler sells, transfers, or otherwise disposes of a product, when a manufacturer sells to a licensed wholesaler or a consumer, or when a holder of a winery direct shipper's permit ships to a personal consumer in this state.

(4) Each licensed manufacturer and wholesaler of alcohol beverages within this state shall file, on or before the twentieth day of each month, an exact, verified return with the state licensing authority showing for the preceding calendar month the quantities of alcohol beverages:

- (a) Constituting the licensee's beginning and ending inventory for such month;
- (b) Manufactured by the licensee in this state;
- (c) Shipped to the licensee from within this state and received by the licensee in this state;
- (d) Shipped to the licensee from outside this state and received by the licensee in this state;
- (e) Sold or disposed of by the licensee to persons or purchasers in this state; and

(f) Sold or disposed of by the licensee to persons or purchasers outside this state, separately indicating those sales or transactions of alcohol beverages to which the excise tax is not applicable.

(4.5) Each holder of a winery direct shipper's permit under section 12-47-104 shall file, on or before the twentieth day of each calendar month, an exact, verified return with the state licensing authority showing for the preceding calendar month the quantities of vinous liquor shipped to personal consumers in this state.

(5) The return, on forms prescribed by the state licensing authority, shall also show the amount of excise tax payable, after allowances for all proper deductions, for alcohol beverages sold by the manufacturer or wholesaler, or holder of a winery direct shipper's permit in this state and shall include such additional information as the state licensing authority may require for the proper administration of this article. The payment of the excise tax provided for in this section, in the amount disclosed by the return, shall accompany the return and shall be paid to the department of revenue. Each manufacturer, wholesaler, or holder of a winery direct shipper's permit required to file a return shall keep complete and accurate books and records, accounts, and other documents as may be necessary to substantiate the accuracy of his or her return and the amount of excise tax due and shall retain such records for a period of three years.

(6) The state licensing authority, after public hearing of which the licensee shall have due notice as provided in this article, shall suspend or revoke any license or winery direct shipper's permit issued pursuant to this article for a failure to pay any excise tax required by this article and may suspend or revoke such license or permit for a violation of or failure to comply with the rules promulgated by said authority.

(7) If the excise tax is not paid when due, there shall be added to the amount of the tax as a penalty a sum equivalent to ten percent thereof and, in addition thereto, interest on the tax and a penalty at the rate of one percent a month or fraction of a month from the date the tax became due until paid. Nothing in this section shall be construed to relieve any person otherwise liable from liability for payment of the excise tax.

(8) The department of revenue shall make refund or allow a credit to the manufacturer, the wholesaler, or the holder of a winery direct shipper's permit, as the case may be, of the amount of the excise tax paid on alcohol beverages sold in this state when, after payment of the excise tax, such alcohol beverages are rendered unsalable by reason of destruction or damage upon submission of evidence satisfactory to the state licensing authority that such excise tax has actually been paid. Such refund or credit shall be made by the department within sixty days after the submission of evidence satisfactory to the department.

(9)(a) In order to economize and to simplify administrative procedures, the state licensing authority may authorize a procedure whereby a manufacturer or wholesaler of alcohol beverages or holder of a winery direct shipper's permit entitled by law to a refund of the tax provided in this section may instead receive a credit against the tax due on other sales by claiming said credit on the next month's return and attaching a duplicate bill of lading, invoice, or affidavit showing such transaction.

(b) To the extent and so long as federal law precludes this state from collecting its excise tax on vinous and spirituous liquors sold and delivered on ceded federal property, any manufacturer or wholesaler of such liquors making any such sales and deliveries on such federal property within the boundaries of this state may receive a refund of or a credit for the excise tax paid this state on such liquors.

**12-47-504. Lien to secure payment of taxes - exemptions - recovery.**

(1) (a) The state of Colorado and the department of revenue shall have a lien, to secure the payment of the taxes, penalties, and interest imposed pursuant to section 12-47-503 upon all the assets and property of the wholesaler or manufacturer owing such tax, including the stock in trade, business fixtures, and equipment owned or used by the wholesaler or manufacturer in the conduct of business, as long as a delinquency in the payment of such tax continues. Such lien shall be prior to any lien of any kind whatsoever, including existing liens for taxes.

(b) Any wholesaler and manufacturer or person in possession shall provide a copy of any lease pertaining to the assets and property described in paragraph (a) of this subsection (1) to the department of revenue within ten days after seizure by the department of such assets and property. The department shall verify that such lease is bona fide and notify the owner that such lease has been received by the department. The department shall use its best efforts to notify the owner of the real or personal property that might be subject to the lien created in paragraph (a) of this subsection (1). The real or personal property of an owner who has made a bona fide lease to a wholesaler or manufacturer shall be exempt from the lien created in paragraph (a) of this subsection (1) if such property can reasonably be identified from the lease description or if the lessee is given an option to purchase in such lease and has not exercised such option to become the owner of the property leased. This exemption shall be effective from the date of the execution of the lease. Such exemption shall also apply if the lease is recorded with the county clerk and recorder of the county where the property is located or based or a memorandum of the lease is filed with the department of revenue on such forms as may be prescribed by said department after the execution of the lease at a cost for such filing of two dollars and fifty cents per document. Motor vehicles that are properly registered in this state, showing the lessor as owner thereof, shall be exempt from the lien created in paragraph (a) of this subsection (1); except that said lien shall apply to the extent that the lessee has an earned reserve, allowance for depreciation not to exceed fair market value, or similar interest which is or may be credited to the lessee. Where the lessor and lessee are blood relatives or relatives by law or have twenty-five percent or more common ownership, a lease between such lessee and such lessor shall not be considered as bona fide for the purposes of this section.

(2)(a) Any wholesaler or manufacturer who files a return pursuant to section 12-47-503 but who fails to accompany it with payment of the excise tax disclosed on the return shall be sent a notice by the executive director of the department of revenue. Such notice shall state that the excise tax is due and unpaid and shall state the amount of the tax, penalty, and interest owed pursuant to section 12-47-503. The notice shall be sent by first-class mail and shall be directed to the last address of such wholesaler or manufacturer on file with the department of revenue.

(b)(I) If a wholesaler or manufacturer fails to file both the return and the payment required by section 12-47-503, the executive director of the department of revenue shall make an estimate, based upon such information as may be available, of the amount of taxes due for the period for which the wholesaler or manufacturer is delinquent and shall add any penalty and interest authorized in section 12-47-503. The executive director shall give the delinquent taxpayer written notice of such estimated tax, penalty, and interest, which notice shall be sent by first-class mail, and shall be directed to the last address of such person on file with the department of revenue.

(II) The remedies available to a taxpayer pursuant to article 21 of title 39, C.R.S., shall be available to any wholesaler or manufacturer who seeks to contest the estimated tax, penalty, or interest specified in the notice mailed pursuant to subparagraph (I) of this paragraph (b).

(3) If any taxes, penalties, or interest imposed pursuant to section 12-47-503 are not paid within ten days after the notice if mailed pursuant to subsection (2) of this section, the executive director of the department of revenue may seek to enforce collection of the unpaid amounts in accordance with the provisions of article 21 of title 39, C.R.S., to the extent that such provisions are not in conflict with or inconsistent with the provisions of this article.

**12-47-505. Local license fees.** (1) The following license fees shall be paid to the treasurer of the municipality, city and county, or county where the licensed premises is located annually in advance:

(a)(I) For each retail liquor store license for premises located within any municipality or city and county, one hundred fifty dollars;

(II) For each retail liquor store license for premises located outside the municipal limits of any municipality or city and county, two hundred fifty dollars;

(b)(I) For each liquor-licensed drugstore license for premises located within any municipality or city and county, one hundred fifty dollars;

(II) For each liquor-licensed drugstore license for premises located outside the municipal limits of any municipality or city and county, two hundred fifty dollars;

(c)(I) For each beer and wine license for premises located within any municipality or city and county, except as provided in subparagraph (III) of this paragraph (c), three hundred twenty-five dollars;

(II) For each beer and wine license for premises located outside the municipal limits of any municipality or city and county, except as provided in subparagraph (III) of this paragraph (c), four hundred twenty-five dollars;

(III) For each beer and wine license issued to a resort hotel, three hundred seventy-five dollars;

(d) For each hotel and restaurant license, five hundred dollars;



- (e) For each tavern license, five hundred dollars;
- (f) For each optional premises license, five hundred dollars;
- (g) For each retail gaming tavern license, five hundred dollars;
- (h) For each application for approval of a contract to sell alcohol beverages pursuant to section 12-47-411 (3) (c), three hundred twenty-five dollars;
- (i) For each brew pub or vintner's restaurant license, five hundred dollars;
- (j) For each club license, two hundred seventy-five dollars;
- (k) For each arts license, two hundred seventy-five dollars;
- (l) For each racetrack license, five hundred dollars;
- (m) For each bed and breakfast permit, twenty-five dollars;
- (n) For each resort-complex-related facility permit, one hundred dollars per related facility as defined in section 12-47-411 (2) (e).

(2) No rebate shall be paid by any municipality, city and county, or county of any alcohol beverage license fee paid for any such license issued by it except upon affirmative action by the respective local licensing authority rebating a proportionate amount of such license fee.

(3) Eighty-five percent of the local license fees provided for in this article and article 46 of this title shall be paid to the department of revenue, which shall transmit said fees to the state treasurer to be credited to the old age pension fund.

(4)(a) Each application for a license provided for in this article and article 46 of this title filed with a local licensing authority shall be accompanied by an application fee in an amount determined by the local licensing authority to cover actual and necessary expenses subject to the following limitations:

- (I) For a new license, not to exceed the following:
  - (A) On or before July 1, 2008, six hundred twenty-five dollars;
  - (B) After July 1, 2008, and before July 2, 2009, seven hundred fifty dollars;
  - (C) After July 1, 2009 and before July 2, 2010, eight hundred seventy-five dollars;
  - (D) After July 2, 2010, one thousand dollars;
- (II) For a transfer of location or ownership, not to exceed the following for each:
  - (A) On or before July 1, 2008, six hundred twenty-five dollars;
  - (B) After July 1, 2008, seven hundred fifty dollars;

(III) For a renewal of license, not to exceed the following; except that an expired license renewal fee shall not exceed five hundred dollars.

(A) On or before July 1, 2008, seventy-five dollars;

(B) After July 1, 2008, one hundred dollars.

(B) No fees or charges of any kind, except as provided in this article or article 46 of this title, may be charged by the local licensing authority to the license holder or applicant for the purposes of granting or renewing a license or transferring ownership or location of a license.

(5) The local licensing authority may charge corporate applicants and limited liability companies up to one hundred dollars for the cost of each fingerprint analysis and background investigation undertaken to qualify new officers, directors, stockholders, members, or managers pursuant to the requirements of section 12-47-307 (1); however, no local licensing authority shall collect such a fee if the applicant has already undergone a background investigation by and paid a fee to the state licensing authority.

## **PART 6 DISCIPLINARY ACTIONS**

**12-47-601. Suspension - revocation - fines.** (1) In addition to any other penalties prescribed by this article or article 46 or 48 of this title, the state or any local licensing authority has the power, on its own motion or on complaint, after investigation and public hearing at which the licensee shall be afforded an opportunity to be heard, to suspend or revoke any license or permit issued by such authority for any violation by the licensee or by any of the agents, servants, or employees of such licensee of the provisions of this article, or any of the rules or regulations authorized pursuant to this article or of any of the terms, conditions, or provisions of the license or permit issued by such authority. Any licensing authority has the power to administer oaths and issue subpoenas to require the presence of persons and the production of papers, books, and records necessary to the determination of any hearing that the licensing authority is authorized to conduct.

(2) Notice of suspension or revocation, as well as any required notice of such hearing, shall be given by mailing the same in writing to the licensee at the address contained in such license or permit. No such suspension shall be for a longer period than six months. If any license or permit is suspended or revoked, no part of the fees paid therefor shall be returned to the licensee. Any license or permit may be summarily suspended by the issuing licensing authority without notice pending any prosecution, investigation, or public hearing. Nothing in this section shall prevent the summary suspension of such license or permit for a temporary period of not more than fifteen days.

(3)(a) Whenever a decision of the state or any local licensing authority suspending a license or permit for fourteen days or less becomes final, whether by failure of the licensee to appeal the decision or by exhaustion of all appeals and judicial review, the licensee may, before the operative date of the suspension, petition for permission

to pay a fine in lieu of having the license or permit suspended for all or part of the suspension period. Upon the receipt of the petition, the state or the local licensing authority may, in its sole discretion, stay the proposed suspension and cause any investigation to be made which it deems desirable and may, in its sole discretion, grant the petition if it is satisfied:

(I) That the public welfare and morals would not be impaired by permitting the licensee to operate during the period set for suspension and that the payment of the fine will achieve the desired disciplinary purposes;

(II) That the books and records of the licensee are kept in such a manner that the loss of sales of alcohol beverages that the licensee would have suffered had the suspension gone into effect can be determined with reasonable accuracy therefrom; and

(III) That the licensee has not had his or her license or permit suspended or revoked, nor had any suspension stayed by payment of a fine, during the two years immediately preceding the date of the motion or complaint which has resulted in a final decision to suspend the license or permit.

(b) The fine accepted shall be the equivalent to twenty percent of the licensee's estimated gross revenues from sales of alcohol beverages during the period of the proposed suspension; except that the fine shall be not less than two hundred dollars nor more than five thousand dollars.

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

(4) Upon payment of the fine pursuant to subsection (3) of this section, the state or the local licensing authority shall enter its further order permanently staying the imposition of the suspension. If the fine is paid to a local licensing authority, the governing body of the authority shall cause such moneys to be paid into the general fund of the local licensing authority. Fines paid to the state licensing authority pursuant to subsection (3) of this section shall be transmitted to the state treasurer who shall credit the same to the general fund.

(5) In connection with any petition pursuant to subsection (3) of this section, the authority of the state or local licensing authority is limited to the granting of such stays as are necessary for it to complete its investigation and make its findings and, if it makes such findings, to the granting of an order permanently staying the imposition of the entire suspension or that portion of the suspension not otherwise conditionally stayed.

(6) If the state or the local licensing authority does not make the findings required in paragraph (a) of subsection (3) of this section and does not order the suspension permanently stayed, the suspension shall go into effect on the operative date finally set by the state or the local licensing authority.

(7) The provisions of subsections (3) to (6) of this section shall be effective and may be implemented by the state licensing authority upon its decision to accept

and adopt the optional procedures set forth in said subsections. The provisions of subsections (3) to (6) of this section shall be effective and may be implemented by a local licensing authority only after the governing body of the municipality, the governing body of the city and county, or the board of county commissioners of the county chooses to do so and acts, by appropriate resolution or ordinance, to accept and adopt the optional procedures set forth in said subsections. Any such actions may be revoked in a similar manner.

(8) Each local licensing authority shall report all actions taken to impose fines, suspensions, and revocations to the state licensing authority in a manner as required by the state licensing authority. No later than January 15 of each year, a report of the preceding year's actions in which fines, suspensions, or revocations were imposed by local licensing authorities and by the state licensing authority shall be compiled by the state licensing authority. One copy of said report shall be filed with the chief clerk of the house of representatives, one copy shall be filed with the secretary of the senate, and six copies shall be filed in the joint legislative library.

(9) When penalizing a vendor who has violated section 12-47-901(1)(a) by serving a minor during an underage compliance check, state and local licensing authorities shall consider it a mitigating factor if the vendor is a responsible alcohol beverage vendor as defined by part 10 of this article.

## **PART 7 INSPECTION OF BOOKS AND RECORDS**

**12-47-701. Inspection procedures.** Each licensee shall keep a complete set of books of account, invoices, copies of orders, shipping instructions, bills of lading, weigh bills, correspondence, and all other records necessary to show fully the business transactions of such licensee, all of which shall be open at all times during business hours for the inspection and examination of said state licensing authority or its duly authorized representatives. The state licensing authority may require any licensee to furnish such information as it considers necessary for the proper administration of this article, and may require an audit to be made of such books of account and records on such occasions as it may consider necessary by an auditor to be selected by said state licensing authority who shall likewise have access to all books and records of such licensee, and the expense thereof shall be paid by said licensee.

## **PART 8 JUDICIAL REVIEW AND CIVIL LIABILITY**

**12-47-801. Civil liability - legislative declaration.** (1) The general assembly hereby finds, determines, and declares that this section shall be interpreted so that any common law cause of action against a vendor of alcohol beverages is abolished and that in certain cases the consumption of alcohol beverages rather than the sale, service, or provision thereof is the proximate cause of injuries or damages inflicted upon another by an intoxicated person except as otherwise provided in this section.

(2) As used in this section, "licensee" means a person licensed under the provisions of this article or article 46 or 48 of this title and the agents or servants of such person.

(3) (a) No licensee is civilly liable to any injured individual or his or her estate for any injury to such individual or damage to any property suffered because of the intoxication of any person due to the sale or service of any alcohol beverage to such person, except when:

(I) It is proven that the licensee willfully and knowingly sold or served any alcohol beverage to such person who was under the age of twenty-one years or who was visibly intoxicated; and

(II) The civil action is commenced within one year after such sale or service.

(b) No civil action may be brought pursuant to this subsection (3) by the person to whom the alcohol beverage was sold or served or by his or her estate, legal guardian, or dependent.

(c) In any civil action brought pursuant to this subsection (3), the total liability in any such action shall not exceed one hundred fifty thousand dollars.

(4)(a) No social host who furnishes any alcohol beverage is civilly liable to any injured individual or his or her estate for any injury to such individual or damage to any property suffered, including any action for wrongful death, because of the intoxication of any person due to the consumption of such alcohol beverages, except when:

(I) It is proven that the social host knowingly served any alcohol beverage to such person who was under the age of twenty-one years; or knowingly provided the person under the age of twenty-one a place to consume an alcoholic beverage; and

(II) The civil action is commenced within one year after such service.

(b) No civil action may be brought pursuant to this subsection (4) by the person to whom such alcohol beverage was served or by his or her estate, legal guardian, or dependent.

(c) The total liability in any such action shall not exceed one hundred fifty thousand dollars.

(4.5) An instructor or entity that complies with section 18-13-122(3)(c), C.R.S., shall not be liable for civil damages resulting from the intoxication of a minor due to the minor's unauthorized consumption of alcohol beverages during instruction in culinary arts, food service, or restaurant management pursuant to section 18-13-122(3)(c), C.R.S.

(5)(a) The limitations on damages set forth in paragraph (c) of subsection (3) and paragraph (c) of subsection (4) of this section shall be adjusted for inflation as of January 1, 1998. The adjustment made on January 1, 1998, shall be based on the cumulative annual adjustment for inflation for each year since the effective date of

the damages limitations of paragraph (c) of subsection (3) and paragraph (c) of subsection (4) of this section. The adjustment made pursuant to this paragraph (a) shall be rounded upward or downward to the nearest ten-dollar increment.

(b) As used in this subsection (5), "inflation" means the annual percentage change in the United States department of labor, bureau of labor statistics, consumer price index for Denver-Boulder, all items, all urban consumers, or its successor index.

(c) The secretary of state shall certify the adjusted limitation on damages within fourteen days after the appropriate information is available, and such adjusted limitation on damages shall be the limitation applicable to all claims for relief that accrue on or after January 1, 1998.

**12-47-802. Judicial review.** Any person applying to the courts for a review of the state or any local licensing authority's decision shall apply for review within thirty days after the date of decision of refusal by a local licensing authority or, in the case of approval by a local licensing authority, within thirty days after the date of decision by the state licensing authority and shall be required to pay the cost of preparing a transcript of proceedings before the licensing authority when such a transcript is demanded by the person taking the appeal or when such a transcript is furnished by the licensing authority pursuant to court order.

## **PART 9 UNLAWFUL ACTS - ENFORCEMENT**

**12-47-901. Unlawful acts - exceptions.** (1) Except as provided in section 18-13-122, C.R.S., it is unlawful for any person:

(a) To sell, serve, give away, dispose of, exchange, or deliver or permit the sale, serving, giving, or procuring of any alcohol beverage to a visibly intoxicated person or to a known habitual drunkard;

(a.5)(I) To sell, serve, give away, dispose of, exchange, or deliver or permit the sale, serving, giving, or procuring of any alcohol beverage to or for any person under the age of twenty-one years.

(II) If a person is convicted of an offense pursuant to subparagraph (I) of this paragraph (a.5) for serving, giving away, disposing of, exchanging, or delivering or permitting the serving, giving, or procuring of any alcohol beverage to a person under the age of twenty-one years, the court shall consider the following in mitigation:

(A) After consuming the alcohol, the underage person was in need of medical assistance as a result of consuming alcohol; and

(B) Within six hours after the underage person consumed the alcohol, the defendant contacted the police or emergency medical personnel to report that the underage person was in need of medical assistance as a result of consuming alcohol.

(b) To obtain or attempt to obtain any alcohol beverage by misrepresentation of age or by any other method in any place where alcohol beverages are sold when such person is under twenty-one years of age;

(c) To possess alcohol beverages in any store, in any public place, including public streets, alleys, roads, or highways, or upon property owned by the state of Colorado or any subdivision thereof, or inside vehicles while upon the public streets, alleys, roads, or highways when such person is under twenty-one years of age;

(d) To knowingly, or under conditions that an average parent or guardian should have knowledge of, suffer or permit any person under twenty-one years of age, of whom such person may be a parent or guardian, to violate the provisions of paragraph (b) or (c) of this subsection (1);

(e) To buy any vinous or spirituous liquor from any person not licensed to sell at retail as provided by this article except as otherwise provided in this article;

(f) To sell at retail any malt, vinous, or spirituous liquors in sealed containers without holding a retail liquor store or liquor-licensed drugstore license;

(g) To manufacture, sell, or possess for sale any alcohol beverage unless licensed to do so as provided by this article or article 46 or 48 of this title and unless all licenses required are in full force and effect;

(h)(l) To consume malt, vinous, or spirituous liquor in any public place except on any licensed premises permitted under this article to sell such liquor by the drink for consumption thereon; to consume any alcohol beverage upon any premises licensed to sell liquor for consumption on the licensed premises, the sale of which is not authorized by the state licensing authority; to consume alcohol beverages at any time on such premises other than such alcohol beverage as is purchased from such establishment; or to consume alcohol beverages in any public room on such premises during such hours as the sale of such beverage is prohibited under this article.

(II) Notwithstanding subparagraph (l) of this paragraph (h), it shall not be unlawful for a person who is at least twenty-one years of age to consume malt, vinous, or spirituous liquors while such person is a passenger aboard a luxury limousine, as defined in section 40-16-101 (3), C.R.S., or a charter or scenic bus, as defined in section 40-16-101 (1.3), C.R.S. Nothing in this subparagraph (II) shall be construed to authorize an owner or operator of a luxury limousine or charter or scenic bus to sell or distribute malt, vinous, or spirituous liquors without obtaining a public transportation system license pursuant to section 12-47-419.

(III) Notwithstanding subparagraph (l) of this paragraph (h), it shall not be unlawful for adult patrons of a retail liquor store or liquor-licensed drugstore licensee to consume malt, vinous, or spirituous liquors on the licensed premises when the consumption is conducted within the limitations of the licensee's license and is part of a tasting if authorization for the tasting has been granted pursuant to Section 12-47-301.

(i) To regularly provide premises, or any portion thereof, together with soft drinks or other mix, ice, glasses, or containers at a direct or indirect cost or charge to any person who brings alcohol beverages upon such premises for the purpose of consuming such beverages on said premises during the hours in which the sale of such beverages is prohibited or to consume such beverages upon premises

operated in the manner described in this paragraph (i);

(j) To possess any package, parcel, or container on which the excise tax has not been paid;

(k) With knowledge, to permit or fail to prevent the use of his or her identification, including a driver's license, by a person who is under twenty-one years of age, for the unlawful purchase of any alcohol beverage;

(l) Who is a common carrier regulated under article 10 or 11 of title 40, C.R.S., or is an agent or employee of such common carrier, to deliver alcohol beverages for any person who has not been issued a license or permit pursuant to this article.

(m) To remove an alcohol beverage from a licensed retail gaming facility where the liquor license for such facility allows only on-premises consumption of alcohol beverages.

(1.5) An underage person and one or two other person shall be immune from criminal prosecution under paragraph (b) or (c) of subsection (1) of this section if they establish the following:

(a) One of the underage persons called 911 and reported that another underage person was in need of medical assistance due to alcohol consumption;

(b) The underage person who called 911 and, if applicable, one or two other persons acting in concert with the underage person who called 911 provided each of their names to the 911 operator;

(c) The underage person was the first person to make the 911 report; and

(d) The underage person and, if applicable, one or two other persons acting in concert with the underage person who made the 911 call remained on the scene with the underage person in need of medical assistance until assistance arrived and cooperated with medical assistance and law enforcement personnel on the scene.

(2) It is unlawful for any person licensed as a manufacturer or as a limited winery licensee pursuant to this article or article 46 of this title to manufacture alcohol beverages except in the permanent location specifically designated in the license for such manufacture.

(3)(a) It is unlawful for any person to import or sell any imported alcohol beverage in this state unless such person is the primary source of supply in the United States for the brand of such liquor to be imported into or sold within this state and unless such person holds a valid importer's license issued under the provisions of this article.

(b) If it is determined by the state licensing authority, in its discretion, as not constituting unfair competition or unfair practice, any importer may be authorized by said state licensing authority to import and sell under and subject to the provisions of such importer's license any brand of alcohol beverage for which he or she is not the primary source of supply in the United States if such licensee is the sole source



of supply of that brand of alcohol beverage in the state of Colorado and such authorization is determined by the state licensing authority as not constituting a violation of section 12-47-308.

(c) Any such manufacturer or importer shall, at least thirty days before the importation or sale of any such alcohol beverage in this state, file with the state licensing authority notice of intent to import one or more specified brands of such beverage, together with a statement that such manufacturer or importer is the primary source of supply in the United States for any such brand, unless exempted pursuant to paragraph (b) of this subsection (3), in which case, a statement that such manufacturer or importer is the sole source of supply of that brand of beverage in the state of Colorado, and, upon the request of the state licensing authority, a copy of the manufacturer's federal brand label approval form as required by the federal bureau of alcohol, tobacco, and firearms. Thereafter, said licensee shall file with the state licensing authority a copy of each sales invoice with a monthly sales report as required by section 12-47-503 (4) and (5).

(d) As used in this subsection (3), the term "primary source of supply in the United States" means the manufacturer, the producer, the owner of such alcohol beverage at the time it becomes a marketable product, the bottler in the United States, or the exclusive agent within the United States, or any of the states, of any such manufacturer, producer, owner, or bottler outside the United States. To be the "primary source of supply in the United States", the said manufacturer or importer must be the first source, such as the manufacturer or the source closest to the manufacturer, in the channel of commerce from which the product can be secured by Colorado alcohol beverage wholesalers.

(e) It is unlawful for any person licensed as an importer of alcohol beverages pursuant to this article to deliver any such beverages to any person not in possession of a valid wholesaler's license.

(4) It is unlawful for any person licensed to sell at wholesale pursuant to this article or article 46 of this title:

(a) To peddle malt, vinous, or spirituous liquor at wholesale or by means of a truck or other vehicle if the sale is consummated and delivery made concurrently, but nothing in this paragraph (a) shall prevent delivery from a truck or other vehicle of orders previously taken;

(b) To deliver fermented malt beverages or malt liquors to any retail licensee located outside the geographic territory designated on the license application filed with the state licensing authority if such person holds a wholesaler's beer license;

(c) To purchase or receive any alcohol beverage from any person not licensed pursuant to this article or article 46 of this title, unless otherwise provided in this article;

(d) To sell or serve any alcohol beverage to consumers for consumption on or off the licensed premises during any hours retailers are prohibited from selling or serving such liquors pursuant to subsection (5) of this section.

(5) It is unlawful for any person licensed to sell at retail pursuant to this article:

(a)(I) To sell an alcohol beverage to any person under the age of twenty-one years, to a habitual drunkard, or to a visibly intoxicated person, or to permit any alcohol beverage to be sold or dispensed by a person under eighteen years of age, or to permit any such person to participate in the sale or dispensing thereof. If a person who, in fact, is not twenty-one years of age exhibits a fraudulent proof of age, any action relying on such fraudulent proof of age shall not constitute grounds for the revocation or suspension of any license issued under this article or article 46 of this title. Notwithstanding any provision in this subparagraph (I) to the contrary, no person under twenty-one years of age shall be employed to sell or dispense malt, vinous, or spirituous liquors unless he or she is supervised by another person who is on premise and has attained twenty-one years of age. No employee of a tavern licensed pursuant to section 12-47-412, that does not regularly serve meals as defined in section 12-47-103 (20), or a retail liquor store shall sell malt, vinous, or spirituous liquors unless such person is at least twenty-one years of age.

(II) (A) If a licensee or a licensee's employee has reasonable cause to believe that a person is under twenty-one years of age and is exhibiting fraudulent proof of age in an attempt to obtain any alcohol beverage, the licensee or employee shall be authorized to confiscate such fraudulent proof of age, if possible, and shall, within seventy-two hours after the confiscation, turn it over to a state or local law enforcement agency. The failure to confiscate such fraudulent proof of age or to turn it over to a state or local law enforcement agency within seventy-two hours after the confiscation shall not constitute a criminal offense, notwithstanding section 12-47-903(1)(a).

(B) If a licensee or a licensee's employee believes that a person is under twenty-one years of age and is exhibiting fraudulent proof of age in an attempt to obtain any alcohol beverage, the licensee or the licensee's employee or any peace or police officer, acting in good faith and upon probable cause based upon reasonable grounds therefor, may detain and question such person in a reasonable manner for the purpose of ascertaining whether the person is guilty of any unlawful act under this section. Such questioning of a person by a licensee or a licensee's employee or a peace or police officer does not render the licensee, the licensee's employee, or a peace or police officer civilly or criminally liable for slander, false arrest, false imprisonment, malicious prosecution, or unlawful detention.

(III) Each licensee shall display a printed card that contains notice of the provisions of this paragraph (a).

(IV) Any licensee or licensee's employee acting in good faith in accordance with the provisions of subparagraph (II) of this paragraph (a) shall be immune from any liability, civil or criminal; except that a licensee or employee acting willfully or wantonly shall not be immune from liability pursuant to subparagraph (II) of this paragraph (a).

(b) To sell, serve, or distribute any malt, vinous, or spirituous liquors at any time other than the following:

(I) For consumption on the premises on any day of the week, except between the hours of 2 a.m. and 7 a.m.

(II) In sealed containers, on Monday through Saturday, beginning at 8 a.m. until 12 midnight each day; except that, for a limited winery or vintner's restaurant licensee, sales of vinous liquors in sealed containers or by the glass shall be permitted on Sunday beginning at 8 a.m. until 12 midnight. No malt, vinous, or spirituous liquors shall be sold, served, or distributed in a sealed container on Christmas day.

(c) Except as provided in section 18-13-122, C.R.S., it is unlawful for any person to sell fermented malt beverages to any person under the age of twenty-one years or to any person between the hours of 12 midnight and 5 a.m.

(d) To offer for sale or solicit any order for vinous or spirituous liquors in person at retail except within the licensed premises;

(e) To have in possession or upon the licensed premises any alcohol beverage, the sale of which is not permitted by said license;

(f) To buy any alcohol beverages from any person not licensed to sell at wholesale as provided by this article except as otherwise provided in this article;

(g) To sell at retail alcohol beverages except in the permanent location specifically designated in the license for such sale;

(h) To fail to display at all times in a prominent place a printed card with a minimum height of fourteen inches and a width of eleven inches with each letter to be a minimum of one-half inch in height, which shall read as follows:

#### **WARNING**

**IT IS ILLEGAL TO SELL WHISKEY, WINE, OR BEER TO ANY PERSON UNDER TWENTY-ONE YEARS OF AGE AND IT IS ILLEGAL FOR ANY PERSON UNDER TWENTY-ONE YEARS OF AGE TO POSSESS OR TO ATTEMPT TO PURCHASE THE SAME.**

**IDENTIFICATION CARDS WHICH APPEAR TO BE FRAUDULENT WHEN PRESENTED BY PURCHASERS MAY BE CONFISCATED BY THE ESTABLISHMENT AND TURNED OVER TO A LAW ENFORCEMENT AGENCY.**

**IT IS ILLEGAL IF YOU ARE TWENTY-ONE YEARS OF AGE OR OLDER FOR YOU TO PURCHASE WHISKEY, WINE, OR BEER FOR A PERSON UNDER TWENTY-ONE YEARS OF AGE.**

**FINES AND IMPRISONMENT MAY BE IMPOSED BY THE COURTS FOR VIOLATION OF THESE PROVISIONS.**

(i)(I) To sell malt, vinous, or spirituous liquors in a place where the same are to be consumed, unless such place is a hotel, restaurant, tavern, racetrack, club, retail gaming tavern, or arts licensed premises or unless such place is a dining, club, or parlor car; plane; bus; or other conveyance or facility of a public transportation system.

(II) Notwithstanding subparagraph (I) of this paragraph (i), it shall not be unlawful for a retail liquor store or liquor-licensed drugstore licensee to allow tastings to be

conducted on his or her licensed premises if authorization for the tastings has been granted pursuant to section 12-47-301.

(j) To display or cause to be displayed, on the licensed premises, any exterior sign advertising any particular brand of malt liquors unless the particular brand so designated in the sign is dispensed on draft or in sealed containers within the licensed premises wherein the sign is displayed;

(k)(I) To have on the licensed premises, if licensed as a retail liquor store or liquor-licensed drugstore, 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 such container; except that a person holding a retail liquor store or liquor-licensed drugstore license, may have upon the licensed premises malt, vinous, or spirituous liquors in open containers, when the open containers were brought on the licensed premises by and remain solely in the possession of the sales personnel of a person licensed to sell at wholesale pursuant to this article for the purpose of sampling malt, vinous, or spirituous liquors by the retail licensee only. Nothing in this paragraph (k) shall apply to any liquor-licensed drugstore where the contents, or a portion thereof, have been used in compounding prescriptions.

(II) Notwithstanding subparagraph (I) of this paragraph (k), it shall not be unlawful for a retail liquor store or liquor-licensed drugstore licensee to allow tastings to be conducted on his or her licensed premises if authorization for the tastings has been granted pursuant to Section 12-47-301.

(l) To employ or permit, if such person is licensed to sell alcohol beverages for on-premises consumption or is the agent or manager of said licensee, any employee, waiter, waitress, entertainer, host, hostess, or agent of said licensee to solicit from patrons in any manner, for himself or herself or for any other employee, the purchase of any food, beverage, or any other thing of value;

(m) To require a wholesaler to make delivery to any premises other than the specific hotel and restaurant premises where the malt, vinous, or spirituous liquor is to be sold and consumed if such person is a hotel and restaurant licensee or the registered manager of a hotel and restaurant license requires such delivery;

(n)(I) To authorize or permit any gambling, or the use of any gambling machine or device, except as provided by the "Bingo and Raffles Law", article 9 of this title. The provisions of this paragraph (n) shall not apply to those activities, equipment, and devices authorized and legally operated pursuant to articles 47.1 and 60 of this title.

(II) Any person who violates any provision of this paragraph (n) is guilty of a class 5 felony and, upon conviction thereof, shall be punished as provided in section 18-1-105, C.R.S.

(o) To authorize or permit toughperson fighting as defined in section 12-10-103.

(6) It is unlawful for any importer, manufacturer, or brewer to sell or to bring into this state for purposes of sale any fermented malt beverage or any malt liquor without

causing the same to be unloaded and placed in the physical possession of a licensed wholesaler at the wholesaler's licensed premises in this state and to be inventoried for purposes of tax collection prior to delivery to a retailer or consumer.

(7)(a) It is unlawful for any person licensed pursuant to this article or article 46 of this title to give away fermented malt beverages for the purpose of influencing the sale of any particular kind, make, or brand of any malt beverage and to furnish or supply any commodity or article at less than its market price for said purpose, except advertising material and signs.

(b) Notwithstanding paragraph (a) of this subsection (7), it shall not be unlawful for a retail liquor store or liquor-licensed drugstore licensee to allow tastings to be conducted on his or her licensed premises if authorization for the tastings has been granted pursuant to Section 12-47-301.

(8) It is unlawful for any manufacturer or wholesaler licensed pursuant to article 46 of this title to sell, deliver, or cause to be delivered to any retail licensee any beverage containing alcohol in excess of three and two-tenths percent by weight or four percent by volume, or for any fermented malt beverage retailer to sell, possess, or permit the consumption on the premises of any of the beverages containing alcohol in excess of three and two-tenths percent by weight or four percent by volume, or for any fermented malt beverage retail licensee to hold or operate under any license for the sale of any beverages containing alcohol in excess of three and two-tenths percent by weight or four percent by volume for the same premises. Any violation by any fermented malt beverage licensee of the provisions of this subsection (8) shall immediately cause the cancellation of the license granted under this article.

(9) It is unlawful for a retail gaming licensee who holds a license issued by the limited gaming commission to knowingly permit the removal of an alcohol beverage from a licensed premises that is licensed only for on-premises consumption of alcohol beverages. A retail gaming licensee who holds a license issued by the limited gaming commission shall not be charged with permitting the removal of an alcohol beverage from the licensed premises when the licensee has either:

(a) Stationed personnel at each exit used by the public in order to prevent the removal of an alcohol beverage from the premises; or

(b) Posted a sign at least twelve inches wide and eighteen inches high by each exit used by the public that contains the following notice in type that is at least one-half inch in height:

**"WARNING**

**DO NOT LEAVE THE PREMISES OF THIS ESTABLISHMENT WITH AN ALCOHOL BEVERAGE.**

**IT IS ILLEGAL TO CONSUME AN ALCOHOL BEVERAGE IN A PUBLIC PLACE.**

**A FINE OF UP TO \$250 MAY BE IMPOSED BY THE COURTS FOR A VIOLATION OF THIS PROVISION."**

**12-47-902. Testing for intoxication by law enforcement officers - when prohibited.**

(1) No person who is patronizing a licensed premises as defined in sections 12-47-103 (14) and 12-46-103 (3) shall be required or solicited by any law enforcement officer to submit to any mechanical test for the purpose of determining the alcohol content of such person's blood or breath while such person is upon such licensed premises except to determine if there is a violation of section 42-4-1301, C.R.S., by a driver of a motor vehicle unless the law enforcement officer is acting pursuant to a court order obtained in the manner described in subsection (2) of this section. No such test may be performed upon any licensed premises to obtain evidence of alleged intoxication, except pursuant to a court order as provided in this section or in case of a medical emergency, regardless of whether such alleged intoxication is a violation of any provision of this article.

(2) An ex parte order to permit any law enforcement officer to solicit any person who is patronizing a licensed premises as defined in sections 12-47-103 (14) and 12-46-103 (3) to submit to any mechanical test for the purpose of determining the alcohol content of such person's blood or breath while such person is upon such licensed premises may be issued by any judge of competent jurisdiction in the state of Colorado, including a district, county, or municipal court judge, upon application of a district attorney or a law enforcement agency showing probable cause to believe that evidence will be obtained of the commission of the crime of providing any alcohol beverage to a visibly intoxicated person or minor in violation of section 12-47-901 (1) (a) or (5) (a) (I).

(3) Each application for an ex parte order as described in subsection (2) of this section shall be made in writing upon oath or affirmation to a judge of competent jurisdiction, including a district, county, or municipal court judge, and shall state the applicant's authority to make such application. Each application shall include the following information:

(a) The identity of the investigative or law enforcement officer making the application, and the officer authorizing the application;

(b) A complete statement of the facts and circumstances relied upon by the applicant to justify his or her belief that an order should be issued, which shall include, but not be limited to:

(I) A sufficient description of the licensed premises that is proposed to be the subject of the court order;

(II) Evidence that shows probable cause to believe that there have been frequent and continuing violations of section 12-47-901 (1) (a) or (5) (a) (I) regarding the crime of providing any alcohol beverage to a visibly intoxicated person or minor; and

(III) A complete statement as to whether or not other investigative procedures have been tried and failed, or why other investigative procedures reasonably appear to be impractical for economic or other reasons or unlikely to succeed if tried.

(4) Upon an application being made in accordance with subsection (3) of this section, the judge may enter an ex parte order, as requested or as modified, authorizing or approving testing as described in subsection (2) of this section in a

particular licensed premises located within the territorial jurisdiction of the court in which the judge is sitting, and within the jurisdiction of the district attorney or law enforcement agency making the request, if the judge determines on the basis of the facts submitted by the applicant that:

(a) There is probable cause to believe that there have been frequent and continuing violations of section 12-47-901 (1) (a) or (5) (a) (I) regarding the crime of providing an alcohol beverage to a visibly intoxicated person or minor; and

(b) Normal investigative procedures have been tried and failed, or reasonably appear impractical for economic or other reasons or unlikely to succeed if tried.

(5) Any order issued pursuant to subsection (4) of this section, the application for such order, and any information or evidence submitted to the court in support of such order, shall not be disclosed to any person other than the law enforcement officer or agency that applied for the order until the order has been executed at the licensed premises to which the order applies.

(6) Any evidence obtained through any violation of this section shall not be admissible in any court of this state or in any administrative proceeding in this state.

**12-47-902.5. Alcohol-without-liquid devices - Legislative Declaration-unlawful acts.** (1)(a) The General Assembly hereby finds and declares that:

(I) Alcohol-without-liquid (AWOL) devices create alcohol vapor by pouring alcohol into a diffuser capsule connected to an oxygen pipe;

(II) AWOL devices enable individuals to inhale or snort the alcohol vapor created from certain alcohol beverages through a tube into the nose or mouth rather than drink the alcohol beverage in its liquid form through the mouth;

(III) Alcohol vapor ingested from an AWOL device bypasses the stomach and the filtering capabilities of the liver and is absorbed through blood vessels in the nose or lungs creating a faster and more intense "high" or intoxicating effect on the brain;

(IV) The popularity of AWOL devices is increasing in the nightclub and bar businesses throughout the nation; and

(V) AWOL devices are being marketed as a way to become intoxicated without a hangover and as a "dieter's dream" because there are no calories associated with inhaling or snorting alcohol vapor.

(b) The General Assembly, therefore, determines that:

(I) AWOL devices will substantially increase the economic costs of alcohol abuse in Colorado;

(II) AWOL devices are not conducive to the health, safety, and welfare of the citizens of Colorado; and

(III) The possession, sale, purchase, and use of AWOL devices in the state should be prohibited.

(2) For purpose of this section, "AWOL Device" means a device, machine, apparatus, or appliance that mixes an alcohol beverage with pure diluted oxygen to produce an alcohol vapor that an individual can inhale or snort. "AWOL device" does not include an inhaler, nebulizer, atomizer, or other device that is designed and intended by the manufacturer to dispense a prescribed or over-the-counter medication.

(3) Except as otherwise provided in subsection (5) of this section, it is unlawful for a person to possess, purchase, sell, offer to sell, or use an AWOL device in this state. A person who violates this section shall be punished in accordance with the provisions of section 12-47-903(2).

(4) In addition to the penalty imposed by this section, if a person that violates subsection (3) of this section is a licensee, the state or local licensing authority may suspended or revoke the license of the licensee in accordance with the provisions of section 12-47-601.

(5)(a) Subsection (3) of this section shall not apply to a hospital, as defined in section 25.5-1, 503(3), C.R.S., that operates primarily for the purpose of conducting scientific research, a state institution conducting bona fide research, a private college or university, as defined in section 23-2-102(3), C.R.S, conducting bona fide research, or to a pharmaceutical company or biotechnology company conducting bona fide research and that complies with the provisions of this subsection (5).

(b) A hospital, state institution, private college or university, pharmaceutical company, or biotechnology company that possesses an AWOL device or that intends to acquire an AWOL device, shall, by September 1, 2005, or within thirty days prior to the acquisition, whichever is later, file with the Colorado Department of Health and Environment or its designee a notice of possession of AWOL device or a notice of acquisition of AWOL device, as appropriate.

**12-47-903. Violations - penalties.** (1) (a) Any person violating any of the provisions of this article or article 46 or 48 of this title or any of the rules and regulations authorized and adopted pursuant to such articles is guilty of a class 2 petty offense and, upon conviction thereof, shall be punished by a fine of not more than two hundred fifty dollars for each offense.

(b) The penalties provided in this section shall not be affected by the penalties provided in any other section of this article or article 46 or 48 of this title but shall be construed to be in addition to any other penalties.

(2) Any person violating any of the provisions of section 12-47-901(1) (a), (1) (f), (1) (g), (1) (i), (1) (k), (1) (l), (5) (a) (I), or (5) (b) or section 12-47-902.5 commits a class 2 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S.

(2.5) A person violating the provisions of section 12-47-901(l)(a.5) commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S.



(3) Any person violating any of the provisions of section 12-47-901 (1) (b) or (1) (c) commits a class 2 misdemeanor and shall be punished as provided in section 18-1-106, C.R.S. For the second conviction and for all subsequent convictions of violating the provisions of section 12-47-901 (1) (b) or (1) (c), the court shall impose at least the minimum fine and shall have no discretion to suspend any fine so imposed; except that the court may provide for the payment of such fine as provided in subsection (4) of this section.

(4) At the discretion of the court, the fines provided for violations of section 12-47-901 (1) (b) and (1) (c) may be ordered to be paid by public work only at a reasonable hourly rate to be established by the court who shall designate the time within which such public work is to be completed.

(5) Any person who knowingly violates the provisions of section 12-47-901 (1) (a), (1) (d), or (1) (k), or any person who knowingly induces, aids, or encourages a person under the age of eighteen years to violate the provisions of section 12-47-901 (1) (a), (1) (b), or (1) (c) may be proceeded against pursuant to section 18-6-701, C.R.S., for contributing to the delinquency of a minor.

**12-47-904. Duties of inspectors and police officers.** (1) The inspectors of the liquor enforcement division and their supervisors, while actually engaged in performing their duties and while acting under proper orders or regulations, shall have and exercise all the powers vested in peace officers of this state. In the exercise of their duties, such inspectors and their supervisors shall have the power to arrest. Such inspectors and their supervisors shall also have the authority to issue summons for violations of the provisions of this article and articles 46 and 48 of this title.

(2) It is the duty of all sheriffs and police officers to enforce the provisions of this article and articles 46 and 48 of this title and the rules and regulations made pursuant to said articles and to arrest and complain against any person violating any of the provisions of this article or rules and regulations pertaining thereto. It is the duty of the district attorney of the respective judicial districts of this state to prosecute all violations of said articles in the manner and form as is now provided by law for the prosecution of crimes and misdemeanors, and it is a violation of said articles for any such person, knowingly, to fail to perform any duties pursuant to this section.

**12-47-905. Warrants - searches and seizures.** (1) If any person makes an affidavit before the judge of any county or district court stating that he or she has reason to and does believe that alcohol beverages are being sold, bartered, exchanged, divided, or unlawfully given away, or kept for such purposes, or carried in violation of this article and article 46 of this title within the jurisdiction of such court, and describing in such affidavit the premises, wagon, automobile, truck, vehicle, contrivance, thing, or device to be searched, the judge of such court shall issue a warrant to any officer, which the complainant may designate, having power to serve original process commanding such officer to search the premises (other than a home), wagon, automobile, truck, vehicle, contrivance, thing, or device described in such affidavit.

(2) Such warrant shall be substantially as follows:

STATE OF COLORADO )  
 )

ss.  
County of.....)

The People of the State of Colorado to.....

Greeting:

Whereas, there has been filed with the undersigned an affidavit of which the following is a copy:

(Here copy of affidavit)

Therefore you are hereby commanded, in the name of the people of the State of Colorado, forthwith, together with the necessary and proper assistance to enter into

(Here describe place mentioned in the affidavit)

of the said ..... situated in the county of ..... aforesaid and there diligently search for the said alcohol beverages and that you bring the same or any part thereof found in such search, together with such vessels in which such beverages are found and the implements and furniture used in connection therewith, and the wagon, automobile, truck, vehicle, contrivance, thing, or device in which carried, forthwith before me, to be disposed of and dealt with according to law.

Given under my hand and seal this ..... day of ....., .....  
Judge of the ..... Court

(3) The officer charged with the execution of said warrant, when necessary to obtain entrance or when entrance has been refused, may break open any premises (other than a home), wagon, automobile, truck, vehicle, contrivance, thing, or device which by said warrant the officer is directed to search and may execute said warrant any hour of the day or night.

**12-47-906. Return on warrant - sale of liquor seized.** (1) If any alcohol beverages are there found, said officer shall seize the same and the vessels in which they are contained and all implements and furniture used or kept in connection with such beverages in the illegal selling, bartering, exchanging, giving away, or carrying of same, and any wagon, automobile, truck, vehicle, contrivance, thing, or device used in conveying the same, and safely keep them and make immediate return on such warrant. Such property shall not be taken from the custody of any officer seizing or holding the same by writ of replevin or other process while the proceedings relating thereto are pending.

(2) Final judgment of conviction in such proceedings shall be a bar to any suit for the recovery of any such property so seized or the value of same or for damages alleged to arise by reason of such seizure and detention. The judgment entered shall find said alcohol beverages to be unlawful and shall direct its destruction or sale forthwith, in the manner provided by subsection (7) of this section. The wagon, automobile, truck, vehicle, contrivance, thing, or device, vessels, implements, and furniture shall likewise be ordered disposed of in the same manner as personal

property is sold under execution, and the proceeds therefrom applied, first in the payment of the cost of the prosecution and of any fine imposed, and the balance, if any, paid into the general school fund of the county in which such conviction is had.

(3) The officer serving the warrant shall forthwith proceed in the manner required for the institution of a criminal action in the court issuing the warrant, charging such violation of law as the evidence in the case justifies. If such officer refuses or neglects to so proceed, then the person filing the affidavit for the search warrant, or any other person, may so proceed.

(4) If, during the trial of a person charged with a violation of this article, the evidence presented discloses that fluids were poured out, or otherwise destroyed, manifestly for the purpose of preventing seizure, said fluids shall be held to be prima facie alcohol beverages and intended for unlawful use, sale, barter, exchange, or gift.

(5) If no person is in possession of the premises where illegal alcohol beverages are found, the officer seizing such beverages shall post in a conspicuous place on said premises a copy of the warrant, and if at the time fixed for any hearing concerning the beverages seized, or within thirty days thereafter, no person appears, the court in which the hearing was to be held shall order such beverages destroyed or sold in the manner provided in subsection (7) of this section.

(6) No warrant issued pursuant to this article shall authorize the search of any place where a person may lawfully keep alcohol beverages as provided in this article. No warrant shall be issued to search a home occupied as such, as provided in this section, unless it or some part of it is used in connection with or as a store, shop, hotel, boardinghouse, rooming house, or place of public resort.

(7) Any sale of alcohol beverages conducted upon order of court pursuant to this section shall be conducted in the following manner:

(a) The officer ordered by the court to conduct the sale shall give notice of the time and place of the sale by posting a notice in a prominent place in the county for a period of five consecutive days prior to the day of the sale. The notice shall describe as fully as possible the property to be sold and shall state the time and place of the sale.

(b) The sale shall be conducted as a public auction in some suitable public place on the specified day at some time between the hours of 9 a.m. and 5 p.m., and the time chosen for the sale shall be indicated in the notice.

**12-47-907. Loss of property rights.** There shall be no property rights of any kind in any alcohol beverages, vessels, appliances, fixtures, bars, furniture, implements, wagons, automobiles, trucks, vehicles, contrivances, or any other things or devices used in or kept for the purpose of violating any of the provisions of this article or article 46 of this title.

**PART 10**  
**RESPONSIBLE ALCOHOL BEVERAGE VENDOR ACT**

**12-47-1001.** This part 10 shall be known and may be cited as the "Responsible Alcohol Beverage Vendor Act".

**12-47-1002. Responsible vendors - standards.** (1) To be a responsible alcohol beverage vendor, a vendor shall comply with the server and seller training program established by the director of the liquor enforcement division of the department of revenue.

(2) The director of the liquor enforcement division shall set standards for compliance with the server and seller training program. When creating standards, the director shall consider input from local and state government, the alcohol beverage industry, and any other state or national seller and server programs.

**Please refer to Colorado Code of Regulations 1 CCR 203-2 relating to Liquor Code.**

**ARTICLE 48**  
**Liquors - Special Event Permits**

12-48-101.	Special licenses authorized. ....	p94
12-48-102.	Qualifications of organizations for permit - qualifications of municipalities or municipalities owning arts facilities - qualifications of candidates. ....	p94
12-48-103.	Grounds for issuance of special permits. ....	p94
12-48-104.	Fees for special permits. ....	p95
12-48-105.	Restrictions related to permits. ....	p95
12-48-106.	Grounds for denial of special permit. ....	p95
12-48-107.	Applications for special permit. ....	p96
12-48-108.	Exemptions. ....	p96

**12-48-101. Special licenses authorized.** The state licensing authority, as defined in articles 46 and 47 of this title, may issue a special event permit for the sale, by the drink only, of malt beverages or the sale, by the drink only, of malt, spirituous, or vinous liquors to organizations and political candidates qualifying under this article, subject to the applicable provisions of articles 46 and 47 of this title and to the limitations imposed by this article.

**12-48-102. Qualifications of organizations for permit - qualifications of municipalities or municipalities owning arts facilities - qualifications of candidates.** (1) A special event permit issued under this article may be issued to an organization, whether or not presently licensed under articles 46 and 47 of this title, which has been incorporated under the laws of this state for purposes of a social, fraternal, patriotic, political, or athletic nature, and not for pecuniary gain, or which is a regularly chartered branch, lodge, or chapter of a national organization or society organized for such purposes and being nonprofit in nature, or which is a regularly established religious or philanthropic institution, and to any political candidate who has filed the necessary reports and statements with the secretary of state pursuant to article 45 of title 1, C.R.S.

(2) A special event permit may be issued to any municipality owning arts facilities at which productions or performances of an artistic or cultural nature are presented for use at such facilities, subject to the provisions of this article.

**12-48-103. Grounds for issuance of special permits.** (1) A special event permit may be issued only upon a satisfactory showing by an organization or a qualified political candidate that other existing facilities are not available or are inadequate for the needs of the organization or political candidate and:

(a) Existing licensed facilities are inadequate for the purposes of serving members or guests of the organization or political candidate and that additional facilities are necessary by reason of the nature of the special event being scheduled; or

(b) The organization or political candidate is temporarily occupying premises other than the regular premises of such organization or candidate during such special events as civic celebrations or county fairs and that members of the general public will be served during such special events.

(2)(a) A special event permit may be issued under this section notwithstanding the fact that the special event is to be held on premises licensed under the provisions of section 12-47-403, 12-47-403.5, 12-47-416, or 12-47-417. The holder of a special event permit issued pursuant to this subsection (2) shall be responsible for any violation of article 47 of this title.

(b) If a violation of this article or of article 47 of this title occurs during a special event wine festival and the responsible licensee can be identified, such licensee may be charged and the appropriate penalties may apply. If the responsible licensee cannot be identified, the state licensing authority may send written notice to every licensee identified on the permit applications and may fine each the same dollar amount. Such fine shall not exceed twenty-five dollars per licensee or two hundred dollars in the aggregate. No joint fine levied pursuant to this paragraph (b) shall apply to the revocation of a limited wineries license under section 12-47-601.

(3) Nothing in this article shall be construed to prohibit the sale or dispensing of malt, vinous, or spirituous liquors on any closed street, highway, or public byway for which a special event permit has been issued.

**12-48-104. Fees for special permits.** (1) Special event permit fees are:

- (a) Ten dollars per day for a malt beverage permit;
- (b) Twenty-five dollars per day for a malt, vinous, and spirituous liquor permit.

(2) All such fees are payable in advance to the department of revenue, and the state licensing authority may require any applicant to post a performance bond to assure compliance with the provisions of this article.

**12-48-105. Restrictions related to permits.** (1) Each special event permit shall be issued for a specific location and is not valid for any other location.

(2) A special event permit authorizes sale of the beverage or the liquors specified only during the following hours:

- (a) Between the hours of five a.m. of the day specified in a malt beverage permit and until twelve midnight on the same day;
- (b) Between the hours of seven a.m. of the day specified in a malt, vinous, and spirituous liquor permit and until two a.m. of the day immediately following.

(3) A special event permit may not be issued to any organization for more than ten days in one calendar year.

(4) No issuance of a special event permit shall have the effect of requiring the state or local licensing authority to issue such a permit upon any subsequent application by an organization.

(5) Sandwiches or other food snacks shall be available during all hours of service of malt, spirituous, or vinous liquors, but prepared meals need not be served.

**12-48-106. Grounds for denial of special permit.** (1) The state licensing authority may deny the issuance of a special event permit upon the grounds that such issuance would be injurious to the public welfare by reason of the nature of the special event, its location within the community, or the failure of the applicant in a past special event to conduct such event in compliance with applicable laws and regulations.

(2) Public notice of the proposed permit and of the procedure for protesting issuance of the permit shall be conspicuously posted at the proposed location for at least ten days before approval of the permit by the local licensing authority.

**12-48-107. Applications for special permit.** (1) Applications for a special event permit shall be made with the appropriate local licensing authority on forms provided by the state licensing authority and shall be verified by oath or affirmation of an officer of the organization or of the political candidate making application.

(2) In addition to the fees provided in section 12-48-104, applications shall be accompanied by such fee as the local licensing authority may fix, not to exceed one hundred dollars, for both investigation and issuance of permit. Upon approval of any application, the local licensing authority shall notify the state licensing authority of such approval. The state licensing authority shall thereupon promptly act and either approve or disapprove such application. The state licensing authority shall not issue any permit under this article until the local licensing authority has approved such application. In reviewing an application, the local licensing authority shall apply the same standards for approval and denial applicable to the state licensing authority pursuant to this article.

(3) The local licensing authority shall cause a hearing to be held if, after investigation and upon review of the contents of any protest filed by affected persons, sufficient grounds appear to exist for denial of a permit. Any protest shall be filed by affected persons within ten days after the date of notice pursuant to section 12-48-106(2). Any hearing required by this subsection (3) or any hearing held at the discretion of the local licensing authority shall be held at least ten days after the initial posting of the notice, and notice thereof shall be provided the applicant and any person who has filed a protest.

(4) The local licensing authority may assign all or any portion of its functions under this article to an administrative officer.

**12-48-108. Exemptions.** An organization otherwise qualifying under section 12-48-102 shall be exempt from the provisions of this article and shall be deemed to be dispensing gratuitously and not to be selling fermented malt fermented malt beverages or malt, spirituous, or vinous liquors to its members and their guests at a private function held by such organization on unlicensed premises so long as any admission or other charge, if any, required to be paid or given by any such member as a condition to entry or participation in the event is uniform as to all without regard to whether or not a member or such member's guest consumes or does not consume such beverages or liquors.

**Please refer to Colorado Code of Regulation 1 CCR 203-2 relating to Special Events Permits.**



# Colorado Code of Regulations

1 C. C. R. 203-2

## Table of Contents

47-002	Advertising practices .....	p99
47-004	Fermented malt beverages - possession of alcohol .....	p99
47-006	Fermented malt beverages - identification and labeling .....	p99
47-008	Fermented malt beverages - limitations of license .....	p100
47-100	Definitions .....	p100
47-200	Declaratory orders concerning the Colorado Liquor, Beer and Special Events Codes .....	p100
47-300	Change in class of license .....	p102
47-301	Undue concentration of licenses .....	p102
47-302	Changing, altering, or modifying licensed premises .....	p103
47-304	Transfer of ownership .....	p104
47-306	Change of trade name .....	p105
47-307	Masterfiles .....	p105
47-308	Municipally, county or special district owned facilities .....	p105
47-310	Application - general provisions .....	p106
47-312	Change of location .....	p107
47-314	Limited liability company .....	p108
47-316	Furnishing of advertising material .....	p108
47-318	Owner-manager .....	p109
47-320	Exterior signs and interior displays .....	p109
47-322	Unfair trade practices and competition .....	p110
47-324	Concurrent application review .....	p112
47-326	Measurement of distance .....	p113
47-400	Licensed breweries .....	p113
47-402	Confiscated shipments .....	p113
47-404	Foreign trade zones .....	p113
47-406	Wholesale dealer - importation .....	p114
47-407	Liquor-licensed drugstore .....	p114
47-408	Purchases by retailers .....	p115
47-409	Transportation of alcohol beverages .....	p115
47-410	Storage - warehouse storage permit .....	p115
47-412	Warehouse or branch houses .....	p116
47-414	Purchases by wholesalers .....	p116
47-416	Non-food items .....	p117
47-418	Restaurants .....	p118
47-420	Minibar container size .....	p118
47-422	Arts license .....	p118
47-424	Engaging in business .....	p119
47-426	Delivery of alcohol beverages .....	p119
47-428	Manufacturer sales rooms .....	p120

47-430	Limited winery license-Colorado-Grown Produce Annual Certification and Record - Repealed .....	p120
47-500	Excise tax audits .....	p120
47-502	Excise tax reports .....	p121
47-503	Payment of excise taxes - limited wineries .....	p122
47-504	Payment of excise taxes by non-licensees .....	p122
47-600	Complaints against licensees-suspension and revocation of licenses .....	p123
47-602	Temporary-summary suspension .....	p124
47-604	Compliance check penalties .....	p124
47-605	Responsible alcohol beverage vendor and permitted tastings by retail liquor stores and liquor licensed drugstores. ....	p125
47-700	Inspection of the licensed premises .....	p127
47-900	Conduct of establishment .....	p127
47-902	Sanitary requirements .....	p128
47-904	Product labeling, substitution, sampling and analysis .....	p129
47-905	Colorado wineries - labeling and records .....	p130
47-906	Container size .....	p130
47-908	Automatic and electronic dispensing systems .....	p131
47-910	Consumption prohibited .....	p132
47-912	Identification .....	p132
47-913	Employees .....	p132
47-914	Unlicensed possession of beverages .....	p132
47-916	Advertising .....	p133
47-918	Removal of alcohol beverages from premises .....	p133
47-920	Solicitation of drinks .....	p133
47-922	Gambling .....	p133
47-924	Importation and sole source of supply/brand registration .....	p135
47-926	Interference with officers .....	p136
47-1000	Special event permits - possession of beverages .....	p136
47-1002	Posting of special event permit upon the permitted premises .....	p136
47-1004	Special event permits - age of servers .....	p136
47-1006	Special event permits - complaint against permittee cancellation-revocation of permit .....	p136
47-1008	Special event permittee - purchase of alcohol beverages .....	p137
47-1010	Special event permittee - supplier relationships .....	p137
47-1012	Special event permittee - political organizations .....	p137
47-1014	Special event permits - location .....	p137
47-1016	Special event permits - change of location .....	p138
47-1018	Application for special event permits .....	p138
47-1020	Special event permits - application on school property .....	p138

# Colorado Code of Regulations

## 1 C. C. R. 203-2

### **Regulation 47-002. Fermented Malt Beverages - Advertising Practices.**

No licensee for the retail sale or distribution of fermented malt beverages shall, upon or in proximity to, or referring to the licensed premises, use, publish or exhibit, or permit to be used, published or exhibited, any sign, advertisement, display, notice, symbol or other device which advertises, indicates, implies or infers that beverages containing more than 3.2% alcohol by weight (wt) or four percent by volume (vl), are sold, distributed or dispensed upon or from said premises.

### **Regulation 47-004. Fermented Malt Beverages - Possession of Alcohol Liquors.**

No person shall possess or consume on the licensed premises of a fermented malt beverage licensee, any beverages containing alcohol in excess of three and two-tenths percent by weight or four-percent alcohol by volume.

### **Regulation 47-006. Fermented Malt Beverages - Identification and Labeling.**

A. No licensee for the sale of fermented malt beverages shall sell, offer, expose for sale, or distribute within this state any canned or bottled fermented malt beverages in case or carton lots unless such beverages be contained in a case or carton bearing the phrase "3.2%" followed by a word indicating the type of beverage, such as beer or ale. The designation "3.2% BEER," "3.2% ALE," etc., as the case may be, shall be composed of legible symbols of not less than ¼ of one inch in height, and shall be indelibly stamped or imprinted on top of the case or carton or upon the sealing strip thereof. Notwithstanding the above, cartons or unsealed returnable cases need no external markings if such container allows direct view of the individual cans or bottles which indicates the percent and type of beverage therein.

B. No licensee shall sell, offer or expose for sale or distribute within this state any fermented malt beverages in kegs, casks or other containers except bottles and cans of less than 33 ounces capacity unless such containers bear thereon the phrase "3.2%" followed by a word indicating the type of beverage, such as beer or ale. The designation "3.2% BEER," "3.2% ALE," etc., as the case may be, shall be composed of legible symbols of not less than one inch in height, shall clearly and visibly appear on the container which is intended to be opened and shall be indelibly stamped or imprinted either upon the container itself or upon a label affixed thereto and sealed with a transparent water repellent material. Nothing shall prohibit the division from approving materials other than water repellent material used for labeling if the division finds the material is suitable for maintaining the required information on the container.

C. No such licensee shall sell, offer or expose for sale or distribute within the state any fermented malt beverages in bottles or cans of less than thirty-three (33) ounces capacity unless said containers, or a label attached thereto, shall carry thereon, in clear legible and indelible print a statement which clearly indicates that the beverage therein contains not more than 3.2% alcohol by weight or 4% alcohol by volume.

**Regulation 47-008. Fermented Malt Beverages - Limitations of License.**

A. No person licensed for on-premises consumption only, shall sell fermented malt beverages in sealed containers, or permit the removal from the licensed premises of any fermented malt beverages in either sealed or unsealed containers.

B. No person licensed for off-premises consumption only, shall sell, by the drink, any open container of fermented malt beverage, or permit the consumption of any fermented malt beverages within the licensed premises.

**Regulation 47-100. Definitions.**

A. Licensed, Licensee, and Licensed Premises” mean persons or premises issued a license or permit under Articles 46, 47 and 48 of Title 12.

B. “Manufacturer” means a Colorado licensed brewery, winery, limited winery, distillery or brewpub as defined by C.R.S. 12-46-104 and 12-47-103.

C. “Nonresident Manufacturer” means a manufacturer of malt liquor or fermented malt beverages that is located outside the state of Colorado and has been issued a Brewer’s Notice by the Bureau of Alcohol, Tobacco and Firearms.

D. “Product Sales Promotion” means a sales promotion, featuring a particular brand of alcohol beverage, that is conducted on a retailer’s licensed premises by an alcohol beverage supplier. Product sales promotions may include drink specials, product sampling and the giveaway of consumer goods.

E. “Sponsored Event” means an event supported in whole or in part by a licensed supplier that is conducted at a retail licensed establishment and is unrelated to a product sales promotion.

F. “Supplier” means a Colorado licensed manufacturer, brewpub, vintners restaurant, limited winery, non-resident manufacturer, wholesaler or importer of alcohol beverages.

G. “Unreasonable or Undue Noise” means a level of noise that violates local noise ordinance standards, or where no local noise ordinance standard exists, a level of noise that would violate the provisions of 25-12-103 C.R.S.

**Regulation 47-200. Declaratory Orders Concerning the Colorado Liquor, Beer or Special Event Codes.**

A. Any person may petition the Liquor Enforcement Division of the Colorado Department of Revenue for a statement of position concerning the applicability to the petitioner of any provision of the Colorado Liquor, Beer, or Special Events Codes, or any regulation of the state licensing authority. The Division shall respond with a written statement of position within thirty days of receiving such petition.

B. Any person who has petitioned the Division for a statement of position and who is dissatisfied with the statement of position or who has not received a response within thirty days, may petition the state licensing authority for a declaratory order pursuant to C.R.S. 1973, 24-4-105(11). If a petitioner is dissatisfied with a statement of position, a petition for declaratory order must be filed within thirty days after issuance of the statement of position. Any petitioner who has not received a statement

of position within thirty days may petition the state liquor licensing authority at any time thereafter. Such petition shall set forth the following:

1. The name and address of the petitioner; whether the petitioner is licensed pursuant to the Colorado Liquor, Beer, or Special Events Codes and if so, the type of license/ permit and address of the licensed premises.
2. The statute, rule or order to which the petition relates.
3. A concise statement of all of the facts necessary to show the nature of the controversy or the uncertainty as to the applicability to the petitioner of the statute, rule or order to which the petition relates.
4. A concise statement of the legal authorities, if any, and such other reasons upon which petitioner relies.
5. A concise statement of the declaratory order sought by the petitioner.

C. The state licensing authority will determine, in its discretion without prior notice to the petitioner, whether to entertain any petition. If the state licensing authority decides it will not entertain a petition,, it shall promptly notify the petitioner in writing of its decision and the reasons for that decision. Any of the following grounds may be sufficient reason to refuse to entertain a petition:

1. The petitioner has failed to petition the Division for a statement of position, or if a statement of position has been issued, the petition for declaratory order was filed with the state licensing authority more than thirty days after issuance of the statement of position.
2. A ruling on the petition will not terminate the controversy nor remove uncertainties concerning the applicability to petitioner of the statute, rule or order in question.
3. The petition involves a subject, question or issue which is currently involved in a pending hearing before the state or any local licensing authority, or which is involved in an on-going investigation conducted by the Division or which is involved in a written complaint previously filed with the state liquor licensing authority.
4. The petition seeks a ruling on a moot or hypothetical question, having no applicability to the petitioner.
5. Petitioner has some other adequate legal remedy, other than an action for declaratory relief pursuant to Colo. R.Civ. 57, which will terminate the controversy or remove any uncertainty concerning applicability of the statute, rule or order.

D. If the state licensing authority determines that it will entertain the petition for declaratory order, it shall promptly so notify the petitioner, and the following procedures shall apply:

1. The state licensing authority may expedite the hearing, where the interests of the petitioner will not be substantially prejudiced thereby, by ruling on the basis of the

facts and legal authority presented in the petition, or by requesting the petitioner or the Liquor Enforcement Division to submit additional evidence and legal argument in writing.

2. In the event the state licensing authority determines that an evidentiary hearing or legal argument is necessary to a ruling on the petition, a hearing shall be conducted in conformance with C.R.S., 1973, 24-4-105.

3. In ruling on a petition, the state licensing authority may take administrative notice of general, technical or scientific facts within its knowledge, so long as the fact is specified in the record or is brought to the attention of the parties before final decision and every party is afforded an opportunity to controvert the fact so noticed.

4. Every declaratory order shall be promptly decided and issued in writing, specifying the basis in fact and law for the order.

5. The parties to any proceeding pursuant to this rule shall be the petitioner and the Liquor Enforcement Division. Any other interested person may seek leave of the state liquor licensing authority to intervene in the proceeding and such leave may be granted if the licensing authority determines that such intervention will make unnecessary a separate petition for declaratory order by the interested person.

6. The declaratory order shall constitute agency action subject to judicial review pursuant to C.R.S. 1973, 24-4-106.

E. A copy of any petition for a statement of position to the Liquor Enforcement Division and of any petition for a declaratory order to the state licensing authority shall be mailed, on the same day that the petition is filed with the Division or authority, to the individual county or municipality within which the petitioner's licensed premises, or premises proposed to be licensed, are located. Any petition filed with the Division or authority shall contain a certification that the mailing requirements of this paragraph have been met.

F. Files of all requests, statements of position, and declaratory orders will be maintained by the Liquor Enforcement Division. Except with respect to any material required by law to be kept confidential, such files shall be available for public inspection.

**Regulation 47-300. Change in Class of License.**

A request for a change in the class of license from that presently held by a licensee shall be considered as an application for a new license. Except that a liquor licensed drugstore licensee which was licensed on or before July 1, 2000, may convert or transfer to a retail liquor store license without applying for a new license.

**Regulation 47-301. Undue Concentration of Licenses.**

A. For purposes of determining if the issuance of a new tavern or retail liquor store license would result in or add to an undue concentration of the same class of license and, as a result, require the use of additional law enforcement resources, the state or local licensing authority may consider factors, including, but not limited to:

1. Whether the ratio of the number of tavern or retail liquor store licenses within the county's of the neighborhood to be served where application has been made to the county's population exceeds the ratio of the statewide number of licenses of the same class to the state population;

2. Whether the ratio of the number of tavern or retail liquor store licenses within the census tract or census division in the neighborhood in which the applicant premises are located to the population of the census tract or division exceeds the ratio of number of licenses of the same class in the county or municipality to the population of the county or municipality where application has been made;

3. The distance between the applicant premises and the premises of other holders of the same class of license;

4. Published data concerning the concentration of tavern or retail liquor store licenses and its effect on the need for law enforcement resources; and

5. Testimony concerning the use of law enforcement resources by law enforcement officials with the responsibility for enforcing state or local law in the area in which the applicant premises are located.

B. For purposes of this regulation:

1. The number of tavern and retail liquor store licenses within a given area shall be as published by the state licensing authority;

2. The population shall be the estimate published by the most recent United states decennial or special census (for state, census tract, and census division data) or the most recent estimates published by the Department of Local Affairs (for county and municipal data).

3. "Neighborhood" shall be that area as required pursuant to 12-47-312(2)(a) C.R.S.

**Regulation 47-302. Changing, Altering, or Modifying Licensed Premises.**

A. After issuance of a license, the licensee shall make no physical change, alteration or modification of the licensed premises which materially or substantially alters the licensed premises or the usage of the licensed premises from the plans and specifications submitted at the time of obtaining the original license without the prior written consent of the local and state licensing authorities. For purposes of this regulation, physical changes, alterations or modifications of the licensed premises, or in the usage of the premises requiring prior written consent, shall include, but not be limited to, the following:

1. Any increase or decrease in the total size or capacity of the licensed premises.

2. The sealing off, creation of or relocation of a common entryway, doorway, passage or other such means of public ingress and/or egress, when such common entryway, doorway or passage alters or changes the sale or distribution of alcohol beverages within the licensed premises.

3. Any substantial or material enlargement of a bar, or relocation of a bar, or addition of a separate bar.

4. Any material change in the interior of the premises that would affect the basic character of the premises or the physical structure that existed in the plan on file with the latest prior application. The foregoing shall not apply to painting and redecorating of premises; the installation or replacement of electric fixtures or equipment, plumbing, refrigeration, air conditioning or heating fixtures and equipment; the lowering of ceilings; the installation and replacement of floor coverings; the replacement of furniture and equipment, and other similar changes, nor to any non structural remodeling of a fermented malt beverage licensee's premises where the remodel does not expand the existing area designed for the display or sale of fermented malt beverage products.

B. In making its decision with respect to any proposed changes, alterations or modifications, the licensing authority must consider whether the premises, as changed, altered or modified, will meet all of the pertinent requirements of the Colorado Liquor or Beer Codes and the Regulations promulgated thereunder. Factors to be taken into account by the licensing authority include, by way of illustration but not limited to, the following:

1. The reasonable requirements of the neighborhood and the desires of the adult inhabitants.

2. The possession, by the licensee, of the changed premises by ownership, lease, rental or other arrangement.

3. Compliance with the applicable zoning laws of the municipality, city and county or county.

4. Compliance with the distance prohibition in regard to any public or parochial school or the principal campus of any college, university, or seminary.

5. The legislative declaration that the Colorado Liquor and Beer Codes are an exercise of the police powers of the state for the protection of the economic and social welfare and the health, peace, and morals of the people of this state.

C. If permission to change, alter or modify the licensed premises is denied, the licensing authority shall give notice in writing and shall state grounds upon which the application was denied. The licensee shall be entitled to a hearing on the denial if a request in writing is made to the licensing authority within fifteen days after the date of notice.

D. This regulation shall not be applicable to the holder of a manufacturer's license as specifically defined in C.R.S. 12-47-402.

#### **Regulation 47-304. Transfer of Ownership.**

A. If the applicant for any license under Articles 46 or 47 of Title 12 is a corporation, it shall submit with the application, the names and addresses of all its officers and directors and a copy of its articles of incorporation; and if a foreign corporation, evidence of its qualification to do business within this state. In addition, each corporate applicant shall submit the names, addresses and individual history records on forms approved by the state licensing authority of all persons owning 10% or more of the outstanding or issued capital stock.



B. Any transfer of capital stock and any change in officers or directors of any corporation holding a license under the provisions of the Colorado Liquor or Beer Code and which is not subject to the reporting requirements of the Securities and Exchange Act of 1934, as amended, shall be reported to the respective licensing authorities within thirty (30) days after such transfer or change.

C. Corporate licensees subject to the Securities and Exchange Act of 1934, as amended, shall submit the names and addresses of all persons owning 10% or more of the outstanding or issued capital stock, not more than thirty (30) days after such ownership occurs; and shall submit the names and addresses of all corporate officers within thirty (30) days after their appointments.

D. All reports required by this regulation shall be made on forms supplied by the Department of Revenue, Liquor Enforcement Division.

E. For all applicants for the issuance of a license by reason of a transfer of possession of the licensed premises by operation of law (bankruptcy, receivership, foreclosure, eviction, etc.) the licensing authorities shall consider only the requirements of C.R.S. 12-47-307. The loss of possession of the premises by the licensee does not in itself automatically invalidate, cancel or terminate the underlying license. An applicant who otherwise comes into possession of the licensed premises by operation of law, may apply for a transfer of the underlying license as provided by law pursuant to C.R.S. 12-47-303. However, this provision does not prohibit a licensing authority from initiating any action as provided by law to suspend or revoke a license for loss of possession of the licensed premises.

F. No application for a transfer of ownership may be received or acted upon by either the state or local licensing authority if the previous licensee has surrendered its license and had it canceled by either authority prior to submission of the transfer application. In cases where cancellation has occurred prior to the submission of a transfer of ownership application, the license applicant shall follow the procedures for a new license application pursuant to 12-47-311 C.R.S.

**Regulation 47-306. Change of Trade Name.**

No licensee shall change the name or trade name of the licensed premises without submitting written notice to the local and state licensing authorities, not less than ten days prior to the change of name.

**Regulation 47-307. Master files**

Persons seeking the issuance of a master file shall have a minimum of five (5) locations licensed or to be licensed pursuant to title 12, articles 46 and/or 47 of the Colorado Revised Statutes, (C.R.S) to establish and maintain a master file.

**Regulation 47-308. Municipally, County or Special District Owned Facilities.**

A. Any person in legal possession of facilities owned by a municipality, county or special district, may apply for and hold a beer license to possess and serve fermented malt beverages, and may also apply for and hold a liquor license to possess and serve malt, vinous and spirituous liquors. These licenses may be held by the same licensee, for the same municipally, county, special district owned premises, at the same time; however, fermented malt beverages and alcohol beverages may not be served on these same licensed premises at the same time.

Any person selling malt, vinous, spirituous liquor or fermented malt beverage at a facility owned by a municipality, county or special district, must have a valid liquor or beer license in full effect before serving or selling any liquor or fermented malt beverage.

B. Separate storing facilities must be available and used for malt, vinous, spirituous liquor to maintain a separation and prevent intermixing with fermented malt beverage.

C. The appropriate liquor or beer license must be prominently posted at all times it is in effect and use.

D. The licensee is subject to applicable provisions of Articles 46 and 47 of this Title and the limitations imposed by these Articles.

**Regulation 47-310. Application - General Provisions.**

A. All applications for state licenses for the manufacture or sale of alcohol beverages shall be made upon forms prescribed by the Department of Revenue, Liquor Enforcement Division. No application will be considered which is not complete in every material detail, nor which is not accompanied by a remittance in full for the whole amount of the annual state license fee, and eighty five percent of the local license fee. Each application for a new retail license shall contain a report of the local licensing authority of the town, city, county, or city and county, in which the applicant proposes to conduct its business, which report shall show the opinion of the local licensing authority concerning the reasonable requirements of the neighborhood and the desires of the adult inhabitants with respect to the issuance of the license applied for and the character of a new applicant.

B. If the applicant for a license is a partnership, except as between a husband and wife, it shall submit with the application a certificate of co-partnership.

C. Upon request of any licensing authority, each applicant for license shall provide suitable additional evidence of its citizenship, residence, and good character and reputation, and also of the reasonable requirements of the neighborhood and the desires of the adult inhabitants. Applicants and licensees shall also submit upon request of any licensing authority all required information concerning financial and management associations and interests of other persons in the business, and the deed, lease, contract, or other document governing the terms and conditions of occupancy of the premises licensed or proposed to be licensed.

D. All information submitted to any licensing authority, by application for license or otherwise, shall be given fully, faithfully, truthfully and fairly.

E. When a licensing authority is required to make a determination as to the character, record and reputation of existing licensees or applicants for new licenses, including transfers of ownership of existing licenses, the authority may consider the following factors, which may include but not be limited to the following:

1. Subject to 24-5-101, C.R.S., the applicant or licensee has knowingly submitted false applications, made wilful misrepresentations and/or knowingly committed fraudulent acts;

2. The applicant or licensee has a criminal history of crimes of moral turpitude. By way of example, crimes of moral turpitude shall include but not be limited to, murder, burglary, robbery, arson, kidnapping, sexual assault, illegal drugs or narcotics convictions;

3. The applicant or licensee has had previous alcohol beverage licenses denied, or revoked as a result of violations of law, resulting in a finding of bad moral character by any licensing authority;

4. The applicant or licensee has been found to be currently delinquent in the payment of any state or local taxes, and record of such tax delinquency has been filed in a court having jurisdiction, or has been made a public record by some other lawful means;

5. The applicant or licensee has an established pattern of multiple statutory violations which resulted in the revocation or denial of any other professional license, leading to the finding of bad moral character by any licensing authority

F. Pursuant to 24-5-101, C.R.S., when making a determination as to the character, record or reputation of a licensee or applicant as required by Title 12, Articles 46, 47 and 48, the licensing authority shall also consider evidence of rehabilitation. Such evidence may include, but not be limited to, evidence of no criminal record information, educational achievements, financial solvency, community standing, lack of additional arrests or convictions, or the lack of parole or probation violations since the date of last conviction.

#### **Regulation 47-312. Change of Location.**

A. In the event any licensee for the manufacture or sale of alcohol beverages shall desire to change its place of business from that named in an existing license, it shall make application to the Department of Revenue, Liquor Enforcement Division for permission to change location to the place where such license is to be exercised.

B. Each such application shall be made upon forms prescribed by the Department of Revenue, Liquor Enforcement Division, shall be verified, and shall be completed in every detail. Each such application shall show thereon the reason for requesting such change, and in case of a retail license, shall be supported by evidence that the proposed change will not conflict with the desires of the adult inhabitants and the reasonable requirements of the neighborhood in the vicinity of the new location. In the case of the transfer of location of a retail license, each such application shall contain a report of the local licensing authority of the town, city, county, or city and county in which the license is to be exercised, which report shall show the opinion of the local licensing authority concerning the reasonable requirements of the neighborhood and the desires of the adult inhabitants with respect to the new location, except that in the transfer of location of a club license the needs of the neighborhood need not be considered.

C. No change of location shall be permitted until after the Department of Revenue, Liquor Enforcement Division shall have considered the application and such additional information as they may require, and shall have issued to the applicant a permit for such change. The permit shall be effective on the date of issuance, and the licensee

shall, within sixty days, change the location of its business to the place specified therein and at the same time cease to conduct the sale of alcohol beverages from the former location. The permit shall be conspicuously displayed at the new location, immediately adjacent to the license to which it pertains.

D. In the case of a retail license no change of location shall be allowed except to another place within the same city, town, county, or city and county in which the license as originally issued was to be exercised.

E. Upon application for change of location, public notice shall be required by the local licensing authority in accordance with 12-47-311, C.R.S.

F. Prohibited Area. A licensee located within 500 feet from any public or parochial school or principal campus of any college, university or seminary may apply for a change of location within the same prohibited area in accordance with the requirements of 12-47-301(9), C.R.S., but may not apply for a change of location within any other prohibited area as defined within 12-47-313, C.R.S.

**Regulation 47-314. Limited Liability Company.**

A. A Limited Liability Company may conduct any business that a partnership with limited partners may lawfully conduct and may not conduct any business that is prohibited by law to such partnership. Such limited liability company shall be in full conformity with 7-80-101, C.R.S.

B. Each Limited Liability Company liquor licensee shall disclose its licensed premises manager. Those licensees who sell liquor for on-premises consumption shall report their manager as required by 12-47-301(8) C.R.S., and 12-47-411, C.R.S.

C. Each Limited Liability Company licensed pursuant to this Article or Article 46, of Title 12, shall report changes of any of its managers within 30 days from the date of the change, and shall submit said information to the respective local or state licensing authorities on forms approved by the Department of Revenue, Liquor Enforcement Division. A report shall also be required for changes of any member having a 10% or more interest in the licensee.

**Regulation 47-316. Furnishing of Advertising Material.**

A. No supplier of alcohol beverages shall give to any retail licensee thereof any advertising materials except the following: napkins, coasters, menu sheets, menu covers, placemats, calendars, serving trays, ash trays, change trays, utility trays, license holders, lamps, mirrors, clocks, foam scrapers, bottle and can openers, and advertising materials of a similar nature as approved by the state licensing authority.

B. Each such item must be of negligible value and carry sufficient advertising material to show that it is intended primarily to advertise the product of the supplier.

C. Advertising materials such as: glasses, mugs, paper cups, book matches and picnic coolers shall not be given, but may be sold by a supplier to a retail licensee at cost, and such cost as used herein with respect to any item of advertising material, shall mean the actual cost to the supplier.

D. No supplier of alcohol beverages shall directly or indirectly furnish or pay for any advertising for or with respect to any one or more retail licensees by means of radio, television, magazines, newspapers, pamphlets, or similar media, or by means of any sign not located on or in the licensed premises of the retailer which is advertised. For purposes of this subpart D internet websites including related e-mails or direct mail, shall not be construed as "similar media."

**Regulation 47-318. Owner-Manager.**

A. Each license under the Colorado Liquor or Beer Codes must be held by the owner of the establishment which is licensed. "Owner" means the person or persons whose proprietary interest is such that they bear risk of loss other than as an insurer, and have opportunity to gain profit from operation or sale of the establishment.

In determining who is the "owner", elements considered beside risk of loss and opportunity for profit will include: Possession, who controls the licensee, who guarantees its debts, who is beneficiary under its insurance policies, who acknowledges liability for federal, state or local taxes.

B. Owners may hire managers, and managers may be compensated on the basis of profits made, gross or net. A license may not be held in the name of the manager.

C. A spouse of a licensee may hold a license in their own right if they are the owner of the licensed establishment, regardless of whether they file separate or joint income tax returns.

D. A partnership interest, limited or general, a joint venture interest, or ownership of a share or shares in a corporation which is licensed, constitutes ownership.

**Regulation 47-320. Exterior Signs and Interior Displays.**

A. The term "exterior signs" means and includes all signs of every kind, nature, and description, illuminated or otherwise, located any place outside of the licensed premises, and all window decalcomania, valances, paintings, and other signs of every kind, nature, and description installed in, on, or adjacent to, any window or door of the premises of any licensee for the retail sale of fermented malt beverages or malt, vinous, or spirituous liquors and designed and intended primarily to be seen from the exterior of the premises.

B. The term "displays within such premises" herein referred to as "interior displays" means and includes all non-refrigerated racks, bins, barrels, casks, shelving and the like from which distilled spirits, wine, malt liquor or fermented malt beverages are actually sold. Interior displays which have a utility value other than that of being purely for display purposes, or to which advertising material or other property has been attached, are permitted to be loaned to retail licensees at no cost only during the display period. If said material or property is retained by the retailer after the display period it must be sold to the retailer by the supplier at a price not less than the supplier's actual cost for the item.

C. Exterior signs or interior displays as described above, furnished by a supplier of alcohol beverages to or for a retail licensee shall contain only the manufacturer's name, brand name, trade name, slogans, markings, trademarks, or other devices

commonly associated with and generally used by the manufacturer in identifying the manufacturer's name or product, except that exterior signs and interior displays may also contain phrases such as "on tap", "on draft", "in bottles", "in cans", and similar copy, and interior displays may in addition contain words and phrases such as "beverages", "beverage department", "ice cold", "take home", "ice cold beverages", "delicious with (specifically named food or food products or food generally)", and other similar statements general in nature relating alcohol beverages to food and constituting a part of the manufacturer's standard advertising, and statements indicating or making provision for indicating the price of the alcohol beverages.

D. None of the preceding restrictions concerning the type of advertising permitted on exterior signs and interior displays shall be applicable to paper or vinyl bulletins or banners and posters, which are not intended or designed primarily to advertise the retail licensee.

E. No exterior sign or interior display located on the licensed premises of the retailer, or interior display, or transformer or other equipment thereof, advertising a supplier or its products, shall in any way be attached to, connected with, operable jointly with, or combined in any manner with any sign or display advertising either the retail licensee or its place of business.

F. No supplier or retail licensee shall in any manner attach or add to or connect with any exterior sign or interior display or the transformer or any equipment thereof, or furnished by a supplier to or for a retail licensee, any other sign, advertising material or device, copy or decoration, not herein permitted to be furnished by a supplier to a retail licensee as a part of such exterior sign or interior display.

G. No supplier shall directly or indirectly pay to any retail licensee, and no retail licensee shall accept, any value or consideration in connection with or for the right or privilege of installing or maintaining any exterior sign or interior display on, or in, or relating to a retailer's licensed premises.

H. No supplier of alcohol beverages shall affix, or install, or permit to be installed to, or adjacent to any premises licensed for the retail sale of alcohol beverages, any painted or constructed sign except suppliers' neon or plastic signs, advertising the product of such supplier.

### **Regulation 47-322. Unfair Trade Practices and Competition.**

Suppliers and their agents or employees may not attempt to control a retail licensee's product purchase selection by engaging in unfair trade practices or competition. Retailers may not solicit or accept, and suppliers are prohibited from directly or indirectly engaging in the following unfair practices:

A. Sales of alcohol beverages below cost.

1. No vinous or spirituous liquor may be sold by a vinous or spirituous liquor manufacturer or wholesaler to a retail licensee below the laid-in cost of said vinous and spirituous liquor products.

2. No malt liquors or fermented malt beverages may be sold by a malt liquor/beverage manufacturer or wholesaler to a retail licensee below the laid-in cost of said malt liquor/beverage products.

3. Product cost per case will be determined utilizing a "Last In/First Out" basis unless a supplier has adequate records to verify that the actual cost of said products was less than the most recent shipment received.

4. Certain sales of alcohol beverages below cost are not designed or intended to influence or control a retailer's product selection. The following exceptions to below cost product sales are therefore permitted:

a. Product lines that will be discontinued for a minimum of at least one year may be sold below cost at market value.

b. Products for use, but not for resale by the drink, by a non-profit organization or similar group, on a retailer's licensed premises, may be invoiced to a retailer at no cost. The invoice for said products must detail the products provided and the group for whose benefit it is provided. At the conclusion of the organization's event any unused product must be returned to the manufacturer, wholesaler, or brewpub, or invoiced at a minimum of cost to the retailer.

5. Laid-in cost when sold by a wholesaler, is defined as the actual proportionate invoice price and freight charge to that distributor or wholesaler, plus applicable state and federal taxes of any given product. Laid-in cost when sold by a manufacturer, brewpub or limited winery, is defined as the actual costs of the manufacturer plus applicable state and federal taxes.

#### B. On-site sales promotions

1. Suppliers may conduct an on-site product sales promotion at a retailer's licensed premises. At these promotions free goods may be provided to the public. Only supplier advertising novelties costing less than \$15.00 apiece may be provided free of charge to a retailer or its employees. All other items provided to a retailer or its employees must be invoiced at a minimum of cost. At all on-site product sales promotions a supplier's representative must be physically present in order to provide items to the public. Promotions are also subject to the following conditions:

a. Suppliers may not directly or indirectly pay for any media announcement of any on-site product sales promotion. Internet websites including related e-mails or direct mail, shall not be construed as "media announcement."

b. Retailers may at their own cost advertise in advance a supplier's product sales promotion.

c. No supplier may require that a retailer change its product selection as a condition of conducting a product sales promotion. Retailers may at their option change their product selection in support of a product sales promotion.

d. Cash equivalent coupons provided as a part of a product sales promotion may only be distributed by a supplier's representative directly to consumers. Redemption of such coupons by a retailer must be through a third party independent of either the supplier or the retailer.

e. Competitors' products may not be excluded during a product sales promotion.

### C. Sponsored events

Suppliers may sponsor, individually or through third parties without cost restrictions, lawful events, as described in regulation 47-100 (e), on a retailer's licensed premises so long as the event is not for, or in conjunction with, an on-site product sales promotion. During these events, a supplier may pay a retailer up to the normal market rates for the use of space and provide advertising for a sponsored event. The event, if advertised, may utilize the retailer's name for locational purposes only. The retailer's product selection may not change as a condition of the event sponsorship. Competitors' products may not be excluded during a sponsored event.

### D. Retailer entertainment

Suppliers may provide tickets to events and meals to a retailer and its employees. Suppliers, however, may not pay for the cost of a retailer's transportation or lodging to attend an event; an event may include nominal in-state ground transportation at no cost to the retailer as part of the event, such as limousine service to a restaurant or a promotional train or bus ride.

### E. Warehousing of products for a retailer

A wholesaler, manufacturer, or brewpub, may not provide warehousing of products previously purchased or ordered by a retailer. All orders of products, regardless of volume, must be delivered by a wholesaler, manufacturer, or brewpub at the next scheduled delivery. Warehousing does not include any rain-checks or back-orders of products not currently in stock.

### F. Product resets

Resets by a wholesaler are permitted, but competitors' alcohol beverage products may not be disturbed during the reset process, unless the competitor has been given 72 hours written notice and is not present at the time designated for the reset activity.

### G. Equipment rentals

All equipment rentals by a supplier to a retailer must be at fair market value.

### H. Other goods

Suppliers may not provide a retailer with any other goods below cost except those items expressly permitted by the statutes and regulations contained within the Colorado Liquor, Beer or Special Event Codes.

### I. Value of labor

1. Suppliers may provide labor at no cost as it relates to product delivery, price stamping, rotation and stocking. The cleaning of beverage dispensing equipment may also be provided at no cost.

2. Cost of labor provided to a retailer for services such as the installation of a dispensing system shall be at least at a minimum of that employee's hourly wage.

### **Regulation 47-324. Concurrent Application Review.**

A. A local licensing authority, or a license applicant with local authority approval, can request that the state licensing authority conduct a concurrent review of a new license application prior to the local licensing authority's final approval of the license application. Local licensing authorities who permit a concurrent review will continue



to independently review the applicant's license application for the purpose of establishing the reasonable requirements of the neighborhood, the suitability of the character, record and reputation of the applicant and its principals, the fitness of the applicant's premises for occupancy in compliance with the provisions of Articles 46 and 47 of Title 12 C.R.S., and any other provisions required for local authority determination as provided for in these articles.

B. When conducting a concurrent application review, the state licensing authority will advise the local licensing authority of any items that it finds that could result in the denial of the license application. Upon correction of the noted discrepancies, the state licensing authority will notify the local licensing authority of its conditional approval of the license application subject to the final approval by the local licensing authority. The state licensing authority will then issue the applicant's state liquor license upon receiving evidence of final approval by the local licensing authority.

C. All applications submitted for concurrent review must be accompanied by all applicable state license and application fees. Any applications that are later denied or withdrawn will allow for a refund of license fees only. All application fees provided by an applicant shall be retained by the respective licensing authority.

**Regulation 47-326. Measurement of Distance.**

Except as provided for in 12-47-313 C.R.S., no license shall be issued to or held by any person where malt, vinous, or spirituous liquor is sold if the licensed premises is located within 500 feet of any public or parochial school or the principal campus of any college, university or seminary; said distance to be computed by direct measurement from the nearest property line of the land used for school purposes to the nearest portion of the building in which malt, vinous, or spirituous liquors are to be sold, using a route of direct pedestrian access, measured as a person would walk safely and properly, without trespassing, with right angles at crossings and with the observance of traffic regulations and lights.

**Regulation 47-400. Licensed Breweries.**

All brewers who are licensed pursuant to 12-47-402 C.R.S. and who sell their manufactured product directly to consumers for consumption of the product away from the licensed premises, must also obtain a wholesale license, pursuant to 12-47-406, C.R.S.

**Regulation 47-402. Confiscated Shipments.**

All shipments or cargoes of alcohol beverages received into the state of Colorado, except those shipment's or cargoes originating from a Colorado licensed supplier as shipper, or delivered to a Colorado licensed in-state supplier as consignee and subject to its order, shall be subject to confiscation, impounding or other disposal as may be determined by the Executive Director of the Department of Revenue as ex-officio State Licensing Authority.

**Regulation 47-404. Foreign Trade Zones.**

Persons licensed as importers of vinous or spirituous liquors, or as importers of malt liquor or fermented malt beverages, or as non-resident manufacturers of malt liquor or fermented malt beverages, may maintain stocks of alcohol beverages in an established "foreign trade zone" in Colorado as defined in section 7-49.5-103(4), C.R.S.

**Regulation 47-406. Wholesale Dealer - Importation.**

A. It is hereby required that all alcohol beverages shall be the sole and exclusive property of and subject to the unrestricted power of disposal of a duly licensed Colorado wholesale dealer at the time such alcohol beverages cross the Colorado state line and are imported into this state for the purpose of being sold, offered for sale or used in this state.

B. All shipments or importations of alcohol beverages into this state which have originated from a winery, distillery, brewery or wholesaler and which originating shipper is not duly licensed as required by the laws of Colorado relating to alcohol beverages are hereby prohibited.

C. 1. A licensed Colorado manufacturer or wholesaler may import, for laboratory analysis or sampling only, up to twelve (12) liters per year of vinous or spirituous liquors of any one brand, or up to five (5) cases of malt liquor and fermented malt beverage per year of any one brand. Importation of alcohol beverages as provided in this subpart C need not originate from a licensed shipper or importer. All applicable excise taxes on any alcohol beverages imported into Colorado pursuant to this subpart C shall be reported and paid by the Colorado licensed manufacturer or wholesaler first receiving said alcohol beverages.

2. "Sampling" as used in this subpart C shall mean that only the employees of anyone licensed pursuant to this article shall taste or test the alcohol beverages which may be sampled as provided herein. The sale or distribution by anyone of any alcohol beverages imported pursuant to this subpart C, except as provided in this subpart C, is prohibited.

**Regulation 47-407. Liquor-Licensed Drugstore.**

A. In addition to the requirements of Title 12, Articles 46 and 47 CRS, liquor-licensed drugstore licensees shall also comply with the requirements as set forth by Article 22 of Title 12 CRS., the Rules and Regulations of the State Board of Pharmacy.

B. It is the intent of this regulation to require liquor-licensed drugstore licensees to maintain a bona fide pharmacy and not a mere pretext of such for obtaining a liquor-licensed drugstore license. Liquor-licensed drugstore licensees shall conduct and maintain a bona fide drugstore operation at all times as a condition for this class of license. Bona fide conditions shall include:

1. The prescription compounding area must be operational and staffed by a licensed pharmacist, fifty percent of the time, each day, during which alcohol beverages are sold or dispensed in sealed containers.

2. Prescription drugs and controlled substances are sold or dispensed pursuant to lawful prescription orders in conformance with applicable laws and rules, during all times of operation as described in B. 1. of this regulation.

C. A licensed pharmacist shall be an owner or employee of the licensee and all records and documents regarding the ownership and/or employment shall be made available to the state authority or its duly authorized representatives upon demand.

**Regulation 47-408. Purchases by Retailers.**

A. Every person, firm, company, partnership or corporation licensed under the Colorado Liquor or Beer Codes to sell at retail shall purchase all alcohol beverage stock, for the operation of its business, from a Colorado licensed manufacturer, brewpub, limited winery, or wholesale distributor; except that any person, firm, company, partnership or corporation licensed to sell malt, vinous, or spirituous liquors at retail, by the drink, for on-premises consumption only, may purchase not more than five hundred dollars' worth of such alcohol beverages during a calendar year from a retail liquor store.

B. All alcohol beverages possessed or maintained on the licensed premises shall be only such alcohol beverages acquired as set forth in paragraph A of this regulation, or as may have come into possession by operation of law, or as may have been acquired upon licensure pursuant to 12-47-303, C.R.S.

C. Records maintained by the licensee in compliance with 12-47-701, C.R.S., shall include all records of purchases of alcohol beverages.

**Regulation 47-409. Transportation of Alcohol Beverages.**

Notwithstanding any other rule or regulation to the contrary contained in 1CCR203-2, licensees located within the same building or facility, may for transportation purposes only, transport alcohol beverages across another licensee's liquor licensed premises. Nothing in this regulation shall permit a licensee or its agent to sell, serve, give, or consume its alcohol beverages off its own licensed premises.

**Regulation 47-410. Storage - Warehouse Storage Permit.**

A. No alcohol beverages shall be stored or kept in or upon any premises which shall not be duly licensed, provided however, that the state licensing authority may issue a warehouse storage permit, to retail licensees licensed pursuant to Article 47 of Title 12, for the storage only of permitted alcohol beverages in one location other than the licensed premises.

1. For off-premises licensed retailers, alcohol beverages permitted for storage within a storage warehouse shall include vinous and spirituous liquors.

2. For on-premises licensed retailers, alcohol beverages permitted for storage within a storage warehouse shall include vinous and spirituous liquors. In addition, a volume of malt liquor that will not interfere with manufacturers' freshness standards may be stored for a period not to exceed ten days after date of delivery.

B. Title to all malt, vinous or spirituous liquors, stored or kept pursuant to a warehouse storage permit shall be vested in such permit holder.

C. Malt, vinous or spirituous liquor may not be sold or delivered from the premises used pursuant to a warehouse storage permit, provided however, that deliveries from wholesalers may be made to the licensed warehouse premises.

D. Any retail licensee obtaining a warehouse storage permit, shall provide a copy of said permit to the local licensing authority and display such permit and a copy thereof, in a prominent place within their licensed premises and within the permitted storage premises.

### **Regulation 47-412. Warehouse or Branch Houses.**

#### **A. Scope of this regulation:**

This regulation shall apply to manufacturers of fermented malt beverages and to manufacturers and wholesalers of malt, vinous or spirituous liquors and to the establishing, locating, licensing and operation of warehouses or branch houses by such licensees.

B. Any manufacturer licensed to manufacture fermented malt beverages, malt, vinous or spirituous liquor may establish and operate as many warehouses or branch houses as such manufacturer sees fit for the sole purpose of storing, handling, selling, distributing or dealing in such fermented malt beverage or malt, vinous or spirituous liquor of its own manufacture.

C. All manufacturers and wholesalers shall apply to the Executive Director, Department of Revenue, ex-officio State Licensing Authority, for a permit for the location and operation of all warehouses or branch houses and in said application, said licensees shall give the exact location of the premises to be used as said warehouse or branch house, the name of the agent, manager or official in charge of such warehouse, or branch house, and such additional information so as to show that such agent, manager or officer is a fit and proper individual qualified as provided for licensees, under the respective acts under which the license is issued.

D. Said application shall be made and filed in triplicate and upon approval thereof by the state licensing Authority, the original shall be retained in the office of the licensing authority and one copy shall be retained in the office of the manufacturer or wholesaler and one copy posted in a conspicuous place in the warehouse or branch house.

E. Any wholesaler licensed to distribute malt, vinous and spirituous liquors may establish and operate as many warehouses or branch houses as it sees fit for the sole purpose of storing, handling, distributing or dealing in such liquors. Malt liquor wholesalers may establish one salesroom for the purpose of selling malt liquor.

### **Regulation 47-414. Purchases by Wholesalers.**

A. Each person, firm, company, partnership or corporation licensed under Articles 46 and 47 of Title 12, C.R.S., to sell at wholesale shall purchase all alcohol beverage stock for the operation of its business from Colorado licensed suppliers, unless otherwise provided in these articles or the rules and regulations thereunder.

B. A duly licensed wholesaler may purchase sealed alcohol beverage stock from a licensed retail dealer within five (5) days after the expiration, or the surrender to, and cancellation by, the state licensing authority, of the retailer's state alcohol beverage license. Any alcohol beverages purchased from a retailer pursuant to this regulation must be alcohol beverages which the wholesaler is authorized to sell and normally carries as part of its alcohol beverage stock.

C. Wholesalers are prohibited from making consignment sales to retailers. A consignment sale is the sale of products with the privilege of return for any reason, other than those considered to be "ordinary and usual commercial reasons." Ordinary and usual commercial reasons for return of products shall be limited to the following:

1. Defective or dated products; including those products with damaged/ missing labels or those with mutilated tamper evident closures or leaking containers.
2. Error in delivery;
3. Discontinued products;
4. Seasonal operations;
5. Violations of the uniform commercial code;
6. Surrender or expiration of liquor license;
7. Special event permittee.

**Regulation 47-416. Non-Food Items.**

No person licensed to conduct the business of a retail liquor store shall sell, offer or expose for sale or distribute within the state of Colorado any commodities, items or articles of commerce except the following:

A. Malt, vinous and spirituous liquors and soft drinks and mixers, all in sealed containers for consumption off the premises.

B. Cigarettes, cigars and other tobacco and tobacco products intended for human consumption or use.

C. Mechanical lighters and fluid, wicks, flints and other replacement parts for mechanical lighters.

D. Matches and containers for matches.

E. Cigarette rollers, ashtrays, cigarette and cigar holders and filters, replacement parts for such holders and filters, cigar cutters and punches, cigar humidors, and cigar humidification solution and sponge blocks.

F. Pipes and pipe cleaners, filters, reamers and other accessories and replacement parts for pipes.

G. Pumps, pumping devices, taps, or any equipment or devices, which are to be used only in connection with, and for the sole purpose of dispensing malt liquor from sealed containers.

H. Cartridges containing carbon dioxide gas or other propellants necessary for the use of the pumps, pumping devices, or taps specified in subsection G above.

I. Other non-food items related directly to the consumption of alcohol beverages as approved by the state licensing authority and not limited to: ATM machines, bar towels, bartender guides, beer brewing kits (equipment), beer brewing kits (ingredients-add water only self contained and pre-mixed kits that are commercially packaged, sealed and labeled), blenders, books or magazines that are primarily about alcohol liquors or the industry, bottle openers, bottle neck greeting cards, can openers, coasters, cocktail garnishes as authorized pursuant to 12-47-407, C.R.S.,

coolers, cork screws, devices purported to measure breath or blood alcohol, dispensers-all types, drink shakers, drip rings, flasks, fresh lemons & limes, fruit squeezers, general bar equipment, gift baskets which may contain synthetic packaging filler, alcohol beverage products and any of the permitted items pursuant to article 47, glass holders, glass washing equipment, glasses-mugs, hangover remedies which are specifically labeled as a hangover reliever, herb bitters, ice, buckets, ice crushers, ice machines, liquor filled candy, liquor travel cases, liters-carafes-decanter, maraschino cherries, milk, mixes, nutrahol, olives, party clips which attach wine glasses to plates, pitchers, portable bars (home use only), beverage publications, shot measures, soda siphons or mixers, stir sticks, trays, gift wrap, ribbons, video tapes (only if part of a special promotional carton and are non-reusable), wine making kits, wine racks.

#### **Regulation 47-418. Restaurants.**

A. Restaurants may sell alcohol beverages only for consumption on the premises, and may, but are not required to, serve such alcohol beverages with meals.

B. All restaurants shall at all times, when meals are required to be served, maintain on the premises adequate personnel, foodstuffs and other necessary facilities, equipment and supplies for the preparation and serving of meals as defined by 12-47-103(20) C.R.S., as amended. The service or sale of malt, vinous, or spirituous liquors in licensed establishments which are prepared to serve only such foods as pretzels, crackers, nuts, and other appetizers, or canned soups, packaged sandwiches or similar items which are normally only components of meals, shall be considered a violation of this regulation.

C. The service or sale of malt, vinous or spirituous liquors in restaurants obtaining prepared meals from sources other than facilities under the exclusive management and control of the licensee shall also be considered a violation of this regulation.

D. Restaurants must be maintained in a clean and sanitary condition and in full compliance with the requirements for food service establishments under the supervision of the State Board of Health, and shall maintain such food service license issued by the Board of Health in full force and effect at all times while selling alcohol beverages for consumption therein.

#### **Regulation 47-420. Minibar Container Size.**

No container of malt, vinous, or spirituous liquor which has a capacity of more than five hundred milliliters may be available for sale in a minibar.

#### **Regulation 47-422. Arts License.**

The words "productions and performances of an artistic or cultural nature" include all forms of theatrical and other performing arts, the display or exhibition of all forms of the visual arts, and activities conducted on the licensed premises in furtherance of the proper purposes of arts organizations. An organization otherwise complying with section 12-47-417 C.R.S. shall be deemed to be engaged in a production or performance at all times that visual art is on exhibit for viewing within the licensed premises.

**Regulation 47-424. Engaging in Business.**

No person, firm, corporation or association shall engage in the business of selling, offering to sell, using or soliciting orders for alcohol beverages from any Colorado licensed wholesaler or retailer except and unless said person, firm, corporation or association shall be a duly licensed brew pub, manufacturer, wholesaler or importer as required by the laws of the state of Colorado.

**Regulation 47-426. Delivery of Alcohol Beverages.****A. Delivery Prohibited.**

No retail liquor licensee, licensed to sell malt, vinous, and spirituous liquor for off-premises consumption or fermented malt beverages for on and off premises consumption, shall conduct a delivery only business, or permit the delivery of such alcohol beverages beyond the customary parking area for the customers of the retail outlet except as permitted in B (1) of this regulation.

**B. Delivery Permitted.**

A retail liquor licensee, licensed to sell malt, vinous, and spirituous liquor, for off-premises consumption or fermented malt beverages for on and off premises consumption, may deliver such alcohol beverages to any location off the licensed premises, pursuant to the following restrictions:

1. The order for the alcohol beverages which are to be delivered, must be taken by the licensee or an ordering service acting as an agent of the licensee pursuant to a written agreement entered into with the licensee. Licensee shall provide a copy of said agreement to the liquor enforcement division prior to any orders being accepted by licensee's agent. The order may be taken by written order, by telephone, in person, or via internet communication with the licensee or its agent. The person placing the order must provide the licensee with their name, address, date of birth and a valid form of identification, including the identification number. Under no circumstances shall a person under 21 years of age be permitted to place an order for alcohol beverages.

2. Delivery of alcohol beverages shall only be made to a person 21 years of age or older at the address specified in the order. Delivery must be made by the licensee, an employee of the licensee, or a delivery service acting as an agent of the licensee pursuant to a written agreement entered into with the licensee. A copy of said agreement shall be maintained by the licensee. The licensee or his employee, or a representative of a delivery service who delivers the alcohol beverages shall note and log, at the time of delivery; the name, address, date of birth and the valid form of identification, including the identification number, of the person the alcohol beverages are delivered to. Under no circumstances shall a person under 21 years of age be permitted to receive a delivery of alcohol beverages.

3. Licensees who deliver alcohol beverages shall maintain as a part of their required records, pursuant to 12-47-701 C.R.S., all records of delivery including; delivery agreements, delivery orders, receipt logs and journals. These records shall be maintained by the licensee for the current and three prior calendar years. Failure to maintain accurate or complete records shall be a violation of this regulation.

C. Suspension/revocation.

Any delivery made in violation of title 12, articles 46 and 47, or in violation of this regulation may be grounds for suspension or revocation by the state licensing authority as provided for in section 12-47-601 C.R.S.

**Regulation 47-428. Manufacturer Sales Rooms.**

A. Any manufacturer of spirituous liquors, licensed pursuant to 12-47-402 C.R.S. applying to operate an additional sales room location shall submit a copy of the application or supplemental application for the additional sales room to the local licensing authority in the jurisdiction in which such sales room is proposed.

B. Any manufacturer of vinous liquors applying to operate an additional sales room licensed pursuant to 12-47-402, and any limited winery licensed applying to operate an additional licensed premises pursuant to 12-47-403, shall also submit a copy of the application or supplemental application for an additional sales room or additional licensed premises to the local licensing authority in the jurisdiction in which such sales room or additional licensed premises is proposed.

C. The local licensing authority may request that the state licensing authority deny the issuance of a license of an additional sales room or limited winery licensed premises if it has determined that the applicant is not in compliance with local zoning restrictions or any other reasonable restrictions placed upon the neighborhood by the local licensing authority; and that for licenses issued for more than 3 consecutive days, that the proposed sales room or additional limited winery licensed premises is in keeping with the reasonable requirements of the neighborhood and desires of the adult inhabitants, in accordance with 12-47-301(2)(a) C.R.S. Neither the state or local licensing authority shall impose any additional fees for the processing or review of an application for an additional sales room or limited winery licensed premises.

D. All applications for additional sales rooms or licensed premises to be operated for no more than three (03) consecutive days shall be filed with both the local and state licensing authorities not less than 15 days prior to the proposed opening date. All applications for additional sales rooms to be operated for more than three (03) consecutive days shall be filed 30 days prior to the opening date. This requirement may be waived for good cause shown.

**Regulation 47-430. Limited Winery License - Colorado-grown Produce Annual Certification and Records. REPEALED**

**Regulation 47-500. Excise Tax Audits.**

The Department of Revenue shall cause each original monthly summary report to be audited.

A. If the audit reveals that the reporting brewpub, manufacturer or wholesaler shall have paid more tax, penalty, or interest than was actually due, the Department of Revenue shall issue to that brewpub, manufacturer or wholesaler a tax credit form reflecting the amount of overpayment. The brewpub, manufacturer or wholesaler may deduct the tax credit from any succeeding monthly report by attaching tax credit forms to the report.



B. If such audit reveals that the reporting brewpub, manufacturer or wholesaler shall have paid less tax, penalty, or interest than was actually due, the Department of Revenue shall issue to that brewpub, manufacturer or wholesaler a notice of assessment form reflecting the amount of underpayment. The brewpub, manufacturer or wholesaler must return the assessment form, along with the remittance, payable to the department of revenue.

### **Regulation 47-502. Excise Tax Reports.**

A. Resident manufacturers and wholesalers.

1. Reporting of alcohol beverages received or manufactured. Each licensed manufacturer or wholesaler whose licensed premises are located within Colorado shall forward to the Department of Revenue on or before the 20<sup>th</sup> day of the month succeeding the month of receipt or manufacture of such alcohol beverage, a completed report. Wholesalers shall use form DR 0445 which shall include the date of receipt, supplier account number and name, invoice number, and gallons or liters received. A separate form shall be submitted for each commodity. Manufacturers shall use this form only if they are acting in a licensed wholesale capacity, and they shall include the amount of product manufactured. Manufacturers and wholesalers shall maintain upon the licensed premises, and make available for inspection by the state licensing authority or other agents of the department, documents or invoices supporting such reports.

2. Reporting and payment of excise taxes - first sold. Each Colorado licensed wholesaler or manufacturer shall, in addition to filing form DR 0441 and DR 0445, also complete and file each month with the Department of Revenue form DR 0442. Form DR 0442 shall be filed on or before the 20<sup>th</sup> of the month succeeding the month reported. Payment of excise taxes due shall accompany the filing of form DR 0442.

3. Reporting and payment of excise tax - upon manufacture or receipt. Each Colorado licensed manufacturer or wholesaler electing this method of payment must, in addition to the requirement in A.2. above, contact the Department of Revenue. The department may enter into a "memorandum of understanding" with the licensee stating that the taxes will be reported and paid upon manufacture or receipt of purchased product, rather than when the product was first sold by such licensee.

4. Reporting receipt of alcohol beverages for which excise taxes have previously been paid. All Colorado licensed wholesalers receiving alcohol beverages, where the excise taxes upon such alcohol beverages have already been reported and paid to the Department of Revenue by a Colorado licensed wholesaler or manufacturer, or where the liability for reporting and payment of such excise taxes has been incurred by a manufacturer or some other licensed wholesaler, shall report receipt of such alcohol beverages on form DR 0445 and shall attach invoices evidencing receipt of such.

5. Excise taxes - credits, refunds.

a. A Colorado manufacturer who transmits outside the state and there disposes of any alcohol beverages, upon which no state excise tax has been previously paid or liability incurred, may claim exemption from the payment of excise taxes thereon by

submitting form DR 0443 as well as invoices or bills of lading evidencing such disposal. A Colorado wholesaler who shall transmit outside the state and there dispose of alcohol beverages, upon which excise tax has been previously paid or liability incurred, may claim credit for such taxes for which such wholesaler may be liable on form DR 0443 and shall attach a signed and itemized delivery receipt, invoice and bill of lading from a common carrier or affidavit showing such transaction.

b. A Colorado manufacturer or wholesaler possessing alcohol beverages upon which state excise taxes have been previously paid or liability incurred and which alcohol beverages have been rendered unsalable by reason of destruction or damage may claim exemption or credit for such taxes for which such manufacturer or wholesaler may be liable by submitting an application for credit supported by a properly executed affidavit of destruction or damage. Nothing herein shall be construed to authorize claims for credit of taxes paid on any alcohol beverages rendered unsalable by reason of spoilage.

c. All claims for exemptions from excise taxes, or claims for credit, shall be made on forms DR 0442 and DR 0443 on or before the 20<sup>th</sup> day of the month succeeding the date of disposal. In addition, all affidavits of destruction or damage, or invoices evidencing shipment outside of Colorado shall be submitted with said forms.

C. Any manufacturer or wholesaler may, in lieu of forms required in this regulation, forward a computer generated report in a format approved by the Department of Revenue. Such reports must be submitted within the same time frames as set forth above.

#### **Regulation 47-503 Payment of Excise Taxes - Limited Wineries**

The additional excise tax surcharge at the rate of 5.0 cents per liter for the first nine thousand liters, 3.0 cents per liter for the next thirty-six thousand liters, and 1.0 cent per liter for all additional amounts, is imposed on all vinous liquors except hard cider produced by Colorado licensed wineries and sold, offered for sale, or used in this state. This graduated rate shall be applicable on an annual basis beginning on the first day of July each year.

#### **Regulation 47-504. Payment of Excise Taxes by Non-licensees.**

A. Persons not licensed pursuant to this article arriving in the state from another state or foreign country may lawfully have in their possession, for personal use and not for resale, up to one (1) gallon or four (4) liters, whichever measure is applicable, of alcohol beverage without liability for the Colorado excise tax thereon. Excise taxes on alcohol beverages in excess of the aforesaid four (4) liters (or one gallon) shall be paid to the Colorado Department of Revenue in the amounts set forth in section 12-47-503, C.R.S. Persons in possession of such alcohol beverages at the time of their arrival in Colorado shall be liable for the payment of excise taxes thereon, and such payment shall be made within thirty (30) days of the date such alcohol beverages arrive in Colorado.

B. Notwithstanding the above, persons receiving vinous liquors in this state pursuant to the provisions of section 12-47-104 C.R.S., are exempt from payment of excise taxes on such liquor.

**Regulation 47-600. Complaints against Licensees - Suspension and Revocation of Licenses.**

A. Whenever a written complaint shall be filed with a licensing authority, charging any licensee for the manufacture or sale of alcohol beverages with a violation of any law or of any of the rules or regulations adopted by the State Licensing Authority, the licensing authority shall determine by investigation or otherwise the probable truth of such charges.

B. If it shall appear therefrom or shall otherwise come to the attention of the licensing authority that there is probable cause to believe that a licensee has violated any such law, rule or regulation, the licensing authority shall issue and cause to be served upon such licensee a notice of hearing and order to show why its license should not be suspended or revoked.

C. A hearing shall be held at a place and time designated by the licensing authority on the day stated in the notice, or upon such other day as may be set for good cause shown. Evidence in support of the charges shall be given first, followed by cross-examination of those testifying thereto. The licensee, in person or by counsel, shall then be permitted to give evidence in defense and in explanation, and shall be allowed to give evidence and statements in mitigation of the charges. In the event the licensee is found to have committed the violation charged or any other violation, evidence and statements in aggravation of the offense shall also be permitted.

D. If the evidence presented at the hearing does not support the charges stated in the notice and order served upon the licensee, but standing alone establishes the guilt of the licensee of a violation of some other law, rule or regulation, the licensee shall be permitted to give evidence and statements in defense, explanation and mitigation if then prepared to do so. If such evidence is not then available, but can be obtained by the licensee, the licensee shall state the substance thereof and upon his request the hearing may be recessed for not more than ten days, and shall then continue under the same procedure as though no recess had occurred.

E. In the event the licensee is found not to have violated any law, rule or regulation, the charges against him will be dismissed. If the licensee is found to have violated some law, rule or regulation, his license may be suspended or revoked.

F. Every licensee whose license has been suspended by any licensing authority shall, if ordered by the licensing authority, post two notices in conspicuous places, one on the exterior and one on the interior of its premises, for the duration of the suspension. The notices shall be two feet in length and fourteen inches in width containing lettering not less than ½" in height, and shall be in the following form:

**NOTICE OF SUSPENSION  
ALCOHOL BEVERAGE LICENSES ISSUED  
FOR THESE PREMISES HAVE BEEN  
SUSPENDED BY ORDER OF  
THE STATE - LOCAL LICENSING AUTHORITY  
FOR VIOLATION OF THE COLORADO LIQUOR/BEER CODE**

Advertising or posting signs to the effect that the premises have been closed or business suspended for any reason other than by order of the department suspending alcohol beverage license, shall be deemed a violation of this rule.

#### **Regulation 47-602. Temporary-Summary Suspension.**

A. Where a licensing authority has reasonable grounds to believe and finds that a licensee has been guilty of a deliberate and willful violation of any applicable law or regulation or that the public health, safety or welfare imperatively requires emergency action and incorporates such findings in its order, it may temporarily or summarily suspend the license pending proceedings for suspension or revocation which shall be promptly instituted and determined.

B. The temporary suspension of a license without notice pending any prosecution, investigation, or public hearing shall be for a period not to exceed fifteen days.

#### **Regulation 47-604. Compliance Check Penalties**

When a licensing authority finds that a licensee has sold alcohol beverages to a minor and that said violation was investigated or detected by using a person under twenty-one years of age to purchase alcohol beverages from the licensee, the licensing authority may consider the following penalties to be imposed for the violation:

A.1. First Offense – (within one year) A written warning up to a 15 day suspension. Accepting a fine (within the provisions of C.R.S. 12-47-601) in lieu of up to 14 days of actual suspension is at the discretion of the licensing authority, as is holding a portion of the suspension time in abeyance for a period of time.

2. As an inducement for licensees to provide training for servers, because server training has proven to be an aid in the reduction of violations, it is recommended that, where there are no aggravating circumstances, a licensee who has provided training to its staff members be issued only a warning on first violation.

B. Second Offense (within one year) – A 5 to 30 day suspension. If no fine was paid or suspension served at the time of the first offense, it would be within the discretion of the licensing authority to accept a fine (within the provisions of C.R.S. 12-47-601) in lieu of actual days of suspension and/or to hold a portion of the suspension time in abeyance for a period of time.

C. Third Offense (within one year) – 20 to 45 day suspension.

D. Fourth Offense (within two years) – 45 day suspension to revocation.

E. Licensing authorities may also consider mitigating and aggravating factors when considering the imposition of the penalty. These factors may include:

1. Action taken by the licensee to prevent violations., i.e., training of servers.
2. Licensee's past history of success or failure with compliance checks.
3. Corrective action(s) taken by the licensee.
4. Prior violations/prior corrective action(s) and its effectiveness.

5. Willfulness or deliberateness of the violation.
6. Likelihood of recurrence of the violation.
7. Factors which might make the situation unique, such as:
  - a. Prior notification letter to the licensee that a compliance check would be forthcoming.
  - b. The dress or appearance of the underage operative, i.e., the operative was wearing a high school letter jacket.
8. Licensee or manager is the violator or has directed an employee or other individual to violate the law.

**Regulation 47-605. Responsible Alcohol Beverage Vendor and Permitted Tastings by Retail Liquor Stores and Liquor Licensed Drugstores.**

To be considered a Responsible Alcohol Beverage Vendor at any licensed premises, or to serve beverage alcohol at tastings held in retail liquor stores or liquor licensed drugstores, the following standards must be complied with.

**A. Training Program Standards**

1. Must be attended by resident on-site owner (if applicable), managers, and employees selling/serving alcohol beverages
2. Once a licensee is designated a "Responsible Vendor," all new employees must complete the training described in this regulation with 90 days
3. Recertification must occur every two (2) years
4. Minimum program time four (4) hours for initial certification. Those seeking recertification are exempt upon the showing of proficiency in the knowledge of new and existing alcohol beverage laws.
5. Program must provide written documentation of attendance by/for each attendee
6. Program must have a method of evaluating its own effectiveness through:
  - a. Test attendees for knowledge
  - b. Survey program effectiveness from attendees or verbal attendee feedback,  
or
  - c. Discussion that is documented by program providers

**B. Training class core curriculum**

1. Discussion concerning alcohol's effects on the human body
  - a. Alcohol's physical effects
  - b. Visible signs of intoxication
  - c. Recognizing the signs

2. Liquor Liability
  - a. Civil liability
  - b. Criminal liability
  - c. Administrative liability (License Sanctions)
  - d. Liability for licensee and/or managers for the actions of employees
  
3. Sales to visibly Intoxicated persons
  - a. Colorado law provisions
  - b. Recognition and prevention
  - c. Intervention techniques
  - d. Related laws or issues
    1. DUI/DWQI
    2. Reg. 47-900 – Loitering prohibited
  
4. Sales to minors
  - a. Colorado law provisions
  - b. Sale and service
  - c. Permitting consumption
  
5. Acceptable forms of Identification (Reg. 47-912)
  - a. How to check identification-protocol
  - b. Spotting false identification
  - c. Mistakes made in verification
  
6. Local Licensing and Enforcement
  - a. Encourage to become familiar with local law provisions
  - b. Encourage to develop a relationship with local agencies
  
7. State Licensing and Enforcement
  - a. How to contact the Liquor Enforcement Division
  - b. Become familiar with state law provisions
  - c. Encourage to develop a relationship with area investigator
  
8. Other key state laws and rules affecting owners, managers, sellers, and servers
  - a. Age requirements for servers
  - b. Provisions for confiscating fraudulent identifications
  - c. Removal of liquor from on-premises licensed establishment
  - d. Patrons prohibited from bringing liquor onto licensed premises
  - e. Permitted hours of sale and service
  - f. Conduct of establishment
  - g. Nudity and prohibited entertainment
  - h. Permitting inspections by state and local licensing and enforcement authorities
  - i. Reporting changes in ownership and management
  - j. Licensee responsible for activities occurring within licensed premises
  - k. Tastings in retail liquor stores and liquor licensed drugstores
  - l. Prohibited purchases

9. Recommendation for Licensees

- a. Establish policies and procedures
- b. Establish a record keeping system to document activities and events
- c. Contact local authority on incident reporting expectations

**Regulation 47-700. Inspection of the Licensed Premises.**

A. The licensed premises, including any places of storage where alcohol beverages are stored or dispensed, shall be subject to inspection by the state or local licensing authorities and their investigators, or peace officers, during all business hours and all other times of apparent activity, for the purpose of inspection or investigation. For examination of any inventory or books and records required to be kept by licensees, access shall only be required during business hours. Where any part of the licensed premises consists of a locked area, upon demand to the licensee, such area shall be made available for inspection without delay; and upon request by authorized representatives of the licensing authority or peace officers, such licensee shall open said area for inspection.

B. Each licensee shall retain all books and records necessary to show fully the business transactions of such licensee for a period of the current tax year and the three prior tax years.

**Regulation 47-900. Conduct of Establishment.**

A. Orderliness, loitering, serving of intoxicated persons.

Each person licensed under Articles 46, 47, and 48 of Title 12, and any employee or agent of such licensee shall conduct the licensed premises in a decent, orderly and respectable manner; and shall not permit on the licensed premises the serving or loitering of a visibly intoxicated person or habitual drunkard, nor shall the licensee, his employee or agent knowingly permit any activity or acts of disorderly conduct as defined by and provided for in Section 18-9-106, C.R.S., nor shall a licensee permit rowdiness, undue noise, or other disturbances or activity offensive to the senses of the average citizen, or to the residents of the neighborhood in which the licensed establishment is located.

B. Attire and conduct of employees and patrons.

No person licensed under Articles 46, 47, and 48 of Title 12, nor any employee or agent of such person licensed under these Articles shall engage in or permit the following:

1. Employment or use of any person in the sale or service of alcohol beverages in or upon the licensed premises while such person is unclothed or in such attire, costume or clothing as to expose to view any portion of the female breast below the top of the areola or of any portion of the pubic hair, anus, cleft of the buttocks, vulva or genitals.
2. Employment or use of the services of any hostess or other person to mingle with the patrons while such hostess or other person is unclothed or in such attire, costume or clothing as described in paragraph number (1) above.
3. Any person on the licensed premises touching, caressing or fondling the breasts, buttocks, anus, or genitals of any other person.

4. Any employee or person on the licensed premises wearing or using any device or covering, exposed to view, which simulates the breasts, genitals, anus, pubic hair or any other portion thereof.

C. Entertainment.

Live entertainment is permitted on any licensed premises, except that:

1. No person licensed under Articles 46, 47, and 48 of Title 12, nor any employee or agent of such person licensed under these Articles shall engage in or permit any person to perform acts of or acts which simulate:

a. Sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation or any sexual acts which are prohibited by law.

b. The touching, caressing or fondling of the breasts, buttocks, anus or genitals.

c. The displaying of pubic hair, anus, vulva or genitals.

2. No licensee nor any employee or agent of such licensee shall engage in or permit any person to use artificial devices or inanimate objects to depict any of the prohibited activities described above.

3. No licensee nor any employee or agent of such licensee shall engage in or permit any person to remain in or upon the licensed premises who exposes to public view any portion of his or her genitals or anus.

D. Visual displays.

No person licensed under Articles 46, 47, and 48 of Title 12, nor any employee or agent of such person licensed under these Articles, shall engage in or permit on the licensed premises the showing of film, still pictures, electronic reproduction, or other visual reproductions depicting:

1. Acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation or any sexual acts which are prohibited by law.

2. Any person being touched, caressed or fondled on the breasts, buttocks, anus or genitals.

3. Scenes wherein a person displays the vulva or the anus or the genitals.

4. Scenes wherein artificial devices or inanimate objects are employed to depict, or drawings are employed to portray, any of the prohibited activities described above.

E. Local ordinances.

This regulation shall not be deemed to authorize or permit any conduct, behavior or attire on licensed premises which is otherwise prohibited by any city or county ordinances.

**Regulation 47-902. Sanitary Requirements.**

Each retail licensee selling alcohol beverages for consumption on the premises, shall maintain its establishment in clean and sanitary condition and in full compliance



with the requirements of food service establishments under the supervision of the State Board of Health. If the licensed establishment is a restaurant licensed by the State Board of Health, it shall maintain such license in full force and effect at all times while selling such beverages for consumption therein.

**Regulation 47-904. Product Labeling, Substitution, Sampling and Analysis.**

A. No licensee, for the sale of alcohol beverages for consumption on the premises where sold, shall maintain thereon any container of alcohol beverage which contains any such substance other than that contained at the time such container was received by or delivered to the licensee.

B. No licensee, for the sale of alcohol beverages for consumption on the premises where sold, shall substitute one brand, type, or alcohol content of alcohol beverages for that which has been specifically requested by a customer, unless the customer expressly consents to the substitution.

C. Excepting manufacturers, no licensee shall refill or permit the refilling of any alcohol beverage container with alcohol beverage or reuse any such container by adding distilled spirits or any substance, including water, to the original contents or any portion of such original contents. There shall be no prohibition against the use of carafes, pitchers or similar serving containers.

D. If sampling, analysis or other means shall establish that any such licensee has upon the licensed premises any bottle or other container which contains alcohol beverage of a different brand, type, or alcohol content than that which appears on the label thereof, such licensee shall be deemed to have violated this regulation.

E. All licensees for the sale of alcohol beverages for consumption on the premises where sold shall, upon request of the Department of Revenue, Liquor Enforcement Division or any of its officers, make available to the person so requesting a sufficient quantity of such alcohol beverage to enable sampling or analysis thereof. The licensee shall be notified of the results of the sampling or analysis without delay.

F. The manufacturer or importer or any alcohol beverage product sold in Colorado must register said product with the Liquor Enforcement Division prior to the date of the product's initial intended date of sale. All products that are registered in Colorado must have first obtained either a "Certificate of Label Approval" or a "Certificate of Exemption" from the Bureau of Alcohol, Tobacco and Firearms ("BATF").

G. The manufacturer or importer of alcohol beverage products that have obtained a BATF "Certificate of Exemption" are still required to, and shall certify that their product's label will, comply with BATF labeling criteria as found in the "Federal Alcohol Administration Act" 27 CFR Subchapter A - Liquor Part 4, Subpart D; Part 5, Subpart D; and Part 7, Subpart C.

*Material incorporated by reference in this rule does not include later amendments to or editions of the incorporated material. Copies of the material incorporated by reference may be obtained by contacting the Director of the Colorado Liquor Enforcement Division of the Department of Revenue, 1881 Pierce Street, Lakewood, Colorado, Tel: (303) 205-2300, and copies of the material may be examined at any State Publication Depository Library.*

**Regulation 47-905. Colorado Wineries - Labeling and Records**

A. A Colorado winery must include on the labels of all grape wines, even those exempted from approval by the United States Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau (TTB), information identifying the appellation of origin such as country, state, province, county or viticultural area.

B. A Colorado winery using the words "Colorado grown" on a label shall use only 100% Colorado grown grapes, fruit or other agricultural products in the manufacture of that labeled vinous liquor.

C. Honey wine, mead or any vinous liquor the alcoholic content of which is primarily obtained from fermented honey shall not be subject to paragraph 1 of this regulation, 47-905, except that the use of the phrase "Colorado grown" shall require that all honey and any other agricultural products used to manufacture or flavor the wine must be grown, gathered or harvested within Colorado.

D. A Colorado winery shall maintain records of the purchase and harvest of agricultural produce used in the manufacture of each of its vinous liquors. Such records shall be sufficient to verify the source of agricultural produce used in the manufacture of vinous liquors. These records shall be available for inspection by the Liquor Enforcement Division for a period of three years after the first sale of each vinous liquor, or longer if required by other applicable statutes or regulations.

E. Any stock of printed labels in the possession of a winery prior to this regulation taking effect shall be exempt from these regulations until such time as that stock of printed labels is depleted. Neither this paragraph nor any other provision in this regulation shall be construed to supersede any more stringent statute or regulation. More specifically, labels exempted from this regulation under this paragraph are in no way exempt from complying with any and all applicable federal wine labeling requirement.

F. A Colorado limited winery shall, on or before February 28, annually declare on a form provided by the Liquor Enforcement Division that it did not manufacture more than 100,000 gallons of vinous liquor in the preceding calendar year.

**Regulation 47-906. Container Size.**

A. No manufacturer or wholesaler shall sell or deliver any vinous or spirituous liquors to any Colorado licensed retailer licensed for the sale of alcohol beverages for consumption on the premises in any container prohibited by this regulation.

B. No Colorado licensed retailer licensed under Article 47 for the sale of alcohol beverages for consumption on the premises shall purchase or have in his possession upon or about the licensed premises spirituous liquor of over fourteen (14) percent of alcohol by volume in any container of less than one-fifth (1/5) of a gallon capacity, or vinous liquors of over fourteen (14) percent of alcohol by volume in any container of less than twenty-four (24) ounce capacity, and no vinous or spirituous liquors, regardless of alcohol content, shall be purchased or possessed on the licensed premises in any flat or flask-shaped container of less than twenty-four (24) ounce capacity. The provisions of this subsection B, shall not apply to aggregate packages of alcohol beverages that are within the alcohol volume limitations specified in this subsection, provided that the individual containers within

the aggregate package are opened by the licensee prior to serving consumers and the seal nor any other device that can be used to seal the container is not provided by the licensee to the consumer.

C. The containers referred to in paragraphs B, D, and E of this regulation shall include all alcohol beverages marketed in the nearest metric equivalent measure container.

D. The provisions of subsection B, herein above, shall not apply to any retailer licensed as a public transportation system pursuant to Article 47. However, no person licensed as a public transportation system shall purchase or possess on the licensed premises any vinous or spirituous liquors in any flat or flask-shaped container of less than twenty-four (24) ounce capacity. In addition, no person licensed as a public transportation system shall sell or serve any vinous or spirituous liquor to any person except in an open container, or in a container which has had the lid, top, cork, or seal broken open or removed.

E. The provisions of subsection B, herein above, shall not apply to containers of any size in hotel guest rooms nor shall it prohibit any hotel and restaurant licensee, including an optional premises licensee, from purchasing or possessing for sale to customers, for on-premise consumption only, any container which is not less than 1.7 fluid ounce capacity; provided, however, the licensee must open the lid, top or cork, break and remove the seal, and pour the contents of the container into a serving glass or other serving container. The customer may retain the empty container as a souvenir.

#### **Regulation 47-908. Automatic and Electronic Dispensing Systems.**

The installation of automatic and electronic dispensing systems by on-premises consumption licensees is authorized provided that the following requirements are complied with:

A. Such equipment must avoid an in-series hook-up which would permit the contents of vinous and spirituous liquor bottles or containers to flow from bottle to bottle before reaching the dispensing spigot or nozzle. Such equipment shall not permit intermixing of different brands, or differently labeled types, of the same kind of alcohol beverages within the dispensing systems.

B. Where any part of such installation is within a locked area, upon demand to the licensee, such area shall be made available for inspection without delay; and upon request by an authorized representative of the licensing authority, or peace officers, such licensees shall open said area for inspection.

C. Such equipment shall not be coin operated and shall be operated personally and directly only by the licensee or employees thereof.

D. No alcohol beverage shall be sold, served or dispensed from such system equipment unless the brand names of the manufacturer's product, corresponding to the container from which the alcohol beverage is drawn, are conspicuously posted and visible to the customer; or are imprinted on a card, sign or plate, and are visible to the public.

E. The installation of such equipment without compliance with any of the foregoing requirements shall constitute good and sufficient cause for the suspension, cancellation or revocation of the license.

**Regulation 47-910. Consumption Prohibited.**

No retail licensee shall permit the consumption of any alcohol beverages on the licensed premises at any time during such hours as the sale of such beverages is prohibited by law.

**Regulation 47-912. Identification.**

A. Licensees may refuse to sell alcohol beverages to any person unable to produce adequate, currently valid identification of age. The kind and type of identification deemed adequate shall be limited to the following:

1. An operator's, chauffeur's or similar type driver's license containing a picture, and date of birth, issued by any state, Canada, Mexico or United States Territory.
2. An identification card containing a picture, issued by any state for the purpose of proof of age as in accordance with C.R.S. 42-2-402.
3. A military identification card.
4. A passport.
5. An alien registration card.
6. A valid employment authorization card containing a picture and date of birth issued by the U.S. Department of Justice, Immigration and Naturalization Service.

B. It shall be an affirmative defense to any administrative action brought against a licensee for alleged sale to a minor if the minor presented fraudulent identification of the type established above and the licensee possessed an identification book issued within the past three years which contained a sample of the kind of identification presented for compliance purposes. As an affirmative defense, the burden of proof is on the licensee to establish by a preponderance of the evidence that the minor presented fraudulent identification.

**Regulation 47-913. Employees.**

Any person who is at least eighteen years of age who is under the direct supervision of a person who is at least twenty-one years of age, may be employed in a place of business where alcohol beverages are sold at retail for off-premises consumption. During the normal course of such employment, any person who is at least eighteen years of age may handle and otherwise act with respect to alcohol beverages in the same manner as that person does with other items sold at retail; except that no person under twenty-one years of age shall sell alcohol beverages or check identification of the customers of the retail outlet.

**Regulation 47-914. Unlicensed Possession of Beverages.**

No licensee shall possess, maintain or permit the possession, on the licensed premises, of any alcohol beverage which it is not licensed to sell or possess for sale.

**Regulation 47-916. Advertising.**

No licensee for the sale or distribution of malt, vinous or spirituous liquor shall, upon or in proximity to, or referring to the licensed premises, use, advertise or exhibit, or permit to be used, published or exhibited, any sign, advertisement, display, notice, symbol or other device which advertises, indicates, implies or infers an alcohol content of alcohol beverages sold, distributed or dispensed upon such premises, of an amount or percentage greater or lesser than the actual alcohol content of such beverages.

**Regulation 47-918. Removal of Alcohol Beverages from Premises.**

A. Notwithstanding those licensees described in Section 12-47-421(2)(a), who may permit a patron to reseal a partially consumed bottle of vinous liquor (not to exceed 750 ML) which was originally sold for on premises consumption; no licensee, manager or agent of any establishment licensed for on-premises consumption shall permit the removal from the licensed premises of any alcohol beverages in sealed or unsealed containers,

B. Licensees described in paragraph A of this regulation who permit a patron to remove a partially consumed bottle of vinous liquor shall reseal the bottle with a cork or other commercially manufactured stopper.

C. The patron may not place the container in the passenger area of a motor vehicle or in an area that is readily accessible to the driver or a passenger while in his or her seating position, including but not limited to the glove compartment.

*(This subsection "C" will expire on May 15, 2007)*

D. Patrons transporting a partially consumed bottle of vinous liquor in a motor vehicle shall comply with the requirements of 42-4-1305, C.R.S.

**Regulation 47-920. Solicitation of Drinks.**

A. No licensee, manager or agent shall employ or permit upon any premises licensed for on-premises consumption, any employee, waiter, waitress, entertainer, host or hostess to mingle with patrons and personally beg, procure, or solicit the purchase or sale of drinks or beverages for the use of the one begging, procuring or soliciting or for the use of any other employee.

B. No licensee, manager or agent shall permit upon any licensed on-sale premises anyone to loiter in or about said premises who solicits or begs any patron or customer of, or visitor in, such premises to purchase any drinks or beverages for the one soliciting or begging.

**Regulation 47-922. Gambling.**

A. Activities prohibited.

1. No person licensed under Articles 46, 47 and 48 of Title 12 to sell at retail shall authorize or permit on the licensed premises any gambling, or use of any gambling machine or device, or the use of any machine which may be used for gambling, except as specifically authorized for a racetrack, pursuant to Article 60 of Title 12 C.R.S., or for limited gaming, pursuant to Article 47.1 of Title 12 C.R.S.

2. No person licensed under these articles shall authorize or permit on the licensed premises the holding of any lottery, except as authorized by Part 2 of Article 35 of Title 24, C.R.S. 1973 and any rules and regulations promulgated thereunder. Nothing in this regulation shall be deemed to prohibit the conducting of games of chance authorized by the bingo and raffles law (Article 9 of Title 12, C.R.S. 1973).

**B. Equipment prohibited.**

No person licensed under Articles 46, 47 and 48 of Title 12 to sell at retail shall authorize, permit or possess on the licensed premises any table, machine, apparatus or device of a kind normally used for the purpose of gambling, except as specifically authorized and when licensed for limited gaming, pursuant to Article 47.1 of Title 12 C.R.S. Prohibited equipment shall include video poker machines and other devices, defined either as slot machines pursuant to C.R.S. 12-47.1-103(26) and/or gambling devices pursuant to C.R.S. 18-10-102.

**C. Equipment permitted.**

1. Nothing in this regulation shall be deemed to prohibit the use of bona fide amusement devices, such as pinball machines or pool tables, provided however that such devices do not and cannot be adjusted to pay anything of value, and that such devices are not used for gambling, as defined in C.R.S. 18-10-102, as the same may be amended from time to time.

2. A licensee is permitted to conduct, on its licensed premises, tournaments or competitions involving games of skill as permitted by C.R.S. 18-10-102(2)(a), including the awarding of prizes or other things of value to participants, in connection with the use or operation of devices such as and including, but not limited to:

- a. Pool tables
- b. Billiard tables
- c. Pinball machines
- d. Foosball machines
- e. Basketball games
- f. Air hockey games
- g. Shuffleboard games
- h. Dart games
- i. Bowling games
- j. Golf Games

3. Licensees will not be considered in violation of this regulation if they permit on their licensed premises card or similar games of chance to be played between natural persons whereas no person is engaging in gambling as defined by C.R.S. 18-10-102(2)

#### D. Inspections and Records.

1. Licensees shall keep a complete set of records, including operating manuals, concerning any game machine or device maintained on their licensed premises. Licensees who do not own their machines or devices shall be required to maintain a copy of their current contract with vendor. This contract at a minimum shall detail the division of profits between the parties and how monies will be accounted for, including the payment of any monies, credits, or any other thing of value to customers of the licensee. Copies of any outstanding notes or loans between the parties must also be maintained by the licensee.

2. Licensee shall make available without delay to agents of the state or local licensing authority access to the interiors of any machine or device maintained upon the licensed premises to assist in the determination of whether or not said machine or device is permitted or prohibited equipment.

#### **Regulation 47-924. Importation and Sole Source of Supply/Brand Registration.**

A. Before any person, firm, company, partnership, or corporation ships any alcohol beverages into the state of Colorado, each such entity shall be properly licensed by the state licensing authority. The only exceptions to licensing for importation may be found under 12-47-104 and 12-47-106, C.R.S.

B. At least thirty (30) days prior to the sale or shipment of any alcohol beverages in, or into, the state of Colorado, each licensed manufacturer, non-resident manufacturer or importer shall submit to the state licensing authority a complete report, on forms prepared and furnished by the state licensing authority, which shall detail: the licensee's name and license number; the designated Colorado licensed wholesaler(s); the name of the United States primary source of supply; the products to be imported, including the brand name, class or type, and fanciful name; evidence of compliance with Bureau of Alcohol, Tobacco and Firearms labeling requirements found in the "Federal Alcohol Administration Act" 27 CFR Subchapter A - Liquor Part 4, Subpart D; Part 5, Subpart D; and Part 7, Subpart C. The import licensee, if not the product manufacturer, shall also include with said form a separate letter from the primary source of supply designating such import licensee as the primary source in the United States or the sole source of supply in Colorado. A separate form is required for each primary source. Each non-resident manufacturer, and importer shall also remit with said form the appropriate brand registration and/or sole source fee(s). A separate sole source fee is required for each primary source that an importer represents.

C. Should the primary source of supply change its designated licensed importer, the newly designated licensed importer is required to submit the same information described in paragraph B of this regulation on required forms thirty (30) days prior to shipment of any alcohol beverages. The newly designated importer shall also remit the appropriate sole source and brand registration fees with said form.

*Material incorporated by reference in this rule does not include later amendments to or editions of the incorporated material. Copies of the material incorporated by reference may be obtained by contacting the Director of the Colorado Liquor Enforcement Division of the Department of Revenue, 1881 Pierce Street, Lakewood, Colorado, Tel: (303) 205-2300, and copies of the material may be examined at any State Publication Depository Library.*

**Regulation 47-926. Interference with Officers.**

No licensee or person shall by force or threat of force, including any letter or other communication threatening such force, endeavor to intimidate, obstruct or impede inspectors of the Liquor Enforcement Division, their supervisors or peace officers from exercising their duties under the provisions of this article. The term "threat of force" includes the threat of bodily harm to the officer or to a member of his/her family.

**Regulation 47-1000. Special Event Permits - Possession of Beverages.**

A. No permittee shall allow the sale, possession, or consumption of any beverages on the licensed premises when the sale, possession or consumption of such beverages is prohibited by the permit.

B. No person shall possess or consume on the licensed premises any beverage other than that allowed by the type of special events permit as issued.

C. Permittees may sell licensed beverages by the drink only to persons for consumption on the licensed premises only.

**Regulation 47-1002. Posting of Special Event Permit upon the Permitted Premises.**

The holder of any type of special event permit, issued by the state licensing authority, shall post such permit upon the premises covered by such permit, and it shall produce the permit to any law enforcement agent or state liquor enforcement officer.

**Regulation 47-1004. Special Event Permits - Age of Servers.**

A. No person under eighteen (18) years of age may sell, serve, dispense or distribute alcohol beverages.

B. No person under the age of twenty-one (21) years may sell, serve or dispense spirituous liquors.

C. A person who is between eighteen (18) and twenty (20) years of age may sell and dispense fermented malt beverages (3.2% Beer) and malt and vinous liquor when said person is under the supervision of a person who is at least twenty-one (21) years of age.

**Regulation 47-1006. Special Event Permits - Complaint against Permittee-Cancellation-Revocation of Permit.**

Whenever a written complaint is filed with the state licensing authority or shall otherwise come to the attention of the licensing authority, that a violation of the provisions of Article 48 occurred, and the special event permittee, its agents, employees, or its members, violated the provisions of Title 12, Article 46, 47, or 48, C.R.S. as amended, upon proper investigation of such charges the state licensing authority may upon notice and hearing as set forth in 12-47-601 C.R.S., suspend or revoke such special event permit, and may further order the denial of future applications for another special event permit to be submitted by the same organization.



### **Regulation 47-1008. Special Event Permittee - Purchase of Alcohol Beverages.**

Special event permittees may purchase the kinds of alcohol beverages they authorized by such permits to sell from a licensed wholesaler, brewpub, limited winery, licensed retail liquor store or from a liquor-licensed drugstore.

### **Regulation 47-1010 Special Event Permittee - Supplier Relationships.**

A. Licensed suppliers may furnish financial support and/or services to organizations, as defined by Article 48 of Title 12, that qualify for a special events permit. Support shall be in connection with public service or non-profit fund raising activities including, but not limited to, events such as: fairs, sporting events, agricultural exhibitions, educational clinics, concerts, and other similar events. Support shall not be conditioned, directly or indirectly, upon the present or future purchase of an alcohol beverage or fermented malt beverage or the exclusive sale of a supplier's product at such events. A supplier may furnish or share the cost of advertisements, signs, promotional materials and items of a similar nature used in connection with a non-profit special events permit. Advertising and advertising materials may refer to the name of the special event permittee conducting the event. A supplier may also rent dispensing equipment to special event permittees at fair market value and may sell glassware, cups and similar items at a minimum of cost.

B. A licensed wholesaler, brew pub, limited winery, or vintners restaurant licensee may provide alcohol beverages to a special event permittee at no cost if such beverages are used for hospitality and/or fund raising purposes, and are not resold by the drink. The wholesaler, brewpub, limited winery, or vintners restaurant licensee may invoice such products at no cost to the permittee and shall ensure that all applicable taxes are paid. When product is being donated for the use of a non-profit, charitable, community, or private group and the event or activity is being held at a retail outlet licensed pursuant to Article 46 or 47 of title 12, the wholesaler, brewpub, limited winery, or vintners restaurant licensee may invoice the retailer at no cost for such products if the retail licensee consents to such an arrangement. Any such donated product which is unused must be returned by the retailer, to the wholesaler, brewpub, limited winery, or vintners restaurant licensee as soon as practicable after the event. If the unused product is not returned, then the wholesaler, brewpub, limited winery, or vintners restaurant licensee must charge the retailer at least the minimum of cost for these products.

### **Regulation 47-1012. Special Event Permittee - Political Organizations.**

Political, as used in Article 48 of Title 12, shall mean any political organization as defined by law under C.R.S. 1973, 1-1-104. However, no permit shall be required for those individuals or candidates campaigning or running for public office and who sponsor fund raising activities provided such activities are held in a private home and there is no cash bar in operation.

### **Regulation 47-1014. Special Event Permits - Location.**

The special event permit issued by the state licensing authority for a "specific" location, properly described in the application for such permit, is "non-transferable," and therefore not valid for any other location. The special event permit cannot be transferred to any other organization, and it is valid only for the day or days specifically included in such permit.

**Regulation 47-1016. Special Event Permits - Change of Location.**

Upon filing of satisfactory evidence with the state licensing authority, an organization qualifying under Article 48 of Title 12, may obtain a single permit with duplicate copies for a particular event if such event is to be conducted in a series of private homes, provided such homes are in the same neighborhood and the application contains the specific description of address of the premises to be utilized in connection therewith. Said permit shall not be valid for any other locations, and shall be subject to the time restriction set forth in the statute. Nothing herein shall permit the operation of a cash bar at any of the specified locations.

**Regulation 47-1018. Application for Special Event Permits**

A. All applications for any type of special event permit shall be made on forms provided by the state licensing authority, Department of Revenue, Liquor Enforcement Division.

B. The applications for a special event permit shall be verified by oath or affirmation of an officer of the applicant organization.

C. The properly verified application shall be submitted to the respective "Local Licensing Authority" (Local Licensing Authority means: (in Denver) Director of Excise & Licensing, City Council, Board of County Commissioners or other designated agency as set forth by statute or ordinance, not less than thirty days prior to the date of the special event.

D. Each special event permit application shall be accompanied by a check (to be made payable to the Colorado Department of Revenue), covering the appropriate permit fee involved. The respective local licensing authority shall investigate each special event permit application, and it will either approve or deny such application upon proper grounds in accordance with the provisions of Article 48 of Title 12.

E. Upon approval the local licensing authority shall submit the approved form and the attached check, covering the respective permit fee, to the state licensing authority not less than ten days prior to the date of the special event.

F. Each applicant must obtain a state sales tax license upon approval by the state licensing authority.

G. The state or the local licensing authority, for good cause, may waive the time requirements set forth in this regulation.

**Regulation 47-1020. Special Event Permits - Application on School Property.**

No application for the issuance of a special event permit for the sale of malt, vinous or spirituous liquors shall be received or acted upon where the premises upon which the alcohol beverage is to be sold is located within five hundred feet of any public or parochial school or the principal campus of any college, university or seminary, which distance is to be measured as set forth in the liquor code provided such restriction shall not be imposed during those hours in which no school classes are scheduled.

# INDEX

Advertising Practices .....	47-002
Application - General Provisions .....	47-310
Application in General .....	12-47-304
Application to State Licensing Authority .....	12-47-304
Application to Local Licensing Authority .....	12-47-309
Appeals of agency action .....	12-47-802
Appropriation, duties subject to available .....	12-47-203
Arts license .....	12-47-417
Arts license .....	47-422
Auction of alcohol beverage .....	12-47-106(3)(a)
Automatic/electronic dispensing system .....	47-908
Beer and wine license .....	12-47-409
Bed & Breakfast permit .....	12-47-410
Bed & Breakfast Defined .....	12-47-103
Books & records, Inspection of .....	12-47-902
Brew Pub .....	12-47-415
Brewery, definition .....	12-47-103
Change in class of license .....	47-302
Change of location .....	12-47-301 (9)
Change of location .....	47-312
Change of trade name .....	47-306
Changing/modifying premises .....	47-302
Character, Record, Reputation .....	12-47-307
Civil Liability .....	12-47-801
Classes of licenses .....	12-47-401
Club license, defined .....	12-47-103
Club license .....	12-47-416
Colorado Wineries - labeling and records .....	47-905
Complaints against licensees .....	47-600
Concurrent application review .....	47-324
Conduct of Establishment .....	47-900
Confiscated shipments .....	47-402
Consumption prohibited .....	47-900
Container Size .....	47-906
Contest, Tasting, home production .....	12-47-106(7)(d)
Declaratory orders .....	47-200
Definitions .....	12-47-103
Delivery of liquor .....	47-426
Denial of license by State licensing authority .....	12-47-305
Denial based on previous application within specified time frame .....	12-47-313
Donation of alcohol beverage .....	12-47-106
Duties of the State licensing authority .....	12-47-202
Duty of inspectors and police officers .....	12-47-904
Engaging in business .....	47-424
Excise tax/audits .....	47-500

Excise tax - non licensees .....	47-504
Excise tax records .....	12-47-503
Excise tax reports .....	47-502
Exempt sales .....	12-47-106
Exemptions .....	12-47-106
Exterior signs & interior displays .....	47-320
Fees & taxes - allocation .....	12-47-502
Fees - state license .....	12-47-501
Fees - local license .....	12-47-505
Fine in lieu of suspension .....	12-47-601
Foreign Trade zones .....	47-404
Forfeiture- loss of property rights .....	12-47-305
Functions subject to available appropriation .....	12-47-203
Furnishing advertising material .....	47-316
Gambling .....	47-922
Gambling .....	12-47-901
Good Cause defined .....	12-47-103
Good Cause .....	12-47-302
Hearing/Show Cause, Denial, Revocation .....	12-47-601
Home brewing, liquor production/family use .....	12-47-106
Hotel and restaurant license .....	12-47-411
Identification .....	47-912
Importer's license .....	12-47-404
Inactive license .....	12-47-306
Inspection of licensed premises .....	47-700
Interference with officers .....	47-926
Interstate wine shipments .....	12-47-104
Judging/contests/home brewed malt beverage .....	12-47-106(2)(d)
Judicial review .....	112-47-802
Labeling/sampling and analysis .....	47-904
Late license renewal process .....	12-47-302(2)
Legislative declaration .....	12-47-102
Licenses, classes/types of .....	12-47-401
License renewal .....	12-47-302
Licensing/general provisions .....	12-47-301
Lien to secure payment .....	12-47-504
Limited winery defined .....	12-47-103(5)
Limited winery license .....	12-47-103
Liquor licensed drugstore, defined .....	12-47-103(16)
Liquor licensed drug store .....	12-47-408
Local license fees .....	12-47-505
Local licensing authority-applciation & filing .....	12-47-309
Local option to ban liquor sales .....	12-47-105

Loss of property rights .....	12-47-907
Manager registration .....	12-47-301(8)
Manufacturer's license .....	12-47-402
Manufacturer's sales rooms .....	47-428
Meal, defined .....	12-47-103(20)
Measurement of distance .....	47-326
Modification of premises .....	47-302
Municipally owned facilities .....	47-308
Municipally liquor license officer-permitted acts .....	12-47-107
Neighborhood (inhabitant, defined) .....	12-47-103 (12)
Neighborhood .....	12-47-311
Non-food items .....	47-416
Non-resident manufacturers/importers malt liquor .....	12-47-405
Operation of law, possession by .....	12-47-303(5)
Optional premises defined .....	12-47-103(22)
Optional premises license .....	12-47-413
Optional premises, local option .....	12-47-310
Owner-manager .....	47-318
Payment of Excise tax by non-licensees .....	47-504
Penalties/violations .....	12-47-903
Permitted Acts - Officer for municipal license & liquor licensee .....	12-47-107
Persons prohibited as licensees .....	12-47-307
Possession of premises .....	12-47-301(3)
Possession by operation of law .....	12-47-303(5)
Posting requirements - local authority .....	12-47-311
Public notice - posting and publishing .....	12-47-311
Public consumption .....	12-47-901(1)9h)
Public transportation system license .....	12-47-419
Purchases by retailers .....	47-408
Purchases by wholesalers .....	47-414
Racetrack license .....	12-47-418
Reciprocal shipping agreements .....	12-47-104
Records inspection .....	12-47-701
Refusal of license by state licensing authority .....	12-47-305
Register manager .....	12-47-301
Removal of liquor from premises .....	47-918
Renewal of license .....	12-47-302
Responsible Alcohol Beverage Vendor and Permitted Tasting by retail liquor stores & liquor licensed drugstores .....	47-605
Resort, resort complex .....	12-47-103(28, 29)
Restaurant, defined .....	12-47-103
Restaurant .....	47-418
Restriction on application for new licenses .....	12-47-313
Result of investigation-decision by authority .....	12-47-312
Retail gaming tavern license .....	12-47-414
Retail liquor store license .....	12-47-407

Search warrant .....	12-47-905
Short Title .....	12-47-101
Show Cause Hearings .....	12-47-601
Solicitation of drinks .....	47-920
Special Event Permits	
<i>Applications for special permit</i> .....	12-48-107
<i>Exemptions</i> .....	12-48-108
<i>Fees for special permits</i> .....	12-48-104
<i>Grounds for denial of special permit</i> .....	12-48-106
<i>Grounds for issuance of special permits</i> .....	12-48-103
<i>Qualifications of organizations for permit- qualifications of municipalities or municipalities owning arts facilities - qualifications of candidates</i> .....	12-48-102
<i>Restriction related to permits</i> .....	12-48-105
<i>Special licenses authorized</i> .....	12-48-101
State license fees .....	12-47-501
State licensing authority- creation .....	12-47-201
State licensing authority - employees .....	12-47-202
Storage/warehouse storage permit .....	47-410
Summary suspension .....	47-602
Suspension of license .....	47-600
Tavern license .....	12-47-412
Temporary permits .....	12-47-303
Temporary/summary suspension .....	47-602
Termination of wholesalers - remedies-definition .....	12-47-406.3
Testing of patrons for intoxication by law enforcement .....	12-47-902
Transfer of ownership .....	12-47-303
Transfer of ownership .....	47-304
Undue concentration of licenses .....	12-47-301 (2)(b)
Unlawful acts .....	12-47-901
Unlawful financial assistance .....	12-47-308
Unlawful held property - loss of property rights .....	12-47-907
Unlicensed possession of beverages .....	47-914
Violations & penalties .....	12-47-903
Warehouses or branch houses .....	47-412
Warrant for search and seizure .....	12-47-905
Wholesale dealer importation .....	47-406
Wholesaler's license .....	12-47-406
Wine festival permit .....	12-47-403.5
Wine shipment permit .....	12-47-104

# Summary

## 2006

1. **Regulation 47-918** Removal of alcohol beverages from premises (Amended)
2. **Regulation 47-430** Limited winery license - Colorado grown produce annual certification and records (Repealed)
3. **Regulation 47-905** Colorado wineries - Labeling and records (New)
4. **Regulation 47-310** Application - General provision (Amended)
5. **12-47-103** Definitions (Amended)
6. **12-47-104** Wine shipments - permits (Amended)
7. **12-47-402** Manufacturer's license (Amended)
8. **12-47-403** Limited winery license (Amended)
9. **12-47-503** Excise tax - records (Amended)

## 2007

1. **12-47-406.3** Termination of wholesalers-remedies-definitions (New)
2. **12-47-505** Local license fees (Amended)
3. **12-48-107** Applications for special permit (Amended)