



COLORADO

Department of Revenue

Enforcement Division - Liquor & Tobacco

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BULLETIN 17-03

REFERENCE: Special Event Permits Issued on a Liquor Licensed Premises

DATE: February 24, 2017

Colorado Liquor Enforcement Division

Special event permits are a very useful tool for non-profits to assist with raising funds for their entity. In the last 2 years, the Liquor Enforcement Division (LED) has provided training to liquor licensees and non-profit entities on the proper use and function of a special event permit. The LED issued Bulletin 16-08 concerning the use of donated alcohol for use at a special event permit and other non-profit events held on a liquor licensed premises.

Most special event permits (“SEP”) are issued to a premises that does not have a liquor license, but section 12-48-103(2)(a), C.R.S. allows for an SEP to be issued on the following liquor licensed premises: limited winery, club, arts, art gallery and a wine festival permit. This bulletin is being published to provide guidance for the use of a SEP issued on one of these premises.

Issues

Since an SEP can be issued on a liquor licensed premises, someone may believe that alcohol can be exchanged or transferred between the liquor licensee and the SEP holder. This is not allowed, even if they may be the same entity (in the case of a club license).

Even though the SEP can be issued on one of the above liquor licensed premises (limited winery, club, arts, art gallery and wine festival permit), the SEP and the liquor license are still treated as separate entities. Here are some of the laws and rules that apply:

- Each license is separate and distinct (section 12-47-301(3)(a), C.R.S.)
- Donated alcohol can only be used by the SEP (regulation 47-1020, 1 C.C.R. 203-2)
- SEP holders can only purchase or accept donated alcohol from licensed wholesalers, retail liquor stores, liquor licensed drugstores, brewpub, distillery pubs and vintner’s restaurant (regulation 47-1020, 1 C.C.R. 203-2)
- A club or arts license can only purchase alcohol from a licensed wholesaler (sections 12-47-416(2)(a), 12-47-417(4)(a), C.R.S. respectively)
- A limited winery licensee may only sell vinous liquor (section 12-47-403(2), C.R.S.)
- A wine festival permit allows for the sale of vinous liquors (section 12-47-403.5(6), C.R.S.)

Examples of Activities:

Wine Festival Permit:

Bulletin 17-03
SEP on Licensed Premises
February 24, 2017

- An SEP can be issued within the licensed premises of a wine festival permit. The SEP holder is responsible for any funds paid to the SEP for entrance or sales of alcohol associated with the SEP.
- Only the SEP holder may use any donated alcohol provided by the proper licensees in accordance with regulation 47-1020, 1 C.C.R. 203-2.
- A winery or limited winery selling vinous liquor pursuant to the wine festival permit may not financially benefit from alcohol sales/entrance fees associated with the SEP.
- A winery or limited winery selling vinous liquor via a wine festival permit may profit from the sale of their products.

Club License:

- A club licensee may obtain an SEP to have a membership drive and invite the public to their club.
- The SEP holder may accept donated alcohol from the appropriate liquor licenses for use during the SEP event. However, since a club license may not donate alcohol to an SEP, alcohol obtained by the club license in their normal operation may not be used for the SEP.
- Subsequently, any alcohol purchased by or donated to the SEP for the special event may not be used in the normal operation of the club license - that is, it may only be used by the SEP during the special event.
- SEP attendees who are not club members may not consume or purchase alcohol used for the normal operation of the club licensed premises during the course of the special event – that is, only alcohol beverage stock purchased by or donated to the SEP may be used by attendees who are not members during the course of the special event.

The above are just some examples of how an SEP can be used on a liquor licensed premises pursuant to section 12-48-103(2)(a), C.R.S. but is not an exclusive list of allowed activities.

If you have any questions about this bulletin, please contact the Liquor Enforcement Division at 303-205-2306.