

COLORADO DEPARTMENT OF REVENUE
LIQUOR ENFORCEMENT DIVISION
NEW RULES AND/OR CHANGES TO EXISTING RULES

1 C.C.R. 203-2

2016

Regulation 47-002. Fermented Malt Beverages – Advertising Practices.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(G), and 12-47-202(2)(a)(I)(H), C.R.S. The purpose of this regulation is to establish certain prohibited advertising practices of fermented malt beverage licensees pertaining to the alcohol content of beverages sold on the licensed premises.

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

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to prohibit possession and consumption of alcohol beverages containing alcohol in excess of fermented malt beverage standards on a fermented malt beverage licensee's licensed premises.

Regulation 47-006. Fermented Malt Beverages – Identification and Labeling.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(N), C.R.S. The purpose of this regulation is to establish labeling standards required for the sale, offering, exposure for sale, or distribution of fermented malt beverages.

- 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%" or "4.0% ABV" followed by a word indicating the type of beverage, such as beer or ale. The designation "3.2% BEER," "3.2% ALE," or "4.0% ABV Beer," "4.0% ABV Ale," etc., as the case may be, shall be composed of legible symbols of not less than $\frac{1}{4}$ 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.

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

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to differentiate fermented malt beverage licenses for on-premises consumption from off-premises consumption and clarify what activities are permitted under each license type.

Regulation 47-100. Definitions.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to ensure consistent application and interpretation of common terms within the relevant articles.

- G. "Retailer" or an entity "licensed to sell at retail" means those persons licensed pursuant to sections 12-47-401(1)(h) – (t) and (v – w), C.R.S., and section 12-46-104(1)(c), C.R.S. to sell alcohol beverages to the end consumer.
- H. "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.
- I. "Wholesaler" means those entities authorized to sell alcohol beverages at wholesale to licensed retailers, including wholesalers of malt liquors and fermented malt beverages, wholesalers of vinous and spirituous liquors, limited wineries, brewpubs, distillery pubs, and vintner's restaurants.
- J. "Sandwiches" as used in articles 47 and 48 of Title 12, C.R.S. are defined as single serving items such as hamburgers, hot dogs, frozen pizzas, burritos, chicken wings, etc. "Light snacks" as used in articles 47 and 48 of Title 12, C.R.S. are defined as popcorn, pretzels, nuts, chips, etc.

Regulation 47-200. Petitions for Statements of Position and Declaratory Orders Concerning the Colorado Liquor, Beer or Special Event Codes.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(R), and 24-4-105(11), C.R.S. The purpose of this regulation is to establish clear and comprehensive procedures and considerations required for a statement of position and/or a declaratory order.

- A. **Statements of Position.** 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.
- B. **Service of Petition for Statement of Position.** A letter for petition for a statement of position shall be served on the Liquor Enforcement Division by mailing or emailing such petition to the Division with a copy sent on the same date to the local licensing authority in the county or municipality where the petitioner's licensed premises or proposed licensed premises are located (if applicable). Each petition for a statement of position shall contain a certification that the service requirements of this paragraph have been met.
- C. **Time to Respond.** The Division shall respond to a petition for statement of position in writing setting forth its position and the reasons therefore within forty-five (45) days of receiving such petition.
- D. **Declaratory Orders.** 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 forty-five (45) days, may petition the state licensing authority for a declaratory order pursuant to section 24-4-105(11), C.R.S. The parties to any petition for a declaratory order pursuant to this regulation shall be the petitioner and the Liquor Enforcement Division.
- E. **Time to Petition for a Declaratory Order.** If a petitioner is dissatisfied with a statement of position, a petition for declaratory order must be filed within forty-five (45) days after issuance of the statement of position. Any petitioner who has not received a statement of position within forty-five (45) days may petition the state licensing authority at any time thereafter.
- F. **Requirements of Petition for Declaratory Order.** Each petition for a declaratory order 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.
- G. Service: A petition for a declaratory order shall be served on the State Licensing Authority by mailing such petition to the State Licensing Authority with a copy of the petition sent on the same date to the Liquor Enforcement Division, the local licensing authority in the county or municipality where the petitioner's licensed premises or proposed licensed premises are located, and to the Revenue & Utilities Section of the Colorado Department of Law. Each petition for a declaratory order shall contain a certification that the service requirements of this paragraph have been met.
- H. Acceptance: 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 forty-five (45) 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.P. 57, which will terminate the controversy or remove any uncertainty concerning applicability of the statute, rule or order.
- I. Determination: If the state licensing authority determines that it will entertain the petition for declaratory order, it shall promptly so notify all parties involved, 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. Any such request for additional information shall be copied on all parties.
 2. If the state licensing authority determines that an evidentiary hearing or legal argument is

necessary to a ruling on the petition, the state licensing authority shall issue a Notice to Set to all parties and on the date so set, a hearing shall be conducted in conformance with section 24-4-105, C.R.S.

3. In ruling on a petition for declaratory order, 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. Any other interested person may seek leave of the state 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. A declaratory order shall constitute agency action subject to judicial review pursuant to section 24-4-106, C.R.S.
- J. Record Retention and Reliability: Files of all requests, statements of position, and declaratory orders will be maintained and relied upon by the Liquor Enforcement Division for a period of five (5) years, unless the statement of position or declaratory order is superseded by a statutory or regulatory change, or amended or reversed by the State Licensing Authority. 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.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to establish procedures for a licensee requesting to change its license class, and provide clarity regarding a licensee's status pending this change.

Regulation 47-301. Undue Concentration of Licenses.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(F), C.R.S. The purpose of this regulation is to establish factors the licensing authority may consider when determining whether certain new licenses would result in an undue concentration of the same license type in making such a determination pursuant to section 12-47-301(2)(b), C.R.S.

Regulation 47-302. Changing, Altering, or Modifying Licensed Premises.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to establish procedures for a licensee seeking to make material or substantial alterations to the licensed premises, and provide factors the licensing authority must consider when evaluating such alterations for approval or rejection.

- A. After issuance of a license, the licensee shall make no physical change, alteration or modification of the licensed premises that 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 application to, and the approval 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 approval, shall include, but not be limited to, the following:

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 application. However, the following types of modifications will not require prior approval, even if a local building permit is required: 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 any non structural remodeling where the remodel does not expand or reduce the existing area designed for the display or sale of alcohol beverage products.
5. The destruction or demolition, and subsequent reconstruction, of a building that contained the retailer's licensed premises shall require the filing of new building plans with the local licensing authority, or in the case of manufacturers and wholesalers, with the state licensing authority. However, reconstruction shall not require an application to modify the premises unless the proposed plan for the newly-constructed premises 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.

Regulation 47-303. License Renewal.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(D), C.R.S. The purpose of this regulation is to clarify and establish procedures and deadlines for a licensee that is applying to renew their license in accordance with section 12-47-302, C.R.S.

Regulation 47-304. Transfer of Ownership and Changes in Licensed Entities.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(J), 12-47-301(7), 12-47-301(9), and section 12-47-308, C.R.S. The purpose of this regulation is to establish reporting and disclosure requirements for the identification of applicants, licensees, and their relevant financial interests to promote transparency and prevent the occurrence of statutorily prohibited financial interests between the manufacturing, wholesale, and retail tiers.

- E. For all applicants for the issuance of a license by reason of a transfer of possession of the licensed premises by methods to include 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., the licensing authorities shall consider only the requirements of section 12-47-307, C.R.S. The loss of possession of the licensed 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 section 12-47-303, C.R.S. 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 section 12-47-311, C.R.S.

Regulation 47-305. Transfers – Wholesaler Confirmation.

Basis and Purpose. The statutory authority for this regulation is found at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), 12-47-202(2)(a)(I)(C), and 12-47-303(1)(d), C.R.S. The purpose this regulation is to provide guidance to applicants and licensing authorities regarding statutory requirements for transfers under subsection 12-47-303(1)(d), C.R.S. and what is satisfactory to demonstrate fulfillment of the requirement that all wholesalers have been paid in full prior to approval of a transfer application.

- A. In accordance with section 12-47-303(1)(d), C.R.S., the Applicant shall deliver a confirmation to each wholesaler licensed under this article (to include brewpubs, distillery pubs, vintner's restaurants and limited wineries) who has sold alcohol beverages to the transferor-licensee within the preceding one hundred eighty (180) calendar days, in the form and substance approved by the Liquor Enforcement Division.
- B. The confirmation shall be delivered via United States mail or other common carrier with a minimum of a return receipt to the last known business address of the wholesaler, attention: credit department. The confirmation shall be deemed received by a wholesaler upon the third (3rd) day following the date on which the confirmation is deposited in the United States mail or common carrier or the date on the return receipt.
- C. Upon delivery of a confirmation to a wholesaler, the transferor-licensee shall not purchase alcohol beverage on credit or accept an offer or extension of credit from the wholesaler and shall effect payment upon delivery of the alcohol beverage from the wholesaler. Allowed payments include cash, credit/debit cards, check, money orders, certified check, EFT transfer and any other method payment approved by the Liquor Enforcement Division.
- D. A wholesaler shall have fifteen (15) business days upon receipt of a confirmation to complete and return the confirmation to the Applicant, in the same manner and extent as allowed in Section B above. If a wholesaler does not complete and return the confirmation within the 15-day period of time, the wholesaler shall be deemed paid in full solely for purposes of transferring the license.
- E. Nothing within this Regulation shall prohibit or restrict a local licensing authority from issuing a temporary permit or from processing the transfer application. However, a transfer shall not be approved unless the transferor-licensee is in compliance with this regulation.
- F. The Applicant, transferor-licensee and/or its agent and assign, and each wholesaler shall act in good faith and fair dealing with each other.

Regulation 47-306. Change of Trade Name.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(J), C.R.S. The purpose of this regulation is to establish guidelines of the use of a trade name and the reporting requirements for a licensee that is changing the name or trade name of its licensed premises.

- A. 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.
- B. Exterior signage or advertising the business (trade) name is not required, but if used, must accurately reflect the current trade name on file with the Liquor Enforcement Division.

Regulation 47-307. Master Files.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), and 12-47-304(1)(d), C.R.S. The purpose of this regulation is to establish rules governing master files, and the minimum number of locations required for master file privileges.

Regulation 47-309. Sports and Entertainment Venues.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), and 12-47-301(6), C.R.S. The purpose of this regulation is to establish guidelines for the sale of alcohol beverages in sports and entertainment venues with at least one thousand five hundred (1,500) seats.

Regulation 47-310. Application – General Provisions.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), and 12-47-304(1), C.R.S. The purpose of this regulation is to establish requirements for a license application, and provide factors the licensing authority must consider when evaluating an application for approval or rejection.

- 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, or 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 from 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.
- D. All information submitted to any licensing authority, by application for license or otherwise, shall be given fully, faithfully, truthfully and fairly. Willful or deliberate misrepresentation may result in a denial or revocation of a license.
- 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:
 - 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, fraud, forgery, murder, burglary, robbery, arson, kidnapping, sexual assault, illegal drugs or narcotics convictions;
 - 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.
 - 6. The finding of a person who is not of good moral character by any licensing authority.

Regulation 47-311. Public Transportation System License.

Basis and Purpose. The statutory authority for this regulation is found at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to make clear that under the specified circumstances a commercial airline must apply for and receive a public transportation system license.

In addition to any public system transportation licenses issued for a permanent licensed premises, a commercial airline shall apply for and receive a public system transportation license for an airplane if any of the following conditions are met:

- A. Alcohol beverages are sold or served while the airplane is stationary anywhere in the State of Colorado; or
- B. Alcohol beverages are purchased from a Colorado Wholesaler; or
- C. Alcohol beverages are stored on the airplane for more than twenty-four (24) hours while in the State of Colorado.

Regulation 47-312. Change of Location.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(D), C.R.S. The purpose of this regulation is to establish procedures for a licensee requesting to change the location of the licensed premises, and provide factors the licensing authority must consider when evaluating a change for approval or rejection.

- C. For retail licenses, no change of location shall be permitted until the state licensing authority has, after approval of the local licensing authority, considered the application and such additional information as it may require, and approved of such change. The licensee shall, within sixty (60) days of approval, change the location of its licensed premises to the place specified therein. Once at the new location, the licensee shall no longer conduct the manufacture or sale of alcohol beverages at the former location. A local licensing authority may, at its discretion, extend the time to change the location of the licensed premises, for good cause shown. However, no extension that is beyond twelve (12) months from the original date of approval shall be granted.
- F. For retail licenses no change of location shall be allowed except to another location within the same city, town, county, or city and county in which the license as originally issued was to be exercised.

Except, a retail liquor store licensed on or before January 1, 2016, may apply to move its permanent location to another place within or outside the municipality or county in which the license was originally granted. It is unlawful for the retail liquor store licensee to sell any alcohol beverages at the new location until such application is approved by the state and local licensing authorities. Once approved, the retail liquor store licensee shall change the location of its premises within three (3) years after such approval. A change of location of a retail liquor store within the same jurisdiction is not subject to the distance requirement pursuant to section 12-47-301(12)(a), C.R.S.G. Upon application for change of location, public notice shall be required by the local licensing authority in accordance with section 12-47-311, C.R.S.

- G. Upon application for change of location, public notice shall be required by the local licensing authority in accordance with section 12-47-311, C.R.S.
- H. 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 section 12-47-301(9), C.R.S., but may not apply for a change of location within any other prohibited area as defined within section 12-47-313, C.R.S.

Regulation 47-314. Limited Liability Company.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), and 12-47-202(2)(a)(I)(J), and 12-47-307(7), C.R.S. The purpose of this regulation is to establish reporting and disclosure requirements for the identification of a limited liability company's managers, and applicable members and their relevant financial interests in order to promote transparency and avoid violations of statutorily prohibited overlapping financial interests.

Regulation 47-316. Advertising Practices.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), and 12-47-202(2)(a)(I)(G), C.R.S. The purpose of this regulation is to establish certain permitted and prohibited advertising practices between suppliers and retailers.

A. Consumer Advertising Specialties

4. Licensees must have available for inspection those customary business records that verify these transactions, in accordance with 12-47-701, C.R.S., and for the time frame specified in Regulation 47-700.

B. Point-of-Sale Advertising

5. Supplier Give-A-Ways and Displays

A supplier may advertise, within retail premises, alcohol beverage products, via consumer mail-in rebate offers, consumer give-a-ways, sweepstakes, contests, and cross promotions with non-alcohol beverage products. Suppliers may also provide contest and sweepstakes information and consumer entry forms. Further, suppliers may provide items, subject to the regulations below, to be given away in a consumer give-a-way, sweepstake or contest.

For consumer give-a-ways, sweepstake or contests, (collectively "Consumer Contest") the following regulations shall apply:

- a. No item provided as part of a Consumer Contest may be awarded to, received by or otherwise kept by the licensee or any of the licensee's employees or an employee's immediate or extended family members.
- b. No item provided as part of a Consumer Contest may be awarded to, received by or otherwise kept by a supplier licensee that is providing alcohol beverage products to the retail licensee or any of the supplier licensee's employees or any supplier licensee's employee's immediate or extended family members.
- c. Any item(s) to be given away in a Consumer Contest must be awarded and given to the winning consumer within the time afforded by this regulation. Otherwise the item(s) must be returned to the supplier who will be responsible for awarding the item(s) to the winner.
- d. The actual item(s) that is(are) part of the Consumer Contest shall be delivered to the retail license premises together with an invoice made out to the retail licensee for not less than the actual cost of the item(s). The retail licensee shall be responsible for and required to pay the invoice cost for the item unless the retail licensee can establish to the satisfaction of the Liquor Enforcement Division that the item(s) was(were) in fact presented to the winning consumer in accordance with the rules of the Consumer

Contest. Both the retail licensee and the supplier of the item shall each maintain in their respective records proof establishing that the item(s) was(were) delivered to the winning consumer. Such records shall include but not be limited to a signed acknowledgement of receipt of the item(s) by the winning consumer which acknowledgment shall include a valid form of identification proving the identity of the consumer, the consumer's name, address, phone number, e-mail address (if available) and the date on which the item was presented to the consumer. In addition, the records shall include the name and position of the person or persons presenting the item to the consumer sufficient so that the Liquor Enforcement Division can verify that the item was presented to the Consumer Contest winner.

- e. The Consumer Contest, including the drawing period, shall not last longer than 60 days.
- f. In the event that the supplier does not have the signed acknowledgement of receipt from the consumer within 30 days of the end of the Consumer Contest, it is the responsibility of both the retail licensee and the supplier, that payment in full of the invoice by the retail licensee is made to the supplier for the item(s). Absent payment within 24 hours of the expiration of the 30 day period, no supplier representing the brand advertised in the Consumer Contest shall be permitted to sell or otherwise provide any product to the retail licensee until the invoice is paid in full.
- g. Entrance into the Consumer Contest is not contingent on any purchases.
- h. The actual item(s) that is (are) part of the Consumer Contest may be on display in the licensed premises only during the period of the Consumer Contest. At the end of the contest period, the item(s) may be stored at the retailer location for no more than 30 days following the end of the Consumer Contest period.
- i. The item(s) must be properly identified in signage as a prize that is part of the Consumer Contest, e.g. "Win this Umbrella."
- j. Signage shall display the starting date and ending date of the Consumer Contest, the name of the company providing the item(s), and all other relevant terms and conditions of the Consumer Contest.
- k. Failure to comply with this Regulation shall be considered a violation of the Regulation.

Regulation 47-317. Market Research – Non-Licensed Locations.

Basis and Purpose. The statutory authority for this regulation is found at subsections 12-47-202(1)(b), and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of 1 C.C.R. 203-2, Regulation 47-317 is to provide guidance regarding the circumstances and processes under which consumer market research may be conducted on non-licensed premises.

Market research alcohol beverage consumer taste tests on an unlicensed liquor premises are authorized subject to the following guidelines:

- A. The research company may contact people and conduct taste tests at shopping malls or other public meeting places, but the taste tests must take place in a non-public area.
- B. All participants must be 21 years of age or older and not exhibit visible signs of intoxication.
- C. There shall be no charge or fee to participate in the taste test, however, the participant may be paid for participating in the market research.

- D. The product tasted must come through the 3-tier system to a Colorado wholesaler and the excise tax on the product has been paid.
- E. The product must be purchased from a liquor licensee authorized to sell alcohol beverages for off-premises consumption.
- F. The research company must notify the Division in writing of the date, time and location of the tasting prior to the taste tests.
- G. Taste tests will be limited to two days per week between the hours of 2:00 PM and 8:00 PM at each location and to a maximum of 100 participants.
- H. Results of market research where competitors' products are being used may not be used in advertising.
- I. Failure to follow this regulation could result in the loss of the ability to conduct marketing research pursuant to this regulation.

Regulation 47-318. Owner-Manager.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(G), and 12-47-202(2)(a)(I)(J), C.R.S. The purpose of this regulation is to define the difference between a licensee/owner and a manager and the method of payment to the manager.

- B. Owners may hire managers, and managers may be compensated on the basis of profits made, gross or net. In such cases, (except through an I.R.S. qualified retirement account), the financial interests of the manager(s) must be reported on the forms prescribed by the Liquor Enforcement Division. The manager may be required to complete an individual history report and be subject to a background check. A license may not be held in the name of the manager.

Regulation 47-319. Liquor-Licensed Drugstore Manager Permit.

Basis and Purpose. The statutory authority for this regulation is found at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(B), and 12-47-425, C.R.S. The purpose of this regulation is to provide guidance and clarity to licensees regarding statutory requirements found in sections 12-47-408(7) and 12-47-425, C.R.S. involving manager's permits and when a permitted manager is required.

- A. A liquor-licensed drugstore permitted manager is a person who has been designated by the licensee as a person who is in actual control of the liquor-licensed drugstore's alcohol beverage operations, including purchases of alcohol beverages from a licensed wholesaler in accordance with sections 12-47-408(7) and 12-47-425(1), C.R.S.
- B. A liquor-licensed drugstore that receives a license after January 1, 2017 shall have a permitted manager on duty and working on the licensed premises during all hours of operation.
- C. A liquor-licensed drugstore licensee must submit an application for each permitted manager with the Liquor Enforcement Division on forms approved by the State Licensing Authority. The manager permit is an annual permit that is renewed every year.
- D. All liquor-licensed drugstore alcohol orders shall only be made by a person who has a valid manager permit pursuant to section 12-47-425, C.R.S.

Regulation 47-320. Signs and Interior Displays.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(G), 12-47-202(2)(a)(I)(H), and section 12-47-308, C.R.S. The purpose of this regulation is to establish certain permitted and prohibited sign and display practices between suppliers and retailers in order to clarify and prevent statutorily prohibited financial assistance between tiers.

Regulation 47-322. Unfair Trade Practices and Competition.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(G), and section 12-47-308, C.R.S. The purpose of this regulation is to establish certain permitted and prohibited trade practices between suppliers and retailers in order to clarify and prevent statutorily prohibited financial assistance between tiers.

Retailers may not accept any prohibited financial assistance as described herein, and suppliers are prohibited from directly or indirectly engaging in the following unfair practices:

A. Sales of alcohol beverages.

5. 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:

- c. Products for use, but not for resale by the drink, by a non-profit organization or similar group, as defined in section 12-48-102, C.R.S., 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, brewpub, distillery pub, or vintner's restaurant, or invoiced at a minimum of laid in cost to the retailer.

B. On-site sales promotions.

3. A supplier-sponsored consumer give-a-way of malt liquors held in retail establishments licensed for off-premises consumption for the purpose of product sales promotion, are permitted under the following conditions:
 - a. The supplier must purchase the malt liquors from the retailer at the retail price of the product to be given away, including sales tax.
 - b. A retailer/supplier may not impose any charge to the consumer to enter or participate in the give-a-way.
 - c. The product purchased must be of the supplier's brands and currently offered by the supplier.
 - d. The supplier must be present and shall be the person who gives the product to consumers. The supplier representative must verify that each consumer is of lawful age prior to giving the item to them.
 - e. The supplier and retailer must keep records of all items purchased from a retail liquor store to be used as a free give-a-way to consumers. The records must include the date, retailer/supplier name, amount paid, and name of products purchased.

- f. Supplier representatives or their authorized agents may give-a-way sealed malt liquor products directly to the consumer (for off premises consumption only), if the product has been purchased in accordance to this regulation and the retailer has so consented. The retail licensee or their employee(s) are not eligible to receive free malt liquor samples.
- g. The maximum amount of malt liquor beverages given to each consumer is limited to twenty-four (24) ounces.
- h. Suppliers may provide or pay for any media announcement of a supplier-sponsored consumer give-a-way that primarily advertises the product, the location, and the date and time of the give-a-way. The name of the retail outlet may also be mentioned.
- i. All items purchased by the supplier representative for the give-a-way must be given away to the consumer or the retailer must purchase back any remaining items not given away at the original purchase price.

E. Alcohol Beverage Samples for Retailers.

- 2. Wholesalers, or those licensed to sell at wholesale pursuant to article 46 and 47 of title 12, may furnish or give a limited amount of alcohol beverage samples to retailers licensed solely for off-premises under the following conditions:
 - d. The wholesaler is present at the time of consumption and maintains sole possession of the container after sampling. Samples, in the quantities described herein, may be left in the retailer's possession if the container seal is left intact, but must be removed from the licensed premises at the end of the day.

L. Value of labor.

- 3. Cost of labor provided to a retailer for services such as the installation of dispensing systems and the pouring or serving of alcohol beverages (except as allowed by regulation 47-322(B)(2)) shall be at least at a minimum of that employee's hourly wage.

Regulation 47-323. Lawful Extension of Credit.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), 12-47-202(2)(a)(I)(O), and 12-47-202(2)(b), C.R.S. The purpose of this regulation is to reinforce federal regulations and establish certain permitted and prohibited credit extension practices between suppliers and retailers.

A. Definitions: For purposes of this regulation, the following definitions are applicable:

- 2. "Retailer" means those persons licensed pursuant to sections 12-47-401(1)(h) – (t) and (v) and 12-46-104(1)(c), C.R.S. to sell alcohol beverages to the end consumer. Except the term "retailer" as used in this regulation shall not include a liquor-licensed drugstore that receives a license after January 1, 2017, which shall not purchase alcohol beverage on credit or accept an offer or extension of credit from a licensee and shall effect payment upon delivery of the alcohol beverage pursuant to section 12-47-408(1)(b), C.R.S.

Regulation 47-324. Concurrent Application Review.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(C), C.R.S. The purpose of this regulation is to establish procedural requirements in the event an applicant with local authority approval or a local licensing authority requests the state licensing authority to conduct a concurrent application review.

Regulation 47-326. Distance Restriction – Applicability and Measurement.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), and 12-47-313(1)(d), C.R.S. The purpose of this regulation is to prohibit, with limited exceptions, the location of the licensed premises within range of a defined school in accordance with subsection 12-47-313(1)(d), C.R.S.

Regulation 47-328. Entertainment Districts.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(C), C.R.S. The purpose of this regulation is to establish a mechanism for a local licensing authority to notify the state licensing authority when an entertainment district is created or modified within the local licensing authority's jurisdiction so that the state licensing authority is aware of the entertainment district and the varying local ordinances governing entertainment districts in accordance with the provisions of subsection 12-47-301(11), C.R.S.

Within fifteen (15) days of the creation of an entertainment district pursuant to section 12-47-301(11), C.R.S., a local licensing authority shall notify the state licensing authority of the entertainment district, and provide (1) a map of the entertainment district and any common consumption areas, (2) a list of licensed premises attached to any common consumption area, and (3) the hours of operation for any common consumption area and attached licensed premises. Changes to an existing entertainment district shall be reported to the state licensing authority by the local licensing authority within fifteen (15) days of such changes.

Regulation 47-400. Licensed Breweries, Distilleries and Wineries.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to clarify that a brewery, distillery or a winery must hold a wholesaler's license in order to sell its product directly to consumers.

- A. 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 for either on-premises or off-premises consumption must also obtain a wholesale license, pursuant to 12-47-406, C.R.S.
- B. All manufacturers who are licensed pursuant to section 12-47-402, C.R.S, who sell their product to licensed retailers must also obtain a wholesale license pursuant to section 12-47-406, C.R.S.

Regulation 47-402. Confiscated Shipments.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(E), C.R.S. The purpose of this regulation is to define the Department of Revenue's Executive Director's authority with respect to a prohibited delivery of alcohol beverages into the state of Colorado.

Regulation 47-404. Foreign Trade Zones.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(K), C.R.S. The purpose of this regulation is to permit applicable stock storage in an established foreign trade zone within the state of Colorado.

Regulation 47-406. Wholesale Dealer – Importation.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(K), C.R.S. The purpose of this regulation is to define importation requirements and define responsible parties participating in importation.

Regulation 47-407. Liquor-Licensed Drugstore.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to clarify and establish requirements to qualify for the liquor-licensed drugstore license.

- A. In addition to the requirements of Title 12, Articles 46 and Article 47 C.R.S., liquor-licensed drugstore licensees shall also comply with the requirements as set forth by Article 42.5 of Title 12 C.R.S., and 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:
 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, an employee, or contract company within the premises of the licensee and all records and documents regarding the ownership and/or employment shall be made available to the State Licensing Authority or its duly authorized representatives upon demand. If utilizing a contract company to provide pharmacy services, the licensee maintains responsibility for all liquor laws and regulations.
- D. Pursuant to section 12-47-408(2)(a)(II), C.R.S. a liquor-licensed drugstore may not sell malt, vinous, or spirituous liquors to consumers at a price that is below the liquor-licensed drugstore's cost to purchase the malt, vinous, or spirituous liquors. The term "a price that is below the liquor-licensed drugstore's cost" as used in this paragraph is defined as the actual proportionate invoice price charged by the wholesaler (per item), plus applicable state and federal taxes. All invoices must clearly designate a price paid for each product, which shall not be less than the wholesaler's laid-in cost for each product. At no point may a liquor-licensed drugstore receive any products from a wholesaler at less than laid-in cost.
- E. Additional liquor-licensed drugstore locations:
 1. After January 1, 2017, a liquor-licensed drugstore licensee may apply for additional liquor-licensed drugstore licenses as long as they meet the requirements of section 12-47-408(1)(b)(I-IV), C.R.S. The application for an additional liquor-licensed drugstore will be a single application form approved by the Liquor Enforcement Division. The application

process will include the transfer of ownership of at least two retail liquor stores, the change of location to the new licensed premises and the merger and conversion of a new liquor-licensed drugstore.

2. In determining the distance measurements for liquor-licensed drugstores, the measurement of either 1500 feet or 3000 feet, as applicable, is defined as the straight-line distance measured from the midpoint of the principal doorway of the proposed licensed premises (as determined by the applicants/licensees).
3. In order for a liquor-licensed drugstore to obtain additional licenses pursuant to section 12-47-408(1)(b) et al, C.R.S., the liquor-licensed drugstore must transfer ownership of at least two retail liquor stores within the same jurisdiction where the applicant premises is located and change the location of one of the retail liquor stores to the new liquor-licensed drugstore location. If there are fewer than two retail liquor stores within the jurisdiction of the applicant premises, the applicant may transfer ownership of one retail liquor store located within the same local licensing jurisdiction, if applicable, and transfer ownership of one or two other liquor stores, as applicable, both of which are located in a jurisdiction adjacent to the jurisdiction where the applicant premises is located.
4. In order to qualify to apply for an additional liquor-licensed drugstore license pursuant to section 12-47-408(1)(b) et al, C.R.S. the licensee shall provide evidence to the state and local licensing authorities that at least twenty percent of the licensee's gross annual income derived from total sales during the prior twelve months at the drugstore premises for which a new or renewal license is sought is from the sale of food items as defined by the State Licensing Authority by rule.

"Evidence" as used in paragraph 4 is defined, at a minimum, as an affidavit from the licensee that the requirements of paragraph 4 are met. The licensee shall produce documents in support of the affidavit, if requested by the state and local licensing authorities.

5. "Food items" as used in paragraph 4 is defined as any raw, cooked, or processed edible substance, ice and beverage, other than any beverage containing alcohol, intended for use or for sale in whole or in part for human consumption.
 6. Pursuant to section 12-47-408(1)(b)(IV)(B), C.R.S., a licensee of a new or renewed additional liquor-licensed drugstores must be open to the public. "Open to the public" as used in this paragraph means that the licensed premises must be open to the general public and that alcohol beverages may be purchased without any membership requirement or added cost.
- F. On or after January 1, 2017, a liquor-licensed drugstore licensee shall not purchase malt, vinous or spirituous liquors from a wholesaler on credit and shall effect payment upon delivery of the alcohol beverages. Allowed payments include cash, credit/debit cards, check, money orders, certified check, EFT transfer and any other method of payment approved by the Liquor Enforcement Division.
- G. A liquor-licensed drugstore must obtain and maintain certification as a responsible vendor in accordance with section 12-47-1001, C.R.S. In order to comply with this regulation, the liquor-licensed drugstore licensee shall complete an on-line registration with the Liquor Enforcement Division which shall contain the following information:
1. The name of each employee who is subject to seller-server training and the date of last training class.

2. An electronic image of the certificate or card issued to each employee by a certified responsible vendor trainer evidencing completion of such training.

If the on-line registration process is not available, the liquor-licensed drugstore licensee is responsible for maintaining such information until the on-line registration process is available and shall provide such information to the state or local licensing authorities upon request.

- H. Wholesalers, including brewpubs, distiller's pubs, vintner's restaurants and limited wineries shall take orders for alcohol beverage sales to a liquor-licensed drugstore only from a permitted manager of such liquor-licensed-drugstore who has a valid manager's permit under section 12-47-425, C.R.S.

Regulation 47-408. Purchases by Retailers.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), and 12-47-202(2)(a)(I)(O), C.R.S. The purpose of this regulation is to establish purchase requirements for retailers.

- D. Records maintained by the licensee in compliance with section 12-47-701, C.R.S. and regulation 47-700, 1 C.C.R. 203-2 shall include all records of purchases of alcohol beverages.
- E. Purchases of malt liquor and fermented malt beverages by retailers including a retailer's purchase at the wholesaler's licensed location(s) must be from the wholesaler designated within the territory rights pursuant to section 12-47-406(1)(b)(I).

Regulation 47-409. Transportation of Alcohol Beverages.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to define a limited exception for transporting alcohol beverages across another licensee's licensed premises.

Regulation 47-410. Retail Warehouse Storage Permit.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(K), C.R.S. The purpose of this regulation is to establish parameters and clarify circumstances under which licensed retailers may keep or store alcohol beverages in permitted warehouses and limitations on the same if the retail licensee is a liquor licensed drugstore licensed under section 12-47-408, C.R.S.

- A. No alcohol beverages shall be stored or kept in or upon any premises that is not duly licensed, however, the state licensing authority may issue a warehouse storage permit, to retail licensees licensed pursuant to article 47 of title 12, C.R.S. for the storage only of permitted alcohol beverages in one but not more than three (3) locations, other than the licensed premises. The application for such permit shall specify the address of the proposed storage location and shall include documentation that the licensee is in possession of said premises by way of ownership, lease, or other arrangement.
3. Notwithstanding any provision of this regulation, a liquor-licensed drugstore shall not store alcohol beverages off the licensed premises and is not eligible for a retail warehouse storage permit pursuant to section 12-47-408(6)(a), C.R.S.

Regulation 47-412. Wholesale Warehouse or Branch Houses.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(l)(K), C.R.S. The purpose of this regulation is to permit a manufacturer or wholesaler to establish unlimited warehouses or branch houses for its operations, upon defined application standards.

Regulation 47-414. Purchases by Wholesalers.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(l)(A), C.R.S. The purpose of this regulation is to establish purchasing requirements for a wholesaler license when purchasing alcohol beverages from a retailer.

- B. A person licensed to sell at wholesale, pursuant to articles 46 or 47 of title 12, C.R.S., may purchase sealed alcohol beverage stock from a licensed retailer within thirty (30) days after the expiration, or the surrender to, and cancellation by, the state or local licensing authority, of the retailer's alcohol beverage license. Any alcohol beverages purchased from a retailer pursuant to this regulation must be alcohol beverages that the wholesaler is authorized to sell and normally carries as part of its alcohol beverage stock.

Regulation 47-416. Items Approved for Sale in Retail Liquor Stores.

Basis and Purpose. The statutory authority for this regulation is found at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(l)(A), C.R.S. The purpose of this change to Regulation 47-416 is to bring the regulation into conformance with the statutory provisions of section 12-47-407(1)(b), C.R.S. concerning items a retail liquor store may sell.

Retail liquor stores may sell any non-alcohol products (unless prohibited by law or rule), but only if the annual gross revenues from the sale of non-alcohol products does not exceed twenty (20) percent of the retail liquor store's total annual gross revenues.

Regulation 47-418. Restaurants.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(l)(A), and 12-47-202(2)(a)(l)(L), C.R.S. The purpose of this regulation is to define certain food preparation and service requirements of a restaurant licensed under section 12-47-411, C.R.S. to sell alcohol beverages.

Regulation 47-420. Minibar Container Size.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(l)(A), and 12-47-411(4), C.R.S. The purpose of this regulation is to define the maximum size of an alcohol beverage product to be sold in a minibar.

Regulation 47-422. Arts License.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(l)(A), C.R.S. The purpose of this regulation is to define "production and performances of an artistic or cultural nature" required to qualify for an arts license.

Regulation 47-424. Engaging in Business.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to make clear that to engage in business with a licensed alcohol beverage wholesaler or to sell alcohol beverage stock to, or to solicit orders for alcohol beverages from, licensed alcohol beverage retailers, an entity must be duly licensed under the relevant licensing provisions of articles 46, 47, and/or 48 of Title 12, C.R.S.

Regulation 47-426. Delivery of Alcohol Beverages.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-46-107(1)(c), 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), 12-47-407(3), and 12-47-408(3), C.R.S. The purpose of this regulation is to permit fermented malt beverage on-off premises licensees, retail liquor stores, and liquor licensed drug stores to deliver alcohol beverage products to consumers within the requirements, restrictions, and limitations outlined in the regulation in accordance with the statutory provisions under which limited retail delivery activities are authorized.

Regulation 47-428. Manufacturer Sales Rooms.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(T), C.R.S. The purpose of this regulation is to establish procedural requirements for sales room applicants, and provide factors the licensing authority must consider when evaluating the change for approval or rejection.

Regulation 47-432. Colorado Manufacturers – Alternating Proprietor Licensed Premises.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(Q), and 12-47-402(2.5), 12-47-403(2)(a)(I), and 12-47-415(1)(b), C.R.S. The purpose of this regulation is to establish a mechanism under which the State Licensing Authority will approve alternating proprietor licensed premises and the requirements for applying for and maintaining an alternating proprietor licensed premises arrangement.

Regulation 47-500. Excise Tax Audits.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-503(2), C.R.S. The purpose of this regulation is to establish a regular audit for brewpubs, distillery pubs, manufacturers, and wholesalers, and associated credits and liabilities consequential to this audit.

Regulation 47-502. Excise Tax Reports.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-503(2), C.R.S. The purpose of this regulation is to establish procedures for reporting an excise tax.

Regulation 47-503. Payment of Excise Taxes – Colorado Licensed Wineries.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-503(2), C.R.S. The purpose of this regulation is to establish an excise tax surcharge on

certain vinous liquors produced by Colorado licensed wineries and sold, offered for sale, or used in Colorado.

Regulation 47-504. Payment of Excise Taxes by Non-licensees.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-503(2), C.R.S. The purpose of this regulation is to establish standards and procedures for excise tax payment and collection required of certain non-licensees.

Regulation 47-506. Fees.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-501(2)-(3), C.R.S. The purpose of this regulation is to establish fees for certain applications, notices, reports, and services.

Below are the fees set by the State Licensing Authority pursuant to sections 12-47-501(2) and 12-47-501(3), C.R.S.

Alternating Proprietor Licensed Premises.....	\$150.00
Application for New License	\$920.00
Application for New License with Concurrent Review.....	\$1020.00
Application for Transfer License.....	\$920.00
Application for Transfer and Conversion for an Additional Liquor-Licensed Drugstore.....	\$1,200.00
Art Gallery Permit.....	\$71.25
Bed & Breakfast Permit.....	\$50.00
Branch Warehouse or Warehouse Storage Permit.....	\$100.00
Change of Corporate or Trade Name	\$50.00
Change of Location	\$150.00
Corporate/LLC Change (Per Person)	\$100.00
Duplicate Liquor License	\$50.00
Limited Liability Change	\$100.00
Manager Permit Registration (Liquor-Licensed Drugstore).....	\$100.00
Manager Registration (Hotel/Restaurant, Tavern, or Lodging and Entertainment)	\$75.00
Master File Background	\$250.00
Master File Location Fee (Per Location)	\$25.00
Modification of License Premises (City or County)	\$150.00
New Product Registration (Per Unit)	\$0.00
Optional Premises Added to H&R License (Per Unit)	\$100.00
Retail Warehouse Storage Permit	\$100.00
Wine Festival Permit	\$25.00
Winery Direct Shipment Permit	\$50.00
Subpoena Testimony (Per Hour)	\$50.00

Minimum of four (4) hours of appearance or on-call or travel time to court and mileage, meals, and lodging at state employee per-diem rate. Actual hourly rate for all hours in excess of four (4) hours.

Regulation 47-600. Complaints against Licensees – Suspension and Revocation of Licenses.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(E), C.R.S. The purpose of this regulation is to establish general processes and

procedures required for the licensing authority to suspend or revoke a license for violations of any law, or rule or regulation of the state licensing authority.

Regulation 47-601. Assurance of Voluntary Compliance.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(E), C.R.S. The purpose of this regulation is to establish general processes and procedures necessary for an assurance of voluntary compliance by a licensee for violations of certain laws, or rules or regulations of the state licensing authority.

Regulation 47-602. Temporary-Summary Suspension.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(E), C.R.S. The purpose of this regulation is to authorize the licensing authority with the ability to immediately suspend a license pending hearing, subject to certain standards and process requirements.

Regulation 47-604. Compliance Check Penalties.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(E), C.R.S. The purpose of this regulation is to define standard penalties, and mitigating and aggravating considerations, for selling an alcohol beverage to a person less than twenty-one (21) years of age in the course of a compliance check procedure.

Regulation 47-605. Responsible Alcohol Beverage Vendor and Permitted Tastings by Retail Liquor Stores and Liquor Licensed Drugstores.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), and 12-47-1002(2), C.R.S. The purpose of this regulation is to establish curricula required to be considered a responsible alcohol beverage vendor.

Regulation 47-700. Inspection of the Licensed Premises.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(E), and 12-47-202(2)(a)(I)(O), C.R.S. The purpose of this regulation is to clarify the premises, books, and records subject to investigation by the licensing authority as well as records to be maintained by the licensee and the period of time such records shall be maintained.

- 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. "Books" and "records" includes information and documents provided in a readable electronic/digital format, facsimile or paper.

Regulation 47-900. Conduct of Establishment.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(L), 12-47-202(2)(a)(I)(M), 12-47-202(2)(a)(I)(P), and 12-47-202(2)(a)(I)(R), C.R.S. In accordance with the legislative declaration of section 12-47-102, C.R.S., the Colorado Liquor Code is deemed an exercise of the police powers of the State of Colorado for the protection of the economic and social welfare and the health, peace, and morals of the people of the State of Colorado. Regulation of the

manufacture, distribution, and sale of alcohol beverages is regulated by the Colorado Liquor Code as a matter of statewide concern. The purpose of this regulation is to exercise proper regulation and control over the sale of alcohol beverages, promoting the social welfare, the health, peace and morals of the people of the State, and to establish uniform standards of decency, orderliness, and service within the licensed industry. Additionally, Sections 14 and 16 of Article XVIII of the Constitution of Colorado do not permit open and public consumption of marijuana and the State Licensing Authority deems liquor licensed premises to be public places.

E. Marijuana consumption.

No person or entity licensed under Article 46, 47, or 48 of Title 12, C.R.S. shall permit the consumption of marijuana and/or marijuana products as defined in sections 14 and 16 of Article XVIII of the Constitution of Colorado on any licensed premises.

F. 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.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(L), C.R.S. The purpose of this regulation is to require clean and sanitary conditions for on-premises consumption licensees.

Regulation 47-904. Product Labeling, Substitution, Sampling and Analysis.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(M), and 12-47-202(2)(a)(I)(N), C.R.S. The purpose of this regulation is to establish filling, labeling, and sampling and analyzing standards for alcohol beverages.

- 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. Nothing herein shall prohibit a licensee from using emptied liquor bottles with labels removed from filling them with non-alcohol items (e.g. marbles, sand, salt, pepper) for the purpose of decorations or display.
- F. The manufacturer or importer of any alcohol beverage product sold in or shipped to Colorado must register said product with the Liquor Enforcement Division prior to the date of the product's initial intended date of sale or shipment. If required by applicable Federal laws or regulations, alcohol beverages sold in Colorado must have obtained either a "Certificate of Label Approval" or a "Certificate of Exemption" from the Alcohol and Tobacco Tax and Trade Bureau ("TTB").

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, Suite 108A, 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.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(N), and 12-47-202(2)(a)(I)(O), C.R.S. The purpose of this regulation is to establish labeling and record keeping standards for Colorado wineries.

Regulation 47-906. Container Size.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to establish container size standards for vinous or spirituous liquors, available for sale in different licensed establishments.

Regulation 47-908. Automatic and Electronic Dispensing Systems.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to establish requirements for an on-premises consumption licensee's self-dispensing system and its operation if a licensee has a self-dispensing system on the licensed premises.

Regulation 47-910. Consumption Prohibited.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to prohibit on-premises consumption of alcohol beverages during any time prohibited by law.

Regulation 47-912. Identification.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), and 12-47-901(10)(a), C.R.S. The purpose of this regulation is to define adequate identification criteria for purposes of demonstrating age, and establish the factors of an affirmative defense available to a licensee for an alleged sale to a minor.

- A. Licensees may refuse to sell alcohol beverages to any person unable to produce adequate, currently valid identification of age. As long as it contains a picture and date of birth, the kind and type of identification deemed adequate shall be limited to the following:
 2. An identification card issued by any state for the purpose of proof of age as in accordance with sections 42-2-302 and 42-2-303, C.R.S.
- C. The identification types defined in paragraph (A) of this regulation fulfill the requirements of a valid identification stated in section 12-47-901(10)(a), C.R.S.

Regulation 47-913. Age of Employees.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to define permitted and prohibited roles for a liquor licensee's employees based upon the employee's age.

This regulation provides guidance as to the acceptable age of employees employed in the manufacture, sale, and/or distribution of alcohol beverages. However, nothing herein shall authorize a licensee to permit an employee under the age of eighteen (18) to sell or serve alcohol beverages

under any circumstances, nor to permit a person at least eighteen (18) of age but less than twenty-one (21) years of age to possess alcohol beverages except as part of the person's employment responsibilities authorized herein.

- A. Liquor stores (pursuant to section 12-47-407, C.R.S.), liquor-licensed drug stores (pursuant to section 12-47-408, C.R.S.) and taverns (pursuant to section 12-47-412, C.R.S.):
- C. Retailers licensed for on-premises consumption pursuant to article 47 of title 12, C.R.S., except for taverns licensed under section 12-47-412, C.R.S, and special event permit holders:
 - 2. Employees or agents of the licensee who are at least eighteen (18) years of age may handle and otherwise act with respect to alcohol beverages in the same manner as such person would with other items sold at retail, as long as they are under the direct supervision of a person who is at least 21 years of age.

Regulation 47-914. Unlicensed Possession of Beverages.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to prohibit a licensee from possessing, maintaining, or permitting the possession on the licensed premises of any alcohol beverage that it is not licensed to sell or possess.

Regulation 47-916. Advertising.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(H), C.R.S. The purpose of this regulation is to provide guidance regarding certain prohibited advertising practices of malt, vinous, or spirituous liquor licensees regarding the alcohol content of beverages sold, distributed, or dispensed on the licensed premises.

Regulation 47-918. Removal of Alcohol Beverages from Premises.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to make clear, with the limited exceptions found in section 12-47-421, C.R.S. that knowingly permitting the removal of any alcohol beverage from an on-premises licensee's licensed premises is not permitted and the circumstances under which a licensee may be charged notwithstanding the posting of signs as outlined in subsection 12-47-901(9)(a)(II), C.R.S.

- D. Wholesalers may remove sealed and unsealed containers of alcohol beverages from liquor licensed premises that had been introduced during the retailer sampling.

Regulation 47-920. Solicitation of Drinks.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), and 12-47-202(2)(a)(I)(M), C.R.S. The purpose of this regulation is to prohibit the solicitation of a drink or the purchase of a drink for the solicitor, whether the solicitor is an employee, agent, or any person on the licensed premises.

Regulation 47-922. Gambling.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(M), and 12-47-901(5)(n), C.R.S. The purpose of this regulation is to clarify and define prohibited and permitted activities, games, and equipment on the licensed premises concerning gambling.

Regulation 47-924. Importation and Sole Source of Supply/Brand Registration.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(D), C.R.S. The purpose of this regulation is to establish procedures and forms required for a party to import alcohol beverages into the state of Colorado and to require where applicable compliance with requirements in the Federal Alcohol Administration Act.

Regulation 47-926. Interference with Officers.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to prohibit the use or threat of force against a licensing authority employee or peace officer exercising their duties under the article.

Regulation 47-930. Testing of Alcohol Content – Malt Liquor and Fermented Malt Beverage.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(M), and 12-47-202(2)(a)(I)(S), C.R.S. The purpose of this regulation is to require licensees to make malt liquor and fermented malt beverage available for sampling and analysis to the Department of Revenue, Liquor Enforcement Division upon its request to assist with compliance and enforcement of alcohol content limits on fermented malt beverages.

Regulation 47-940. Powdered Alcohol – Packaging and Labeling.

Basis and Purpose. The statutory authority for this regulation is found at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), and 12-47-401(2), C.R.S. The purpose of this regulation is to establish packaging and labeling standards for powdered alcohol products.

Any manufactured package of powdered alcohol as defined in section 12-47-103(23.7), C.R.S. shall have the following words:

THIS PRODUCT CONTAINS ALCOHOL

in a bold-face font at least ¼ inch in height, which is a part of the permanent manufactured packaging of the powdered alcohol product.

Each package that contains powdered alcohol shall be child resistant. For the purpose of this regulation, “child resistant” means packaging that is:

- A. Designed or constructed to be significantly difficult for children under five (5) years of age to open and not too difficult for normal adults to use properly.
- B. Resealable.

Regulation 47-942. Powdered Alcohol Regulation.

Basis and Purpose. The statutory authority for this regulation is found at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(A), and 12-47-401(2), C.R.S. On March 15, 2015, the Federal Alcohol and Tobacco Tax and Trade Bureau (TTB) allowed the use of powdered alcohol as a distilled spirit. The purpose of this regulation is to establish rules and guidance regarding the manufacture, purchase, sale, possession, and use of powdered alcohol and clarifying that because powdered alcohol is defined as a spirituous liquor all regulations that apply to spirituous liquor apply to powdered alcohol.

- A. Pursuant to section 12-47-103(36), C.R.S. Powdered alcohol is defined as a spirituous liquor; therefore all regulations pertaining to spirituous liquor apply to powdered alcohol.
- B. Powdered alcohol as defined in section 12-47-103(23.7), C.R.S. which is not manufactured and intended for use as an alcohol beverage shall not be subject to regulations set forth in 1 C.C.R. 203-2. Uses may include (but are not limited to) industrial, research hospitals, educational institutions, and pharmaceutical or biotechnology companies conducting bona fide research.
- C. Powdered alcohol sold or dispensed at a business licensed for on-premises consumption must be reconstituted as instructed on the label prior to being served.
- D. For the purpose of the Colorado Liquor Rules, 1 C.C.R. 203-2, the liquid volume of powdered alcohol shall be the amount of liquid as directed on the manufactured packaging for each powdered alcohol product.

Regulation 47-1000. Qualifications for Special Event Permit.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to define the types of organizations that qualify for a special event permit.

Regulation 47-1002. Application for Special Event Permit.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(D), C.R.S. The purpose of this regulation is to establish procedures and forms required to issue a special event permit.

Regulation 47-1004. Special Event Permit – Non-transferable.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to make clear that a special event permit is non-transferable, and is only valid for dates and locations specified in the application.

Regulation 47-1006. Special Event Permit – Application on School Property.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to make clear that the issuance of a special event permit within a distance restricted (500 ft) area pertaining to school property during hours in which no school classes are scheduled is permitted and otherwise prohibiting the same.

Regulation 47-1008. Special Event Permit – Private Residence: Multiple Use.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(D), C.R.S. The purpose of this regulation is to allow one special event permit with duplicate copies if the event will be conducted on a series of separate private residences.

Regulation 47-1010. Special Event Permit – Possession of Beverages.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to declare that a permittee shall only allow the sale, possession, or consumption of alcohol beverages as defined within the permit's terms.

Regulation 47-1012. Special Event Permit – Permitted Age of Servers.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to establish age requirements for alcohol beverage servers under a special event permit.

Regulation 47-1014. Special Event Permit – Complaint against Permittee – Cancellation – Revocation of Permit.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(E), C.R.S. The purpose of this regulation is to establish general processes and procedures required for the licensing authority to suspend, revoke, or deny future applications of, a special event permit for violations of certain laws, rules, or regulations.

Regulation 47-1016. Special Event Permit – Purchase and Storage of Alcohol Beverages.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(K), C.R.S. The purpose of this regulation is to establish purchasing and storage requirements for a special event permit.

Regulation 47-1018. Special Event Permit – Supplier Financial Assistance.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(G), C.R.S. The purpose of this regulation is to clarify permitted and prohibited support and/or services offered by suppliers to organizations holding a special event permit.

Regulation 47-1020. Alcohol Beverage Donations.

Basis and Purpose. The statutory authority for this regulation is located at subsections 12-47-202(1)(b) and 12-47-202(2)(a)(I)(G), C.R.S. The purpose of this regulation is to clarify permitted alcohol beverage donations and associated conditions.

- B. A wholesaler may donate alcohol beverages to a special event permittee at no cost if such beverages are used for hospitality or fund raising purposes, including resale by the drink. The wholesaler shall provide an invoice documenting the donation of such products to the permittee and shall ensure that all applicable state excise taxes are paid pursuant to section 12-47-503, C.R.S.

- E. When an event, for which the alcohol donations are solicited, is held at a retail location licensed for on-premises consumption pursuant to article 46 or 47 of title 12, the wholesaler shall invoice the retailer at no cost for alcohol beverage products intended for the event, 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 as soon as practicable after the event. If the unused product is not returned, then the wholesaler must charge the retailer at least the minimum of cost for those products. The retail value of any donation from a retailer licensed for off-premises consumption to a non-profit event held at a retail location licensed for on-premises consumption will count against the on-premises licensee's statutory dollar limit of alcohol purchased from an off-premises retailer.