



## COLORADO

### Department of Revenue

Enforcement Division - Liquor & Tobacco

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## **BULLETIN 16-07**

REFERENCE: HB 16-1439 – New Lodging & Entertainment Liquor License (Effective August 10, 2016)

August 8, 2016

## **Colorado Liquor Enforcement Division**

House Bill 16-1439 was signed by Governor John Hickenlooper on June 10, 2016, which created a new alcohol beverage license under the “Colorado Liquor Code” to permit a Lodging and Entertainment liquor license to sell alcohol beverages by the drink for on-premises consumption. It also allows the holder of a Tavern liquor license to convert to the Lodging & Entertainment Facility liquor license or another qualified liquor license. You can [click here](#) for a copy of HB 16-1439.

### **LODGING & ENTERTAINMENT LIQUOR LICENSE:**

#### New Licenses

Beginning August 10, 2016, the State Licensing Authority will no longer issue a tavern liquor license to businesses that do not fit the definition of a tavern as defined in section 12-47-103(38), C.R.S.

#### Definition

- A Lodging & Entertainment (L&E) liquor license pursuant to section 12-47 426, C.R.S. can be issued to:
  - Lodging Facility - the primary business of which is to provide the public with sleeping rooms and meeting facilities; or
  - An Entertainment Facility – the primary business of which is to provide the public with sports or entertainment activities.

#### Fees

- License fees: \$75.00 - State  
\$500.00 – Local (\$425 of which is paid to the state for the old age pension fund)

- Registered Manager fees: up to \$75.00 (both local and state)

### Operation of License

- Can sell alcohol beverages by the drink only to customers for on-premises consumption.
- Shall have sandwiches and light snacks available for consumption on the premises during business hours, but need not have meals available.
- During a calendar year, an L&E licensee or registered manager may purchase not more than \$2000.00 of malt, vinous, and spirituous liquors from a retail license pursuant to sections 12-47-407 and 12-47-408, C.R.S.; or \$2000.00 of fermented malt beverage from a retail license pursuant to section 12-46-104(1)(c), C.R.S. An L&E liquor licensee shall retain evidence of each purchase, which will contain the date of purchase, the location where alcohol was purchased, a description of the alcohol beverage purchased, and the price paid for the alcohol beverage.
- Purchases of alcohol beverages for more than one L&E license shall be separate and distinct from any other L&E license.
- It is unlawful for any owner, part owner, shareholder, or person interested directly or indirectly in an L&E license, to conduct, own either in whole or in part, or be directly or indirectly interested in any other business licensed pursuant to articles 46 or 47, C.R.S., except for:
  - Fermented Malt Beverage License, pursuant to section 12-46-104(1)(c), C.R.S.
  - Beer and Wine License pursuant to section 12-47-401(1)(j), C.R.S.
  - Hotel & Restaurant License pursuant to section 12-47-401 (1)(k), C.R.S.
  - Tavern License pursuant to section 12-47-401(1)(l), C.R.S.
  - Brew pub License pursuant to section 12-47-401(1)(m), C.R.S.
  - Club License pursuant to section 12-47-401(1)(n), C.R.S.
  - Arts License pursuant to section 12-47-401(1)(o), C.R.S.
  - Racetrack License pursuant to section 12-47-401(1)(p), C.R.S.
  - Public Transportation System License pursuant to section 12-47-401(1)(q), C.R.S.
  - Optional Premises License pursuant to section 12-47-401(1)(r), C.R.S.
  - Retail Gaming Tavern License pursuant to section 12-47-401(1)(s), C.R.S.
  - Vintner's Restaurant License pursuant to section 12-47-401(1)(t), C.R.S.
  - Distillery Pub License pursuant to section 12-47-401(1)(v), C.R.S.
  - Lodging & Entertainment License pursuant to section 12-47-401(1)(w), C.R.S.
  - Bed & Breakfast Permit pursuant to section 12-47-410, C.R.S.
  - A financial institution referred to in section 12-47-308, C.R.S.

- An L&E license may be allowed to be a part of a common consumption area pursuant to section 12-47-301(11)(e)(I), C.R.S.

### Registered Manager

- Each L&E licensee shall manage or have a separate and distinct manager for each license premises. Each L&E licensee shall register the manager for each licensed premises with the State and Local Licensing Authority. A registered manager cannot be registered for more than one L&E Facility license. Upon initial application, if the licensee decides to be the registered manager, they shall designate themselves as the registered manager on the initial license application. The state manager registration fee is waived for this designation; however, any future manager registration changes are subject to the state registration fee.
- An L&E licensee shall notify the state and local licensing authorities within five days when a registered manager ceases to manage the business. An L&E licensee shall designate a new registered manager within thirty days. Failure to report the change in registered manager is grounds for suspension of the license.
- The L&E registered manager fee is payable to both the Local and State Licensing Authority. The Local Licensing Authority will check the character, record, and reputation of the registered manager. Currently, the state licensing registration fee is \$75.00.

### Conversions

- Upon renewal of a valid license or by August 10, 2017 (whichever is later), a tavern licensee that does not have as its principal business the sale of alcohol beverages may apply to the applicable Local Licensing Authority to convert an existing tavern liquor license:
  - To an L&E liquor license; or
  - If the tavern licensee does not have its principal business the sale of alcohol beverages and does not fit the definition of an L&E license, may convert to another retail license under article 47, C.R.S, if any, for which the person qualifies.
  - A valid tavern license issued prior to August 10, 2016, that does not have its principal business the sale of alcohol beverages does not have to convert to a different liquor license and may continue to operate under the guidelines of all laws and rules pertaining to a tavern liquor license. However, upon transfer of such tavern liquor license after August 10, 2016, which does not meet the definition of a tavern, the ability to transfer the tavern liquor license will no longer exist and the applicant must apply for a new liquor license for which the person qualifies.

- All alcohol beverage stock in a tavern liquor license converted to an L&E license may be used in the operation of an L&E license. If a tavern license converts to a different license pursuant to section 12-47-412(9)(a), C.R.S, only the alcohol stock sold by the new licensee may convert. All other alcohol stock shall be lawfully removed from the licensed premises before the new license is approved.

If you have any questions about this bulletin, please contact the Liquor Enforcement Division at 303-205-2300.