

- A. Tastings.
1. A tasting shall be conducted only by a person who has completed seller-server training that meets the standards established by the Division, and is:
 - a. A retail liquor store or liquor-licensed drugstore licensee or employee; or
 - b. A representative, employee, or agent of one of the following suppliers licensed by the state licensing authority:
 - i. Wholesaler;
 - ii. Brew pub;
 - iii. Distillery pub;
 - iv. Manufacturer;
 - v. Limited winery;
 - vi. Importer; or
 - vii. Vintner's restaurant.
- B. Following a tasting, the licensee shall promptly remove all open and unconsumed alcohol beverage samples from the licensed premises, destroy the samples immediately following the completion of the tasting, or store any open containers of unconsumed alcohol beverages in a secure area outside the sales area of the licensed premises for use only at a tasting conducted at a later time or date. A secure area means:
1. A designated area, including, but not limited to, a closet, cabinet, or safe;
 2. That is upon the licensed premises and not accessible to consumers; and
 3. Is secured by a locking mechanism at all times while any open containers of unconsumed alcohol beverages are stored for use at a future tasting.
- C. TO ENSURE ALCOHOL SAMPLES ARE PROVIDED TO A PATRON FREE OF CHARGE, AS REQUIRED BY SECTION 44-301(10)(C)(X), C.R.S., THE LICENSEE SHALL NOT CHARGE OR ACCEPT ANY MONEY FOR A TASTING, DIRECTLY OR INDIRECTLY, INCLUDING FOR ANY EDUCATION PROVIDED IN CONNECTION WITH A TASTING, OR TO RESERVE A SPOT AT A TASTING EVENT, REGARDLESS OF WHETHER THE MONEY CHARGED IS DONATED TO A CHARITY OR IS REFUNDABLE.
- D. TO COMPLY WITH THE OBLIGATION NOT TO SERVE MORE THAN FOUR INDIVIDUAL SAMPLES TO A PATRON DURING A TASTING, AS REQUIRED BY SECTION 44-3-301(10)(C)(IX), C.R.S., THE LICENSEE SHALL IMPLEMENT A MEANS OF TRACKING HOW MANY SAMPLES EACH CUSTOMER IS PROVIDED, WHICH MAY INCLUDE THE USE OF A WRISTBAND, OR OTHER MEANS OF ACCURATELY TRACKING INDIVIDUAL PATRON CONSUMPTION.

Regulation 47-314. Limited Liability Company.

Basis and Purpose. The statutory authority for this regulation is ~~located at subsections~~ INCLUDES, BUT IS NOT LIMITED TO, SUBSECTIONS 44-3-103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), ~~and~~ 44-3-202(2)(a)(I)(J), 44-3-301(7), and 44-3-307(1), 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.

- A. A Limited Liability Company may conduct any business that a partnership with limited partners may lawfully conduct and may not conduct any business that is prohibited by law to such

partnership. Such limited liability company shall be in full conformity with 7-80-101, C.R.S.

- B. Each Limited Liability Company licensed pursuant to this Article or Article 4, of Title 44, shall report changes of any of its managers, OR MEMBERS HAVING A 10% OR MORE INTEREST IN THE LICENSE, EXCEPT THAT ANY TRANSFER OF A CONTROLLING INTEREST SHALL BE REPORTED REGARDLESS OF ITS SIZE, within THIRTY 30 days from the date of the change, and shall submit said information to the respective local or state licensing authorities on forms approved by the Division. ~~A report shall also be required for changes of any member having a 10% or more interest in the licensee.~~

Regulation 47-315. Lodging and Entertainment License.

Basis and Purpose. The statutory authority for this regulation ~~is located at subsections~~ INCLUDES, BUT IS NOT LIMITED TO, SUBSECTIONS 44-3-103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(C), 44-3-202(2)(a)(I)(L), and 44-3-202(2)(a)(I)(R), C.R.S. The purpose of this regulation is to describe those sports and entertainment activities which qualify an establishment as an entertainment facility. Additionally, the purpose of this regulation is to describe how to determine the primary business of a lodging and entertainment facility.

- A. In addition to other statutory requirements, a lodging and entertainment license may be issued to a qualifying lodging and entertainment facility. A "lodging and entertainment facility" is an establishment that is either:
1. A "lodging facility," the primary business of which is to provide the public with sleeping rooms and meeting facilities; or
 2. An "entertainment facility," the primary purpose of which is to provide the public with sports or entertainment activities within its licensed premises.
- B. To qualify as an entertainment facility, the applicant or lodging and entertainment licensee must demonstrate that its primary business is to provide qualifying sports or entertainment activities within its licensed premises.
1. To qualify as a sports activity, the activity must provide the public with an opportunity to participate in, or to observe others who participate in, an activity such as a game, recreation, team or individual sport, or an activity of a similar nature. Examples of qualifying sports activities include, but are not limited to, the following:
 - a. Arcade games;
 - b. Billiards;
 - c. Bowling;
 - d. Golf; or
 - e. Laser tag.
 2. To qualify as an entertainment activity, the activity must provide the public with an opportunity to participate in or observe others who participate in an activity that is primarily artistic, cultural, educational, or entertaining, or an activity of a similar nature. Examples of qualifying entertainment activities include, but are not limited to, the following:
 - a. Artistic exhibitions, films, or performances;
 - b. Arts and crafts classes;
 - c. Cooking classes;
 - d. Amusement rides; or

e. Spa experiences.

i. For purposes of this regulation, to qualify as a “spa experience” the facility must offer at least three (3) of the following treatments and experiences:

A. Facials;

B. Massage therapy;

C. Skin treatment;

D. Body wraps; or

E. Body waxing.

3. The following activities shall not qualify as entertainment activities for purposes of an entertainment facility:

a. Any activity not described in subparagraphs (B)(1) or (B)(2) of this regulation; and

b. Shopping for or receiving goods or personal services, including but not limited to hair care or nail care services.

C. An activity that would otherwise qualify under subparagraphs (B)(1) and (B)(2) of this regulation, shall not qualify if the activity involves the use of a deadly weapon as defined by subsection 18-1-901(3)(e), C.R.S., or creates a substantial health and safety risk to any person.

D. Determining the primary business of a lodging and entertainment facility.

1. To satisfy the requirement that the primary business of a lodging facility is to provide the public with sleeping rooms and meeting facilities, and that serving and selling alcohol beverages is incidental thereto, the lodging facility’s annual gross revenues from the sale of sleeping rooms and meeting facilities must exceed fifty (50) percent of the lodging facility’s total annual gross sales revenues.

2. To satisfy the requirement that the primary business of an entertainment facility is to provide the public with sports or entertainment activities, and that serving and selling alcohol beverages is incidental thereto, the entertainment facility’s annual gross revenues from the sale of sports or entertainment activities must exceed fifty (50) percent of the entertainment facility’s total annual gross sales revenues.

Regulation 47-316. Advertising Practices

Basis and Purpose. The statutory authority for this regulation is ~~located at subsections~~ INCLUDES, BUT IS NOT LIMITED TO, SUBSECTIONS 44-3-103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), ~~and~~ 44-3-202(2)(a)(I)(G), 44-3-202(2)(a)(I)(O), AND 44-3-308, 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

1. “Consumer advertising specialties” shall mean those items PRIMARILY designed to advertise or promote a specific alcohol beverage brand or supplier, THAT HAVE A UTILITARIAN FUNCTION TO THE CONSUMER IN ADDITION TO PRODUCT PROMOTION, ARE DESIGNED TO BE CARRIED AWAY BY THE CONSUMER, AND THAT HAVE NEGLIGIBLE VALUE. CONSUMER ADVERTISING SPECIALTIES ARE PRESUMED TO BE OF NEGLIGIBLE VALUE IF THE SUPPLIERS’ COST TO PURCHASE THE CONSUMER ADVERTISING SPECIALTIES IS LESS THAN TEN (10) DOLLARS PER ITEM. ~~that have a utilitarian function to the consumer in addition to product promotion and that are intended and designed to be carried away by the consumer. Consumer advertising specialties shall include: t-shirts, caps, visors,~~

~~bottle or can openers, cork screws, printed recipes, pencils, pens, pins, buttons, matches, computer flash and jump drives (not to exceed 8 GB), computer mouse pads, shopping bags, key chains, paper or plastic cups and plates, and similar items of negligible value, as approved by the Division. For purposes of this regulation, glassware and plates do not qualify as consumer advertising specialties.~~

2. Suppliers may provide consumer advertising specialties OF NEGLIGIBLE VALUE free of charge to a licensed retailer, so long as ~~they~~THE CONSUMER ADVERTISING SPECIALTIES contain an advertising message that promotes the supplier or their products, and do not contain any information, markings, or logos that are specific to a retailer. NO SUPPLIER MAY PROVIDE CONSUMER ADVERTISING SPECIALTIES TO ANY RETAILER IN AN AMOUNT THAT EXCEEDS ONE-THOUSAND (1000) DOLLARS PER YEAR, PER RETAIL LOCATION, AS MEASURED BY THE SUPPLIER'S PURCHASING COST FOR THE CONSUMER ADVERTISING SPECIALTIES.
3. Consumer advertising specialties that contain any information, markings, or logos specific to a licensed retailer may not be provided free of charge, but must be purchased by a retailer at a minimum of the supplier's cost.
4. Licensees must have available for inspection those customary business records that verify these transactions, in accordance WITH SECTION 44-3-701, C.R.S., and for the time frame specified in Regulation 47-700.

B. Point-of-Sale Advertising

1. "Point-of-sale advertising" shall mean alcohol beverage brand-specific or supplier-specific promotional materials, within a retailer's licensed premises. Such items may also include a retailer's name and address.
2. Suppliers may provide ~~the following~~ point-of-sale advertising materials OF NEGLIGIBLE VALUE to licensed retailers free of charge for use within retail premises. POINT-OF-SALE ADVERTISING MATERIALS ARE CONSIDERED TO BE OF NEGLIGIBLE VALUE IF THE SUPPLIER'S COST TO PURCHASE THE POINT-OF-SALE ADVERTISING MATERIALS IS LESS THAN TEN (10) DOLLARS PER ITEM. NO SUPPLIER MAY PROVIDE CONSUMER ADVERTISING SPECIALTIES TO ANY RETAILER IN AN AMOUNT THAT EXCEEDS ONE-THOUSAND (1000) DOLLARS PER YEAR, PER RETAIL LOCATION, AS MEASURED BY THE SUPPLIER'S PURCHASING COST FOR THE POINT-OF-SALE ADVERTISING MATERIALS. ~~display decorations of negligible value, table tents, table tent holders, sports schedules and brackets, case cards, serving trays, condiment trays, bar utensil caddies, stir rods, strainers, presses, check and credit card holders, shakers, pitchers, table mats, bar mats, alcohol beverage lists or menus, menu cards, menu holders, calendars, napkins, napkin holders, coasters, stir sticks, and similar items of negligible value, as approved by the Division.~~
3. A supplier may advertise, within retail premises, alcohol beverage products, consumer mail-in rebate offers, consumer giveaways, sweepstakes, contests, and cross promotions with non-alcohol beverage products. Suppliers may also provide contest and sweepstakes information and consumer entryforms.
4. Supplier Rebates for Consumers and Supplier Coupons

Supplier rebates and coupons, as contemplated in this regulation, are a permitted method of alcohol beverage product promotion if they are intended to reach the consumer through permitted advertising practices, and to provide the consumer with a direct financial benefit through the redemption process. Rebates and coupons may not be used as a means of financial assistance to licensed retailers or as a means to influence or control a retailer's productselection.

- a. A supplier's "consumer rebate" provides a consumer with cash back after the consumer has purchased a supplier's product and has provided proof of product purchase upon redemption.
 - i. A supplier may provide consumer rebate certificates to consumers through

point-of-sale advertising (such as tear pads, shelf talkers, case cards, or other point-of-sales materials), package inserts, or other printed or electronic media.

- ii. A supplier's consumer rebate certificate may not be redeemed through a licensed retailer.
- b. A supplier's "instant redeemable coupon" provides a consumer with a discount off of the retailer's selling price of an alcohol beverage product, at the time it is redeemed through a licensed retailer.
 - i. Licensed retailers may redeem suppliers' instant redeemable coupons only after they have been made available to consumers through general print or electronic media directed at the consumer; package inserts; or, a supplier's representative or agent, who is not the retailer or their agent, who is providing coupons to consumers at the retail premises for the purpose of product promotion.
 - ii. Licensed retailers are prohibited from accepting and redeeming any supplier-issued instant redeemable coupons unless redemption included presentation of the coupon by a consumer with the purchase of the product advertised therein, or in accordance with other applicable redemption rules specified by the supplier or their marketing agents.
 - iii. Suppliers are prohibited from providing their instant redeemable coupons directly to licensed retailers, except when said coupons are packaged with, or attached to, each individual product package before such products are delivered to a licensed retailer.
 - iv. Suppliers may never reimburse licensed retailers for suppliers' instant redeemable coupons. Redemption must be through a third party that is independent from the supplier and the retailer.
 - v. Retailers must have available for inspection, applicable business and banking records that verify these transactions, in accordance with 44-3-701, C.R.S., and for the time frame specified in Regulation 47-700. Verification may include the retailer's reconciliation of coupons redeemed to related products sold to consumers.

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 licensee 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 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 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.~~

C. Media Advertising

1. Except as provided in Regulations 47-322(B) and 47-322(C), and subsection (C)(3) of this regulation, no supplier shall directly or indirectly furnish or pay for any advertising for or with respect to any one or more retail licensee by means of the internet, device applications (apps), radio or television broadcast, magazines, newspapers, pamphlets, or similar media, or by means of any sign not located on or in the licensed premises of the retailer which is advertised.

2. Except as provided in Regulations 47-322(B) and 47-322(C), suppliers that purchase internet, device applications (apps), radio or television advertising packages from third

party advertising agencies:

- a. May not authorize the advertising agency to apply any value attributable to the supplier's advertising package toward the advertising or promotion of any licensed retailer or their location.
 - b. May not authorize the advertising agency to combine supplier-purchased advertising packages with those purchased by licensed retailers, for the purpose and benefit of cooperative advertising.
3. A supplier may directly or indirectly advertise for or with respect to any one (1) or more retailers that sell the supplier's alcohol beverages, via the supplier's internet websites (including forums such as a supplier's Facebook page, blog or device applications (apps)) and electronic advertising messages delivered directly to consumers' private electronic devices.
4. Closed-circuit television advertising networks, or similar advertising networks, that deliver advertising messages to consumers are permitted in retail licensed premises with the following conditions:
- a. A supplier may not provide a licensed retailer with any electronic equipment necessary to deliver network advertising.
 - b. A licensed retailer may not receive revenues, directly or indirectly, from licensed suppliers who advertise on the network. Revenue from non-alcohol beverage suppliers who advertise on the same network, which can be clearly distinguished by the network advertiser from supplier revenues, are permitted provided that the retailer can document that the source of the revenue is not a licensed supplier.
 - c. The advertising network and all related advertising receipts and distributions must be controlled by third party entities who are not licensed pursuant to article 3 or 4 of title 44, and who are wholly independent, in both form and substance, of any licensed supplier or retailer.
- D. Nothing in this regulation shall apply to non-profit, charitable, or other qualifying organizations, when such organization conducts licensed events pursuant to the requirements contained in article 5 of title 44, and related regulations, and such organization does not otherwise hold a retail license pursuant to articles 3 or 4 of title 44. However, nothing herein shall authorize any financial assistance for the purpose of altering or influencing an organization's product selection for said events.
- E. Except as otherwise provided for in this regulation, no supplier shall directly or indirectly pay to any retailer, and no retailer shall accept, any value or consideration in connection with or for the right or privilege of posting or maintaining any advertising message, on or in, or relating to a retailer's licensed premises.

Regulation 47-328. Entertainment Districts.

Basis and Purpose. The statutory authority for this regulation is ~~located at subsections~~ INCLUDES, BUT IS NOT LIMITED TO, SUBSECTIONS 44-3-103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(R), and 44-3-202(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 44-3-301(11), C.R.S.

Within fifteen (15) days of the creation of an entertainment district pursuant to section 44-3-301(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.

