2016 Liquor Rules Working Group

SB16-197 Subgroup Recommendations

Red Line

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

A. Corporations and Limited Liability Companies

1. If the applicant for any license under Articles 46 or Article 47 of Title 12 is a corporation or limited liability company, it shall submit with the application, the names, addresses, and individual history records of all of its principal officers, directors, or managers, and a copy of its articles of incorporation or articles of organization; and if a foreign entity, evidence of its qualification to do business within this state. In addition, each applicant shall submit the names, addresses, and individual history records of all persons owning 10% or more of the outstanding or issued capital stock, or persons holding a 10% or more membership interest.

2. Any transfer of capital stock or any change in principal officers or directors of any corporation holding a license under the provisions of the Colorado Liquor or Beer Code and which is not subject to the reporting requirements of the Securities and Exchange Act of 1934, as amended, shall be reported to the respective licensing authorities within thirty (30) days after such transfer or change. With the report, the licensee shall submit the names, addresses, and individual history records for any new officer, director, or stockholder acquiring 10% or more outstanding capital stock, as well as the corporate minutes verifying the transactions. Licensees that are subject to the Securities and Exchange Act of 1934, as amended, shall be required to do the same, except that they shall not be required to report any single transfer of outstanding capital stock of less than 10%.

3. Any transfer of membership interest or any change in managers of any limited liability company holding a license shall be reported to the respective licensing authorities within thirty (30) days after such transfer or change. With the report, the licensee shall submit the names, addresses, and individual history records for any new manager, or member acquiring 10% or more membership interest.

B. Partnerships

1. If the applicant for any license under articles 46 or 47 of title 12 is a general partnership, limited partnership, limited liability partnership, or limited liability limited partnership it shall submit with the application, the names, addresses, and individual history records of all of its general or managing partners, and a copy of its partnership agreement; and, if a foreign entity, evidence of its qualification to do business within this state. In addition, each applicant shall submit the names, addresses, and individual history records of any other partner holding a 10% or more partnership interest.

2. Any transfer of partnership interest or any change in general or managing partners of any partnership holding a license shall be reported to the respective licensing authorities within thirty (30) days after such transfer or change. With the report, the licensee shall submit the names, addresses, and individual history records for any new general or managing partner, or any other partner acquiring 10% or more partnership interest.

C. Entity Conversions

1. Any licensee that qualifies for an entity conversion pursuant to section 7-90-201, C.R.S., et~~.~~ seq., or similar law enacted by other states, shall not be required to file a transfer of ownership application pursuant to section 12-47-303, C.R.S. upon statutory conversion, but shall submit a report containing suitable evidence of conversion within thirty (30) days of such conversion. Such evidence shall include, but not be limited to, recognition of conversion by the Colorado Secretary of State. In addition, within thirty (30) days of the conversion, the licensee shall submit the names, addresses, and individual history records of any new officers, directors, managers, general or managing partners, and all persons having an ownership interest of 10% or more.

D. All reports required by this regulation shall be made on forms supplied by the Department of Revenue, Liquor Enforcement Division.

E. For all applicants for the issuance of a license by reason of a transfer of possession of the licensed premises by 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 ~~C.R.S.~~ 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 ~~C.R.S.~~ SECTION 12-47-303, C.R.S. ~~However, t~~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

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 MAY BE DELIVERED BY PERSONAL SERVICE, UNITED STATES MAIL, FACSIMILE AND/OR EMAIL TRANSMISSION, AND SHALL BE DELIVERED TO AN AGENT OR EMPLOYEE WITH WHOM THE TRANSFEROR-LICENSEE HAS TRANSACTED BUSINESS, PLACED ORDERS, OR TO THE WHOLESALER'S CREDIT DEPARTMENT. THE CONFIRMATION SHALL BE DEEMED RECEIVED BY A WHOLESALER UPON PERSONAL SERVICE, FACSIMILE OR EMAIL CONFIRMATION, OR ON THE THIRD (3RD) DAY FOLLOWING THE DATE ON WHICH THE CONFIRMATION IS DEPOSITED IN THE UNITED STATES MAIL, CERTIFIED, RETURN RECEIPT REQUESTED, POSTAGE PREPAID, ADDRESSED TO THE LAST KNOWN BUSINESS ADDRESS OF THE WHOLESALER.

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) CALENDAR 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 47-312. Change of Location.

A. When a licensee for the manufacture or sale of alcohol beverages desires to change the location of its licensed premises from that named in an existing license, it shall make application to the applicable licensing authorities for permission to change location to the place where such license is to be exercised, except that an application for change of location shall not be required for the demolition and reconstruction of the building in which the original licensed premises was located.

B. Applications to change location shall be made upon forms prepared by the state licensing authority and shall be complete in every detail. Each such application shall state the reason for such change, and in case of a retail license, shall be supported by evidence that the proposed change will not conflict with the desires of the adult inhabitants and the reasonable requirements of the neighborhood in the vicinity of the new location. An application to change the location of a retail license shall contain a report of the local licensing authority of the town, city, county, or city and county in which the license is to be exercised. Such report shall describ~~-~~e the findings of the local licensing authority concerning the reasonable requirements of the neighborhood and the desires of the adult inhabitants with respect to the new location, except that in the change of location for a club license, the needs of the neighborhood need not be considered. When a licensee is required by lease, lease renewal, condemnation, or reconstruction to move its licensed premises to a new address that is located within the same shopping center, campus, fairground, or similar retail center, the local or state licensing authority may, at its discretion, waive the neighborhood needs and desires assessment requirements should it determine that the new location remains within the same neighborhood as the old location.

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 ~~they~~ 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.

D. For those licensees not subject to approval by the local licensing authority, no change of location shall be permitted until the state licensing authority has 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. The state licensing authority may, at its discretion, extend the time to change the location, for good cause shown. However, no extension that is beyond twelve months from the original date of approval shall be granted.

E. Once the licensee has changed it licensed location, the permit to change location shall be conspicuously displayed at the new location, immediately adjacent to the license to which it pertains.

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 ~~S~~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 ~~S~~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 ~~S~~section 12-47-313, C.R.S.

REGULATION 47-319. LIQUOR-LICENSED DRUGSTORE MANAGER PERMIT

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 47-323. Lawful Extension of Credit

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

1. "Supplying licensee" means those persons authorized pursuant to articles 46 and 47 of title 12, C.R.S. to sell fermented malt beverage, malt liquor, vinous liquor, and spirituous liquors to licensed retailers.

2. "Retailer" means those persons licensed pursuant to ~~S~~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.

3. "Cash" means United States currency.

4. "Cash equivalent" means a financial transaction or negotiable instrument other than cash, including: bank drafts (business or personal check, cashier's check, certified check) money order, any other type of completed electronic funds transfer, or a supplying licensee's lawfully-issued credit to a retailer's account. Nothing in this regulation shall require a supplying licensee to make available all of the aforementioned types of cash equivalent.

5. "Alcohol beverage purchase" means the date upon which the alcohol beverage is delivered to the retailer and the retailer takes possession.

Regulation 47-407. Liquor-Licensed Drugstore

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 ~~22~~ 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:

1. The prescription compounding area must be operational and staffed by a licensed pharmacist, fifty percent of the time, each day, during which alcohol beverages are sold or dispensed in sealed containers.

2. Prescription drugs and controlled substances are sold or dispensed pursuant to lawful prescription orders in conformance with applicable laws and rules, during all times of operation as described in B.~~1~~1. of this regulation.

C. A licensed pharmacist shall be an owner, AN ~~or~~ employee, OR CONTRACT COMPANY 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) ET AL, 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 CHANGE THE LOCATION OF AN EXISTING RETAIL LIQUOR STORE AND TRANSFER OWNERSHIP OF AT LEAST TWO LIQUOR STORES WITHIN THE SAME JURISDICTION WHERE THE APPLICANT PREMISES IS LOCATED. 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 WINERIERS

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 47-410. Retail Warehouse Storage Permit.

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.

   1. For off-premises licensed retailers, alcohol beverages permitted for storage within a storage warehouse shall include vinous and spirituous liquors only.

   2. For on-premises licensed retailers, alcohol beverages permitted for storage within a storage warehouse shall include fermented malt beverages and malt, vinous and spirituous liquors. However, fermented malt beverages or malt liquor stored in a permitted warehouse shall only be stored for a period not to exceed ten days after date of delivery, so as not to interfere with manufacturers' freshness standards.

   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.

B. Title to all alcohol beverages, stored or kept pursuant to a warehouse storage permit shall be vested in such permit holder.

C. Alcohol beverages may not be sold or delivered to consumers from the permitted warehouse premises, however, deliveries from wholesalers may be accepted at the permitted warehouse premises.

D. Any retail licensee obtaining a warehouse storage permit~~,~~ shall provide a copy of said permit to the local licensing authority and shall display such permit in a prominent place within their licensed premises and within the permitted warehouse premises.

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

~~No person licensed to conduct the business of a retail liquor store shall sell, offer or expose for sale or distribute within the State of Colorado any commodities, items or articles of commerce except the following:~~

~~A. Malt, vinous and spirituous liquors, soft drinks, milk, mixers, and mixes, all in sealed containers for consumption off the premises.~~

~~B. Cigarettes, cigars and other tobacco and tobacco products intended for human consumption or use.~~

~~C. Smoking supplies, including: Mechanical lighters and fluid, wicks, flints and other replacement parts for mechanical lighters; ashtrays, matches and containers for matches; cigarette rollers; cigarette and cigar holders, filters, and replacement parts for such holders and filters; cigar cutters and punches; cigar humidors, humidification solution and sponge blocks; pipes and pipe cleaners, filters, reamers, and other accessories and replacement parts for pipes.~~

~~D. Pumps, pumping devices, taps, or any equipment or devices, which are to be used only in connection with, and for the sole purpose of, dispensing malt liquor from sealed containers. Cartridges containing carbon dioxide gas or other propellants necessary for the use of pumps, pumping devices, or taps.~~

~~E. General bar equipment, portable bars (home use only), bartender guides, bar towels, blenders, fruit squeezers, bottle openers, can openers, coasters, cork screws, drink shakers, drip rings, party clips that attach wine glasses to plates, shot measures, soda siphons or soda mixers, stir sticks, trays, glass washing equipment, ice, buckers, ice crushers, and ice machines.~~

~~F. All types of dispensers, decanters, pitchers, flasks, glasses, glass holders, mugs, coolers, and liquor travel cases.~~

~~G. Beverage publications, books, or magazines, where the use or content is focused primarily on alcohol beverages or the alcohol beverage industry. Electronic versions of the same are acceptable if they are read-only and not reusable.~~

~~H. Beer brewing kits that contain brewing equipment and/or commercially packaged, pre-mixed, self- contained, add-water-only ingredients. Wine making kits, wine racks, wine storage units (home use only), wine inventory/cataloging systems, and related accessories.~~

~~I. Bottle neck greeting cards, gift baskets, synthetic packaging material for gift baskets, gift wrap, and ribbons.~~

~~J. Olives, cocktail garnishes as authorized pursuant to 12-47-407, C.R.S., fresh lemons, fresh limes, and maraschino cherries.~~

~~K. Liquor-filled candy, hangover remedies that are specifically labeled as a hangover reliever, herb bitters, and breath fresheners that are specifically labeled as a remedy to remove alcohol breath.~~

~~L. Devices purported to measure the alcohol content of the breath or blood.~~

~~M. Automated cash machines that are provided solely for the convenience of retail liquor store customers.~~

~~N. Other non-food items related directly to the consumption of alcohol beverages as approved by the state licensing authority, by rule or otherwise.~~

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 47-417. ADDITIONAL RETAIL LIQUOR STORE LICENSES - RESIDENCY

IN ORDER FOR A RETAIL LIQUOR STORE LICENSEE TO OBTAIN ADDITIONAL LICENSES PURSUANT TO SECTION 12-47-407(4)(B)(III), C.R.S. THE LICENSE HOLDER MUST BE A COLORADO RESIDENT. FOR THE PURPOSES OF THIS REGULATION, A "COLORADO RESIDENT" MEANS:

A. FOR A SOLE PROPRIETORSHIP – THE LICENSEE MUST HAVE THEIR PRIMARY HOME IN COLORADO.

B. FOR CORPORATIONS, LLC, AND PARTNERSHIPS – AT LEAST FIFTY (50) PERCENT OF THE MEMBERS OR OWNERSHIP OF THE LICENSED ENTITIES MUST HAVE THEIR PRIMARY HOME IN COLORADO,

C. "PRIMARY HOME" IS DEFINED AS: THE LOCATION OF A LICENSEE'S PRINCIPAL OR PRIMARY HOME OR PLACE OF ABODE ("PRIMARY HOME") MAY ESTABLISH COLORADO RESIDENCY. A LICENSEE'S PRIMARY HOME IS THAT HOME OR PLACE IN WHICH A PERSON'S HABITATION IS FIXED AND TO WHICH THE PERSON, WHENEVER ABSENT, HAS THE PRESENT INTENTION OF RETURNING AFTER A DEPARTURE OR ABSENCE THEREFROM, REGARDLESS OF THE DURATION OF SUCH ABSENCE. A PRIMARY HOME IS A PERMANENT BUILDING OR PART OF A BUILDING AND MAY INCLUDE, BY WAY OF EXAMPLE, A HOUSE, CONDOMINIUM, APARTMENT, ROOM IN A HOUSE, OR MANUFACTURED HOUSING. NO RENTAL PROPERTY, VACANT LOT, VACANT HOUSE OR CABIN, OR OTHER PREMISES USED SOLELY FOR BUSINESS PURPOSES SHALL BE CONSIDERED A PRIMARY HOME.

D. RELIABLE INDICATORS THAT A LICENSEE'S PRIMARY HOME IS IN COLORADO. A LICENSING AUTHORITY SHALL CONSIDER THE FOLLOWING TYPES OF EVIDENCE TO BE GENERALLY RELIABLE INDICATORS THAT A PERSON'S PRIMARY HOME IS IN COLORADO.

   1. EVIDENCE OF BUSINESS PURSUITS, PLACE OF EMPLOYMENT, INCOME SOURCES, RESIDENCE FOR INCOME OR OTHER TAX PURPOSES, AGE, RESIDENCE OF PARENTS, SPOUSE, AND CHILDREN, IF ANY, LEASEHOLDS, SITUS OF PERSONAL AND REAL PROPERTY, EXISTENCE OF ANY OTHER RESIDENCES OUTSIDE OF COLORADO AND THE AMOUNT OF TIME SPENT AT EACH SUCH RESIDENCE, AND ANY MOTOR VEHICLE OR VESSEL REGISTRATION;

   2. DULY AUTHENTICATED COPIES OF THE FOLLOWING DOCUMENTS MAY BE TAKEN INTO ACCOUNT: A CURRENT DRIVER'S LICENSE WITH ADDRESS, RECENT PROPERTY TAX RECEIPTS, COPIES OF RECENT INCOME TAX RETURNS WHERE A COLORADO MAILING ADDRESS IS LISTED AS THE PRIMARY ADDRESS, CURRENT VOTER REGISTRATION CARDS, CURRENT MOTOR VEHICLE OR VESSEL REGISTRATIONS, AND OTHER PUBLIC RECORDS EVIDENCING PLACE OF ABODE OR EMPLOYMENT; AND

   3. OTHER TYPES OF RELIABLE EVIDENCE.

E. TOTALITY OF THE EVIDENCE. THE LICENSING AUTHORITY WILL REVIEW THE TOTALITY OF THE EVIDENCE, AND ANY SINGLE PIECE OF EVIDENCE REGARDING THE LOCATION OF A PERSON'S PRIMARY HOME WILL NOT NECESSARILY BE DETERMINATIVE.

F. OTHER CONSIDERATIONS FOR RESIDENCY. THE LICENSING AUTHORITY MAY CONSIDER THE FOLLOWING CIRCUMSTANCES:

   1. MEMBERS OF THE ARMED SERVICES OF THE UNITED STATES OR ANY NATION ALLIED WITH THE UNITED STATES WHO ARE ON ACTIVE DUTY IN THIS STATE UNDER PERMANENT ORDERS AND THEIR SPOUSES;

   2. PERSONNEL IN THE DIPLOMATIC SERVICE OF ANY NATION RECOGNIZED BY THE UNITED STATES WHO ARE ASSIGNED TO DUTY IN COLORADO AND THEIR SPOUSES; AND

   3. FULL-TIME STUDENTS WHO ARE ENROLLED IN ANY ACCREDITED TRADE SCHOOL, COLLEGE, OR UNIVERSITY IN

COLORADO. THE TEMPORARY ABSENCE OF SUCH STUDENT FROM COLORADO, WHILE THE STUDENT IS STILL ENROLLED AT ANY SUCH TRADE SCHOOL, COLLEGE, OR UNIVERSITY, SHALL NOT BE DEEMED TO TERMINATE THEIR RESIDENCY. A STUDENT SHALL BE DEEMED "FULL-TIME" IF CONSIDERED FULL-TIME PURSUANT TO THE RULES OR POLICY OF THE EDUCATIONAL INSTITUTION HE OR SHE IS ATTENDING.

G. ENTERING ARMED FORCES DOES NOT TERMINATE RESIDENCY. AN INDIVIDUAL WHO IS A COLORADO RESIDENT PURSUANT TO THIS RULE DOES NOT TERMINATE COLORADO RESIDENCY UPON ENTERING THE ARMED SERVICES OF THE UNITED STATES. A MEMBER OF THE ARMED SERVICES ON ACTIVE DUTY WHO RESIDED IN COLORADO AT THE TIME THE PERSON ENTERED MILITARY SERVICE AND THE PERSON'S SPOUSE ARE PRESUMED TO RETAIN THEIR STATUS AS RESIDENTS OF COLORADO THROUGHOUT THE MEMBER'S ACTIVE DUTY IN THE SERVICE, REGARDLESS OF WHERE STATIONED OR FOR HOW LONG.

Regulation 47-506. Fees.

Below are the fees set by the State Licensing Authority pursuant to ~~S~~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 47-912. Identification.

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:

1. An operator's, chauffeur's or similar type driver's license issued by any state within the United States, any U.S. Territory, or any foreign country including Canada or Mexico.

2. An identification card issued by any state for the purpose of proof of age as in accordance with ~~C.R.S.~~SECTIONS 42-2-302 and 42-2-303, C.R.S.

3. A military identification card.

4. A passport, or passport identification card.

5. An alien registration card.

6. A valid employment authorization document issued by the U.S. Department of Homeland Security.

7. A valid consular identification card from any foreign country.

8. A VALID TRIBAL IDENTIFICATION CARD WITH INTACT PHOTO. (U.S. OR CANADIAN)

B. It shall be an affirmative defense to any administrative action brought against a licensee for alleged sale to a minor if the minor presented fraudulent identification of the type established in paragraph A above and the licensee possessed an identification book issued within the past three years, which contained a sample of the specific kind of identification presented for compliance purposes. As an affirmative defense, the burden of proof is on the licensee to establish by a preponderance of the evidence that the minor presented fraudulent identification.

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.

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.):

1. Employees or agents of the licensee who are at least twenty-one (21) years of age may handle and otherwise act with respect to malt, vinous, and spirituous liquors in the same manner as that person does with other items sold at retail and may sell such alcohol beverages or check identification of the customers of the retail outlet.

~~2. Employees or agents of the licensee who are at least eighteen (18) years of age may handle and otherwise act with respect to malt, vinous, and spirituous liquors 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. However, persons under the age of 21 shall not sell malt, vinous, or spirituous liquors or check identification of the customers of the retail outlet.~~

B. 3.2% beer licensees (On-premises, Off-premises, and On/Off Premises) and 3.2% special event permit holders:

1. Employees or agents of the licensee who are at least eighteen (18) years of age may handle and otherwise act with respect to fermented malt beverages in the same manner as such person would with other items sold at retail, without the supervision of persons who are at least twenty-one (21) years of age, including the sale of fermented malt beverage and checking identification of the customers of the retail outlet.

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:

1. Employees or agents of the licensee who are at least twenty-one (21) years of age may handle and otherwise act with respect to alcohol beverages in the same manner as that person does with other items sold at retail and may sell such alcohol beverages or check identification of the customers of the retail outlet.

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~~; except that, employees or agents of licensed taverns where meals are not regularly served must be twenty-one (21) years of age~~.

D. Wholesalers and manufacturers licensed pursuant to article 47, of title 12, C.R.S.

1. Employees or agents of the licensee who are at least twenty-one (21) years of age may handle and otherwise act with respect to alcohol beverages liquors in the same manner as that person does with other items sold at wholesale and may sell and/or deliver such alcohol beverages to retail outlets.

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 wholesale, as long as they are under the direct supervision of a person who is at least 21 years of age. However, persons under the age of 21 shall not sell malt, vinous, or spirituous liquors or check identification of the customers of the retail outlet.