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SECTION 1: Declaration

The People of the State of Colorado hereby find and declare that Article 3, Title 44, C.R.S. known as the "Colorado Liquor Code", shall be amended to allow, beginning March 1, 2023, the sale of wine in grocery and convenience stores that are licensed to sell beer; and permit home delivery of alcohol sales made by licensed retailers through third-party home delivery service providers.

SECTION 2: In Colorado Revised Statutes, **add** 44-3-411.5 as follows:

44-3-411.5. BEER AND WINE OFF-PREMISES RETAILER LICENSE.

- (1) NOTWITHSTANDING ANY PROVISIONS TO THE CONTRARY IN THIS ARTICLE, A BEER AND WINE OFF-PREMISES RETAILER LICENSE MAY BE ISSUED TO BEER AND WINE OFF-PREMISES RETAILERS SELLING MALT AND VINOUS LIQUORS IN SEALED CONTAINERS NOT TO BE CONSUMED AT THE PLACE WHERE THE MALT AND VINOUS LIQUORS ARE SOLD.
- (2) EVERY BEER AND WINE OFF-PREMISES RETAILER LICENSED UNDER THIS SECTION TO SELL MALT AND VINOUS LIQUORS SHALL PURCHASE SUCH MALT AND VINOUS LIQUORS ONLY FROM A WHOLESALER LICENSED PURSUANT TO THIS ARTICLE.
- (3) It is unlawful for any owner, part-owner, shareholder, or person interested directly or indirectly in a beer and wine off-premises retailer license to conduct, own either in whole or in part, or be directly or indirectly interested in any non-retailer manufacturer or non-retailer wholesaler licensed pursuant to this article.
- (4) A LICENSEE UNDER SECTION 44-4-107(1)(a) WITH A VALID LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR OFF-PREMISES CONSUMPTION IN EFFECT ON MARCH 1, 2023, MAY APPLY TO A LOCAL LICENSING AUTHORITY TO CONVERT ITS EXISTING LICENSE INTO A BEER AND WINE OFF-PREMISES RETAILER LICENSE ISSUED UNDER THE PROVISIONS OF THIS SECTION IF IT OTHERWISE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION. IN MAKING A DETERMINATION ON THE APPLICATION UNDER THIS SUBSECTION (4), THE LOCAL LICENSING AUTHORITY MAY CONSIDER THE SATISFACTORY NATURE OF THE CHARACTER, RECORD, OR REPUTATION OF THE APPLICANT. IN CONSIDERING ANY APPLICATION UNDER THIS SUBSECTION (4), THE LOCAL LICENSING AUTHORITY MAY ADMINISTRATIVELY APPROVE THE APPLICATION OR MAY CONSIDER THE REASONABLE REQUIREMENTS OF THE NEIGHBORHOOD AND THE DESIRES OF ITS ADULT INHABITANTS PURSUANT TO SECTION 44-3-301. THE PROVISIONS IN SECTION 44-3-301 (12) SHALL NOT APPLY TO APPLICATIONS UNDER THIS SUBSECTION (4).
- (5) A BEER AND WINE OFF-PREMISES RETAILER MAY DELIVER MALT AND VINOUS LIQUORS PURSUANT TO SECTION 44-3-911.5.
- (6) A BEER AND WINE OFF-PREMISES RETAILER MAY ALLOW TASTINGS OF MALT AND VINOUS LIQUORS TO BE CONDUCTED ON THE LICENSED PREMISES IF THE LICENSEE HAS RECEIVED AUTHORIZATION TO CONDUCT TASTINGS PURSUANT TO SECTION 44-3-301.
- (7) A BEER AND WINE OFF-PREMISES RETAILER LICENSED UNDER THIS SECTION:

- (a)(I) SHALL NOT SELL MALT OR VINOUS LIQUORS TO CONSUMERS AT A PRICE THAT IS BELOW THE RETAILER'S COST, AS LISTED ON THE INVOICE, TO PURCHASE THE MALT AND VINOUS LIQUORS, UNLESS THE SALE IS OF DISCONTINUED OR CLOSE-OUT MALT OR VINOUS LIQUORS.
- (II) THIS SUBSECTION (7)(a) DOES NOT PROHIBIT A BEER AND WINE OFF-PREMISES RETAILER FROM OPERATING A BONA FIDE LOYALTY OR REWARDS PROGRAM FOR MALT AND VINOUS LIQUORS SO LONG AS THE PRICE FOR THE PRODUCT IS NOT BELOW THE RETAILER'S COST AS LISTED ON THE INVOICE.
- (b) SHALL NOT ALLOW CONSUMERS TO PURCHASE MALT OR VINOUS LIQUORS AT A SELF-CHECKOUT OR OTHER MECHANISM THAT ALLOWS THE CONSUMER TO COMPLETE THE MALT OR VINOUS LIQUORS PURCHASE WITHOUT ASSISTANCE FROM AND COMPLETION OF THE ENTIRE TRANSACTION BY AN EMPLOYEE OF THE BEER AND WINE OFF-PREMISES RETAILER.
- (8) A PERSON LICENSED UNDER SUBSECTION (1) OF THIS SECTION THAT HOLDS MULTIPLE BEER AND WINE OFF-PREMISES RETAILER LICENSES FOR MULTIPLE LICENSED PREMISES MAY OPERATE UNDER A SINGLE OR CONSOLIDATED CORPORATE ENTITY BUT SHALL NOT COMMINGLE PURCHASES OF OR CREDIT EXTENSIONS FOR PURCHASES OF MALT OR VINOUS LIQUORS FROM A WHOLESALER LICENSED UNDER ARTICLE 3 OF THIS TITLE 44 FOR MORE THAN ONE LICENSED PREMISES. A WHOLESALER LICENSED UNDER ARTICLE 3 OF THIS TITLE 44 SHALL NOT BASE THE PRICE FOR THE MALT OR VINOUS LIQUORS IT SELLS TO A BEER AND WINE OFF-PREMISES RETAILER LICENSED UNDER SUBSECTION (1) OF THIS SECTION ON THE TOTAL VOLUME OF MALT OR VINOUS LIQUORS THAT THE LICENSEE PURCHASES FOR MULTIPLE LICENSED PREMISES.
- (9) THE STATE LICENSING AUTHORITY SHALL MAKE GENERAL RULES AND REGULATIONS AND SPECIAL RULINGS AND FINDINGS AS NECESSARY FOR THE PROPER REGULATION AND IMPLEMENTATION OF THE PROVISIONS OF THIS SECTION.

SECTION 3: In Colorado Revised Statutes, 44-3-103 add (18.5) as follows:

"BEER AND WINE OFF-PREMISES RETAILER" MEANS AN ESTABLISHMENT THAT SELLS MALT AND VINOUS LIQUORS FOR OFF-PREMISES CONSUMPTION AND THAT MUST DERIVE AT LEAST 20% OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES FROM THE SALE OF FOOD ITEMS FOR CONSUMPTION OFF THE PREMISES. FOR PURPOSES OF CALCULATING GROSS ANNUAL REVENUES FROM TOTAL SALES, REVENUES DERIVED FROM THE SALE OF THE FOLLOWING PRODUCTS ARE EXCLUDED: (1) FUEL PRODUCTS, AS DEFINED IN SECTION 8-20-201 (2); (2) CIGARETTES, TOBACCO PRODUCTS, AND NICOTINE PRODUCTS, AS DEFINED IN SECTION 18-13-121 (5); AND, (3) LOTTERY PRODUCTS. AS USED IN THIS SUBSECTION (18.5), "FOOD ITEMS" MEANS ANY RAW, COOKED, OR PROCESSED EDIBLE SUBSTANCE, ICE, OR BEVERAGE, OTHER THAN A BEVERAGE CONTAINING ALCOHOL, THAT IS INTENDED FOR USE OR FOR SALE, IN WHOLE OR IN PART, FOR HUMAN CONSUMPTION.

SECTION 4. In Colorado Revised Statutes, 44-3-301, **amend** (10)(b) as follows:

(10)(b) A retail liquor store, liquor-licensed drugstore or BEER AND WINE OFF-PREMISES RETAILER licensee who wishes to conduct tastings may submit an application or application renewal to the local licensing authority. The local licensing authority may reject the application if the applicant fails to establish that he or she is able to conduct tastings without violating the provisions of this section or creating a public safety risk to the neighborhood. A local licensing authority may establish its own application procedure and may charge a reasonable application fee.

SECTION 5. In Colorado Revised Statutes, **add** 44-3-301(12)(a.5)(III) and 44-3-301(a.5)(IV) as follows:

(III) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE 3, THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT ISSUE A NEW BEER AND WINE OFF-PREMISES RETAILER LICENSE UNDER ARTICLE 3 OF THIS TITLE 44 AUTHORIZING THE SALE AT RETAIL OF MALT AND VINOUS LIQUORS IN SEALED CONTAINERS FOR CONSUMPTION OFF THE LICENSED PREMISES IF THE PREMISES FOR WHICH THE RETAIL LICENSE IS SOUGHT IS LOCATED WITHIN FIVE HUNDRED FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 44-3-409.

(IV) This subsection (12)(a.5)(III) does not apply to an application as permitted pursuant to section 44-3-411.5(4).

SECTION 6. In Colorado Revised Statutes, 44-3-309, **add** (1)(o) as follows:

(n) BEER AND WINE OFF-PREMISES RETAILER LICENSE.

SECTION 7: In Colorado Revised Statutes, 44-3-401(1), **amend** (x) and **add** (y) as follows:

(x) Manager's permit.;

(y) BEER AND WINE OFF-PREMISES RETAILER LICENSE.

SECTION 8. In Colorado Revised Statutes, 44-3-409, add (4)(b)(V) as follows:

(V) A BEER AND WINE OFF-PREMISES RETAILER LICENSE GRANTED UNDER THIS ARTICLE 3.

SECTION 9. In Colorado Revised Statutes, 44-3-410, **add** (4)(b)(VI) as follows:

(VI) A BEER AND WINE OFF-PREMISES RETAILER LICENSE GRANTED UNDER THIS ARTICLE 3.

SECTION 10. In Colorado Revised Statutes, 44-3-501, add (1) (f.5) as follows:

(f.5) FOR EACH BEER AND WINE OFF-PREMISES RETAILER LICENSE, ONE HUNDRED DOLLARS.

SECTION 11. In Colorado Revised Statutes, 44-3-505, add (1) (b.5) as follows:

(b.5)(I) FOR EACH BEER AND WINE OFF-PREMISES RETAILER LICENSE FOR PREMISES LOCATED WITHIN ANY MUNICIPALITY OR CITY AND COUNTY, ONE HUNDRED FIFTY DOLLARS;

(II) FOR EACH BEER AND WINE OFF-PREMISES RETAILER LICENSE FOR PREMISES LOCATED OUTSIDE THE MUNICIPAL LIMITS OF ANY MUNICIPALITY OR CITY AND COUNTY, TWO HUNDRED FIFTY DOLLARS.

SECTION 12. In Colorado Revised Statutes, 44-3-901, **amend** (1)(g), (1)(i)(III), (6)(k)(I), (6)(k)(I), (6)(k)(IV), (6)(k)(IV),

- (1)(g) To sell at retail any malt, vinous, or spirituous liquors in sealed containers without holding a retail liquor store, liquor-licensed drugstore or BEER AND WINE OFF-PREMISES RETAILER license, except as permitted by section 44-3-107 (2) or 44-3-301 (6)(b) or any other provision of this article 3, or to sell at retail any fermented malt beverages in sealed containers without holding a fermented malt beverage retailer's license under sections 44-4-104 (1)(c) and 44-4-107 (1)(a).
- (1)(i)(III) Notwithstanding subsection (1)(i)(I) of this section, it shall not be unlawful for adult patrons of a retail liquor store, liquor-licensed drugstore or BEER AND WINE OFF-PREMISES RETAILER licensee to consume malt, vinous, or spirituous liquors on the licensed premises when the consumption is conducted within the limitations of the licensee's license and is part of a tasting if authorization for the tasting has been granted pursuant to section 44-3-301.
- (6)(i)(II) Notwithstanding subsection (6)(i)(I) of this section, it shall not be unlawful for a retail liquor store, liquor-licensed drugstore or BEER AND WINE OFF-PREMISES RETAILER licensee to allow tastings to be conducted on his or her licensed premises if authorization for the tastings has been granted pursuant to section 44-3-301.
- (6)(k)(I) Except as provided in subsections (6)(k)(II), (6)(k)(IV), and (6)(k)(V) of this section, to have on the licensed premise, if licensed as a retail liquor store, liquor-licensed drugstore, BEER AND WINE OFF-PREMISES RETAILER, or fermented malt beverage retailer, any container that shows evidence of having once been opened or that contains a volume of liquor less than that specified on the label of the container.
- (6)(k)(II)(A) A person holding a retail liquor store, liquor-licensed drugstore or BEER AND WINE OFF-PREMISES RETAILER license under this article 3 may have upon the licensed premises malt, vinous, or spirituous liquors in open containers when the open containers were brought on the licensed premises by and remain solely in the possession of the sales personnel of a person licensed to sell at wholesale pursuant to this article 3 for the purpose of sampling malt, vinous, or spirituous liquors by the retail liquor store, liquor-licensed drugstore or BEER AND WINE OFF-PREMISES RETAILER licensee only.
- (6)(k)(IV) It is not unlawful for a retail liquor store, liquor-licensed drugstore or BEER AND WINE OFF-PREMISES RETAILER licensee to allow tastings to be conducted on the licensed premises if authorized for the tastings has been granted pursuant to section 44-3-301.
- (6)(k)(V) A person holding a retail liquor store, liquor-licensed drugstore or BEER AND WINE OFF-PREMISES RETAILER license under this article 3 or a fermented malt beverage retailer's license under section 44-4-107(1)(a) may have upon the licensed premises an open container of an alcohol beverage product that the licensee discovers to be damaged or defective so long as the licensee marks the product as damaged or for return and stores the open container outside the sales area of the licensed premises until the licensee is able to return the product to the wholesaler from whom the product was purchased.
- (8)(b) Notwithstanding subsection (8)(a) of this section, it shall not be unlawful for a retail liquor store, liquor-licensed drugstore or BEER AND WINE OFF-PREMISES RETAILER licensee to allow tasting

to be conducted on his or her licensed premises if authorization for the tastings has been granted pursuant to section 44-3-301.

(11)(c) As used in this subsection (11), "retail licensee" means a person licensed under section 44-3-409, 44-3-410, 44-3-411.5, 44-4-104(1)(c), or 44-4-107(1)(a).

SECTION 13: In Colorado Revised Statutes, Title 44, Article 3, add 911.5 as follows:

THIRD-PARTY DELIVERY OF ALCOHOL BEVERAGES

- (1) Notwithstanding any law or rule to the contrary, a delivery service permittee, or an employee or independent contractor of a delivery service permittee in compliance with Section 2 of this Act, may transport and deliver alcohol beverages from an off-premises retailer licensed pursuant to Title 44, Article 3 or Title 44, Article 4, or from a licensee licensed for on premises consumption pursuant to Title 44, Article 3, excluding those licensed under 44-3-412, 44-3-415, 44-3-418, 44-3-419, 44-3-420, 44-3-421, and 44-3-428, to a person in the state who is at least 21 years of age. The holder of a license listed herein shall be authorized to apply for and to hold a delivery service permit as a privilege separate from its existing license.
- (2) ANY INDIVIDUAL, LIMITED LIABILITY COMPANY, CORPORATION, OR PARTNERSHIP THAT IS REGISTERED TO DO BUSINESS IN THIS STATE, REGARDLESS OF THE RESIDENCY OF THE OWNERSHIP OF THE ENTITY, MAY APPLY FOR AND BE ISSUED A DELIVERY SERVICE PERMIT THAT AUTHORIZES THE PERMITTEE TO DELIVER ALCOHOL BEVERAGES FROM A LICENSEE PERMITTED FOR DELIVERY BY 44-3-911.5(1), TO A PERSON IN THE STATE WHO IS AT LEAST 21 YEARS OF AGE.
- (3) IN ORDER TO RECEIVE A DELIVERY SERVICE PERMIT, AN APPLICANT SHALL DO ALL OF THE FOLLOWING:
 - (a) PROVIDE TO THE DIVISION A SAMPLE CONTRACT THAT THE APPLICANT INTENDS TO ENTER INTO WITH A RETAILER FOR THE DELIVERY OF ALCOHOL BEVERAGES. COMPLIANCE WITH THIS SUBSECTION SHALL NOT BE REQUIRED IN THE EVENT A LICENSEE LISTED IN SUBSECTION (1), OR AN ENTITY UNDER COMMON OWNERSHIP WITH SUCH LICENSEE, IS THE APPLICANT FOR THE DELIVERY SERVICE PERMIT.
 - (b) SUBMIT TO THE DIVISION AN OUTLINE OF AN INTERNAL OR EXTERNAL CERTIFICATION PROGRAM FOR DELIVERY SERVICE PERSONNEL OR CONTRACTORS THAT ADDRESSES TOPICS SUCH AS IDENTIFYING UNDERAGE PERSONS, INTOXICATED PERSONS, AND FAKE OR ALTERED IDENTIFICATION.
 - (c) Shall provide proof of a general liability insurance policy in an amount no less than one million dollars (\$1,000,000) per occurrence.

(4) A DELIVERY SERVICE PERMITTEE:

- (a) May, through its employees or independent contractors, deliver alcohol beverages for any off-premises retailer permitted for delivery by 44-3-911.5(1), for the purpose of delivering alcohol beverages.
- (b) May, through its employees or independent contractors, deliver alcohol beverages for licensees under the provisions of 44-3-911, C.R.S., which may include alcohol beverages by the drink. The completion of the certification

- PROGRAM REQUIRED BY SUBDIVISION (4) OF SUBSECTION (B) SHALL SATISFY THE REQUIREMENTS FOR 44-3-911(3)(D), C.R.S.
- (c) May use its own employees or independent contractors who are at least 21 years of age to deliver such alcohol beverages, provided all delivery agents complete a certification program that meets the standards established by the liquor enforcement division in the department.
- (d) May facilitate orders by telephone, Internet, or by other electronic means for the sale and delivery of alcohol beverages under this section. The full amount of each order must be handled in a manner that gives the licensee control over the ultimate receipt of the payment from the consumer.
- (e) MAY DELIVER ALCOHOL BEVERAGES ANY TIME DURING WHICH THE LICENSEE IS LAWFULLY ALLOWED TO SELL ALCOHOL BEVERAGES. (f) SHALL VERIFY, AT THE TIME OF DELIVERY, IN ACCORDANCE WITH SECTION 44-3-901(11), THAT THE PERSON RECEIVING THE DELIVERY OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IS
- (g) SHALL REFUSE TO DELIVER ALCOHOL BEVERAGES IF THE RECIPIENT IS UNDER TWENTY-ONE YEARS OF AGE, APPEARS INTOXICATED, OR FAILS TO PROVIDE PROOF OF IDENTIFICATION.

AT LEAST TWENTY-ONE YEARS OF AGE.

- (h) May not deliver to any location licensed pursuant to Title 44, Article 3, Title 44, Article 4 or Title 44, Article 5, C.R.S.
- (i) SHALL BE DEEMED TO HAVE CONSENTED TO THE JURISDICTION OF THE DIVISION OR ANY LAW ENFORCEMENT AGENCY AND THE COLORADO COURTS CONCERNING ENFORCEMENT OF THIS SECTION AND ANY RELATED LAWS OR RULES.
- (5) A DELIVERY SERVICE PERMITTEE MAY RENEW ITS PERMIT WITH THE DIVISION BY MAINTAINING ALL QUALIFICATIONS AND PAYING ANNUALLY A RENEWAL FEE ESTABLISHED BY THE DIVISION.
- (6) NOTHING IN THIS ACT SHALL BE CONSTRUED TO REQUIRE A TECHNOLOGY SERVICES COMPANY TO OBTAIN A DELIVERY SERVICE PERMIT FOR PROVIDING SOFTWARE OR A DIGITAL NETWORK APPLICATION THAT CONNECTS CONSUMERS AND LICENSED RETAILERS FOR THE DELIVERY OF ALCOHOL BEVERAGES FROM THE LICENSED RETAILER BY EMPLOYEES OR OTHER DELIVERY SERVICE PROVIDERS OF THE LICENSED RETAILER. HOWEVER, THE ACT OF CONNECTING CONSUMERS TO LICENSED RETAILERS SHALL SERVE TO GRANT JURISDICTION TO THE STATE OF COLORADO.
- (7) THERE SHALL BE NO LIMIT TO THE PERCENTAGE OF A LICENSEE'S GROSS ANNUAL REVENUES FROM TOTAL SALES OF ALCOHOL BEVERAGES THAT THE LICENSEE MAY DERIVE FROM ALCOHOL BEVERAGE DELIVERIES.
- (8) THE DIVISION MAY ENFORCE THE REQUIREMENTS OF THIS SECTION BY THE SAME ADMINISTRATIVE PROCEEDINGS THAT APPLY TO ALCOHOL BEVERAGE LICENSES OR PERMITS, INCLUDING WITHOUT LIMITATION ANY DISCIPLINARY ACTION APPLICABLE TO THE SELLING LICENSEE, OR THE DELIVERY SERVICE PERMITTEE RESULTING FROM ANY UNLAWFUL SALE TO A MINOR.
- (9) THE DIVISION MAY ENFORCE THE REQUIREMENTS OF THIS SECTION AGAINST THE SELLING LICENSEE, DELIVERY SERVICE PERMITTEE, AND ANY EMPLOYEE OR INDEPENDENT CONTRACTOR OF SUCH, IRRESPECTIVE OF THE STATUS OF ANY DELIVERY SERVICE PERSONNEL AS AN INDEPENDENT

CONTRACTOR OR EMPLOYEE. IF A LICENSEE IS ALSO A DELIVERY PERMITTEE, A VIOLATION OF ALCOHOL LAW BY ITS EMPLOYEE OR INDEPENDENT CONTRACTOR DURING DELIVERY WILL SUBJECT BOTH THE RETAILER'S PERMIT AND DELIVERY PERMIT TO DISCIPLINARY ACTION FOR THE VIOLATION. DELIVERY TO A MINOR SHALL BE TREATED AS FURNISHING TO A MINOR AND SHALL RESULT IN ANY APPLICABLE DISCIPLINARY ACTION.

(10) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES AS NECESSARY FOR THE PROPER DELIVERY OF ALCOHOL BEVERAGES AS PERMITTED BY THIS ACT.

SECTION 14: In Colorado Revised Statutes, **repeal** 44-3-409(3)(a)(IV) as follows:

(IV) The retail liquor store derives no more than fifty percent of its gross annual revenues from total sales of malt, vinous, and spirituous liquors from the sale of malt, vinous, and spirituous liquors that the retail liquor store delivers.

SECTION 15: In Colorado Revised Statutes, **repeal** 44-3-410(3)(a)(IV) as follows:

(IV) The liquor-licensed drugstore derives no more than fifty percent of its gross annual revenues from total sales of malt, vinous, and spirituous liquors from the sale of malt, vinous, and spirituous liquors that the liquor-licensed drugstore delivers.

SECTION 16: In Colorado Revised Statutes, **repeal** 44-3-911(2)(c) and (d) as follows:

- (c) Derive no more than fifty percent of its gross annual revenues from total sales of food and alcohol beverages from the sale of alcohol beverages through takeout orders and that the licensee delivers; except that:
- (I) This subsection (2)(c) does not apply if the governor has declared a disaster emergency under part 7 of article 33.5 of title 24; or
- (II) This subsection (2)(c) does not apply to a sales room at a premises licensed under section 44-3-402 or 44-3-407; and
- (d) If an alcohol beverage is being delivered, use a delivery person who complies with subsection (3) of this section.

SECTION 17: In Colorado Revised Statutes, **repeal** 44-3-911(7) as follows:

(7) This section is repealed, effective July 1, 2025.

SECTION 18: In Colorado Revised Statutes, repeal 44-4-107(6)(a)(IV) as follows:

(IV) The fermented malt beverage retailer derives no more than fifty percent of its gross annual revenues from total sales of fermented malt beverages from the sale of fermented malt beverages that the fermented malt beverage retailer delivers.

SECTION 19. Effective date. This act takes effect March 1, 2023.