



DRAFT RULE REVISIONS

Date: August 9, 2022
Colorado Liquor Rules
1-CCR-203-2

Session 4 – Working Group August 23, 2022

If you have any comments or suggestions please email dor_led_rulemaking@state.co.us so your comments can be reviewed and placed in the record. Thank you for your participation and input.

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

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(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 Division for a statement of position concerning the applicability to the petitioner of any provision of the Colorado Liquor Code, Colorado Beer Code, Special Event Code, or Colorado Liquor Rules. **The petition must include the information set forth in paragraph (E)(1)-(E)(6) of this regulation.**
- B. Service of Petition for Statement of Position. A letter for petition for a statement of position shall be served on the 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 within forty-five (45) days of receiving such petition and set forth its position and the reasons therefore, or the grounds on which the division declines to provide a statement of position, pursuant to section 24-4-105(11), C.R.S., and/or paragraph (G) of this regulation.
- D. Declaratory Orders. Any person who has petitioned the Division for a statement of position and who is dissatisfied with the statement of position may petition the state licensing authority within forty-five (45) days of the issuance of the statement of position for a declaratory order pursuant to section 24-4-105(11), C.R.S. Furthermore, any person 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 Division.
- E. Requirements ~~for~~ a Petition **Statement of Position or a Petition** for Declaratory Order. Each petition **for a statement of position or 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 Code, Beer Code, or Special Events Code and if so, the type of license or 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

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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 **statement of position** or declaratory order sought by the petitioner.
- 6. **The Statement of Position previously issued if the petitioner is filing a Petition for a Declaratory Order.**

F. **Service of Petition for Declaratory Order.** 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 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.

G. **Acceptance.** **The Division will determine whether to entertain any petition for statement of position.** The state licensing authority will determine whether to entertain any petition for declaratory order. If **either the Division or** the state licensing authority decides it will not entertain a petition ~~for declaratory order~~, 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. **For a petition for declaratory order, t**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 court action, an administrative action before the state or any local licensing authority, ongoing investigation conducted by the Division or a written complaint filed with the state licensing authority or Division.
- 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.
- 6. **The petitioner failed to properly serve the petition pursuant to this regulation.**
- 7. **The petitioner failed to include information required in paragraph (E) of this regulation.**

H. **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 Division to submit additional evidence and legal argument in writing. Any such request for additional information shall be served on all parties.

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- 1 2. If the state licensing authority determines that an evidentiary hearing or legal argument is
2 necessary to a ruling on the petition, the state licensing authority shall issue a Notice to Set to
3 all parties and on the date so set, a hearing shall be conducted in conformance with section
4 24-4-105, C.R.S.
5
6 3. In ruling on a petition for declaratory order, the state licensing authority may take
7 administrative notice of general, technical or scientific facts within its knowledge, so long as
8 the fact is specified in the record or is brought to the attention of the parties before final
9 decision and every party is afforded an opportunity to controvert the fact so noticed.
10
11 4. Every declaratory order shall be promptly decided and issued in writing, specifying the basis in
12 fact and law for the order.
13
14 5. Any other interested person may seek leave of the state licensing authority to intervene in the
15 proceeding and such leave may be granted if the licensing authority determines that such
16 intervention will make unnecessary a separate petition for declaratory order by the interested
17 person.
18
19 6. A declaratory order shall constitute final agency action subject to judicial review pursuant to
20 section 24-4-106, C.R.S.
21

- 22 I. Record Retention and Reliability. Files of all requests, statements of position, and declaratory orders
23 will be maintained and relied upon by the Division for a period of five (5) years, unless the statement of
24 position or declaratory order is superseded by a statutory or regulatory change, amended by the
25 Division, or amended or reversed by the state licensing authority. Except with respect to any material
26 required by law to be kept confidential, such files shall be available for public inspection.
27

Regulation 47-310. Application - General Provisions.

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30 Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-
31 103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(A),44-3-202(2)(a)(I)(R), 44-3-304(1), and 44-3-307, C.R.S. The purpose
32 of this regulation is to establish requirements for a license application, and provide factors the licensing
33 authority must consider when evaluating an application for approval or rejection.
34

- 35 A. All applications for state licenses for the manufacture or sale of alcohol beverages shall be made upon
36 forms prescribed by the Division. No application will be considered which is not complete in every
37 material detail, or which is not accompanied by a remittance in full for the whole amount of the annual
38 state license fee, and eighty five percent of the local license fee. Each application for a new retail
39 license shall contain a report from the local licensing authority of the town, city, county, or city and
40 county, in which the applicant proposes to conduct its business, which report shall show the opinion of
41 the local licensing authority concerning the reasonable requirements of the neighborhood and the
42 desires of the adult inhabitants with respect to the issuance of the license applied for and the character
43 of a new applicant.
44
- 45 B. If the applicant for a license is a partnership, except as between a husband and wife, it shall submit
46 with the application a certificate of co-partnership.
47
- 48 C. Upon request of any licensing authority, each applicant for license shall provide suitable additional
49 evidence of its ~~citizenship, residence, and~~ good character and reputation, and also of the reasonable
50 requirements of the neighborhood and the desires of the adult inhabitants. Applicants and licensees
51 shall also submit upon request of any licensing authority all required information concerning financial
52 and management associations and interests of other persons in the business, and the deed, lease,
53 contract, or other document governing the terms and conditions of occupancy of the premises licensed
54 or proposed to be licensed.
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- 1 D. All information submitted to any licensing authority, by application for license or otherwise, shall be
2 given fully, faithfully, truthfully and fairly. Willful or deliberate misrepresentation may result in a denial
3 or revocation of a license.
4
- 5 E. When a licensing authority is required to make a determination as to the character, record and
6 reputation of existing licensees or applicants for new licenses, including transfers of ownership of
7 existing licenses, the authority may consider the following factors, which may include but are not to be
8 limited to the following:
9
 - 10 1. Subject to 24-5-101, C.R.S., the applicant or licensee has knowingly submitted false
11 applications, made willful misrepresentations and/or knowingly committed fraudulent acts;
 - 12 2. The applicant or licensee has a criminal history of crimes of moral turpitude. By way of
13 example, crimes of moral turpitude shall include but not be limited to, fraud, forgery, murder,
14 burglary, robbery, arson, kidnapping, sexual assault, illegal drugs or narcotics convictions;
 - 15 3. The applicant or licensee has had previous alcohol beverage licenses denied or revoked as a
16 result of violations of law, resulting in a finding of bad moral character by any licensing
17 authority;
 - 18 4. The applicant or licensee has been found to be currently delinquent in the payment of any
19 state or local taxes related to a business;
 - 20 5. The applicant or licensee has an established pattern of multiple statutory violations which
21 resulted in the revocation or denial of any other professional license;-
 - 22 6. The finding of a person who is not of good moral character by any licensing authority; and-
 - 23 7. Evidence of the conduct underlying an arrest.
- 24 F. Pursuant to 24-5-101, C.R.S., when making a determination as to the character, ~~record or reputation~~
25 ~~or good moral character~~ of a licensee or applicant as required by title 44, articles 3, 4 and 5, the
26 licensing authority shall also consider:
27
 - 28 1. The nature of the conviction;
 - 29 2. Whether there is a direct relationship between the conviction and the position's duties and
30 responsibilities and the bearing, if any, the conviction may have on the applicant's fitness or
31 ability to perform one or more such duties and responsibilities, including whether the
32 conviction was for unlawful sexual behavior as listed in section 16-22-102(9); whether the
33 duties of employment would place a coworker or the public in a vulnerable position; and
34 whether the applicant will be directly responsible for the care of individuals susceptible to
35 abuse or mistreatment because of the individual's circumstances, including the individual's
36 age, disability, frailty, mental health disorder, developmental disability, or ill health;
 - 37 3. Any information produced by the applicant or produced on their behalf regarding their
38 rehabilitation and good conduct; and
 - 39 4. The time that has elapsed since the conviction.
- 40 ~~evidence of rehabilitation. Such evidence may include, but not be limited to, evidence of no criminal~~
41 ~~history record information, educational achievements, financial solvency, community standing, lack of~~
42 ~~additional arrests or convictions, or the lack of parole or probation violations since the date of last~~
43 ~~conviction.~~
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- 1 G. When a licensing authority is required to make a determination as to the character or good moral
2 character of a licensee or applicant for license, the authority may not consider the following:
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 - 4 1. The applicant or licensee has been arrested for or charged with but not convicted of a criminal
5 offense and that the criminal case is not actively pending.
6
 - 7 2. The applicant has been convicted of a criminal offense but pardoned of that criminal offense.
8
 - 9 3. The applicant has been convicted of a criminal offense, but the records of that conviction have
10 been sealed or expunged.
11
 - 12 4. A court has issued an order of collateral relief specific to the license sought by the applicant or
13 held by the licensee.
14
 - 15 5. The applicant or licensee had been adjudicated for committing a delinquent act in a juvenile
16 proceeding.
17
- 18 HG. When considering whether the applicant for a special event permit is of good moral character and
19 record, the state or local licensing authority shall determine, at a minimum, whether the applicant failed
20 to conduct past special events in compliance with applicable liquor laws. Officers of the organization or
21 of a political candidate making an application shall not be required to submit individual history
22 applications and fingerprint cards unless the state or local licensing authority determines that such
23 information is necessary to establish the good moral character of the applicant.
24
- 25 IH. A municipality or other governmental entity that applies for a license, or to renew a license, shall
26 submit with the application the name, address, and individual history record of at least one member of
27 its governing body, or at least one person hired or appointed by its governing body, to serve as an
28 officer or director; except that, pursuant to section 44-3-107(1), C.R.S., a person who has an interest in
29 a liquor license may not be listed as an officer or director on a license owned, or to be owned, by a
30 municipality or other governmental entity if that person individually manages or receives any direct
31 financial benefit from the operation of such license. If the governing body of a municipality or other
32 governmental entity hires or appoints more than one officer or director, the name, address and
33 individual history record of each such officer or director shall be submitted with the application.
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Regulation 47-313. Tastings.

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36
37 Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-
38 3-103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), 44-3-301(10), 44-3-409(1)(c)(III), and 44-3-
39 410(1)(a)(II)(B), C.R.S. The purpose of this regulation is to clarify who may conduct tastings and how open
40 and unconsumed samples must be appropriately treated after a tasting. This regulation applies only to
41 tastings conducted on the licensed premises of retail liquor stores and liquor-licensed drugstores pursuant
42 to section 44-3-301(10), 44-3-409(1)(c)(III), and 44-3-410(1)(a)(II)(B), C.R.S.
43

- 44 A. Tastings.
45
 - 46 1. A tasting shall be conducted only by a person who has completed seller-server training
47 that meets the standards established by the Division, and is:
48
 - 49 a. A retail liquor store or liquor-licensed drugstore licensee or employee; or
 - 50
 - 51 b. A representative, employee, or agent of one of the following suppliers licensed
52 by the state licensing authority:
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 - 54 i. Wholesaler;
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- 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 44-3-301(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 refunded. Education shall not be considered to be provided in connection with a tasting if the tasting occurs after the education event has concluded and is available to any adult patron of the licensee, free of charge.
- 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 patron is provided, which may include the use of a wristband, or other means of accurately tracking individual patron consumption.
- E. To comply with the obligation not to serve samples to a patron over the maximum allowed volume per alcohol type, as required by section 44-3-301(10)(c)(I)(B)(III), C.R.S., a licensee serving alcohol beverages mixed with non-alcohol beverage product shall either:
- 1. Serve no more than the maximum allowed volume per alcohol type, per sample, of a pre-mixed beverage, if the mixing of the alcohol is not done in public view during the tasting event; or
 - 2. Mix the alcohol beverage with the non-alcohol beverage in public view during the tasting event, wherein only the maximum allowable amount of alcohol beverage is incorporated into each mixed drink, per sample.

Regulation 47-322. Unfair Trade Practices and Competition.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-102, 44-3-103, 44-3-201(1), 44-3-202(1)(b), 44-3-202(2)(a), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(C), 44-3-202(2)(a)(I)(G), 44-3-202(2)(a)(I)(R), 44-3-308, and 44-4-102, C.R.S. The purpose

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1 of this regulation is to establish certain permitted and prohibited trade practices between suppliers and
2 retailers in order to clarify and prevent statutorily prohibited financial assistance between tiers.

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4 Suppliers and their agents or employees may not attempt to control a retail licensee's product purchase
5 selection by engaging in unfair trade practices or competition.

6
7 Nothing in this regulation shall apply to non-profit, charitable, or other qualifying organizations, when such
8 organization conducts licensed events pursuant to the requirements contained in article 5 of title 44 and
9 related regulations, and such organization does not otherwise hold a retail license pursuant to article 3 or 4
10 of title 44. However, nothing herein shall authorize any financial assistance for the purpose of altering or
11 influencing an organization's product selection for said events.

12
13 Retailers may not accept any prohibited financial assistance as described herein, and suppliers are prohibited
14 from directly or indirectly engaging in the following unfair practices:

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16 A. Sales of alcohol beverages.

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18 1. No vinous or spirituous liquor may be sold by a vinous or spirituous liquor manufacturer
19 or wholesaler to a retail licensee below the laid-in cost of said vinous and spirituous
20 liquor products.
21
22 2. No malt liquors or fermented malt beverages may be sold by a malt liquor/beverage
23 manufacturer or wholesaler to a retail licensee below the laid-in cost of said malt
24 liquor/beverage products.
25
26 3. Product cost per case will be determined utilizing a "Last In/First Out" basis unless
27 a supplier has adequate records to verify that the actual cost of said products was
28 less than the most recent shipment received.
29
30 4. A wholesaler's laid-in cost is defined as the actual proportionate invoice price and freight
31 charge to that wholesaler or distributor, plus applicable state and federal taxes of any
32 given product. An in-state manufacturer's laid-in cost is defined as the actual costs of the
33 manufacturer, plus applicable state and federal taxes.
34
35 5. Certain sales of alcohol beverages below cost are not designed or intended to
36 influence or control a retailer's product selection. The following exceptions to below
37 cost product sales are therefore permitted:
38
39 a. Product lines that will be discontinued by a supplier for a minimum of at least
40 one year may be sold below cost at market value.
41
42 b. A wholesaler's aged inventory of vinous and spirituous liquors for which the
43 current market value has fallen substantially below the wholesaler's original
44 purchase cost, after a period of twelve (12) months, and for which a recovery of
45 the original cost through an increase in market value is unlikely. For aged
46 inventories sold to retailers below their cost due to market-below-cost conditions,
47 wholesalers shall maintain the following records for a minimum of three years:
48
49 i. Original purchase invoice.
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51 ii. Aged inventory schedule verifying slow sales and drop in market value.
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53 iii. Other factors that had an effect on a decrease in market value
54 (e.g. overproduction, poor media critique).
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- c. Products for use, but not for resale by the drink, by a non-profit organization or similar group, as defined in section 44-5-102, 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 wholesaler, brew pub, distillery pub, or vintner's restaurant, or invoiced at a minimum of laid in cost to the retailer.
 - 6. Suppliers authorized to sell alcohol beverages to licensed retailers pursuant to articles 3 or 4 of title 44, may offer product discounts to licensed retailers that meet the requirements of paragraph A, and the following additional conditions:
 - a. "Product Discount" shall mean a price reduction negotiated between supplier and retailer before the sale and delivery of alcohol beverage products, and where a description of the products subject to discount, and the dollar amount of the discount, is finalized and recorded in the supplier's sales records.
 - b. Discount programs are not subject to time limitations, and any discount program that will affect more than a single sales transaction and sales invoice are permitted, provided that no invoice, by itself, reflects a zero cost or below-cost sale.
 - c. Product discounts that are conditioned upon a retailer's commitment to prominently display the supplier's products are prohibited.
 - 7. Any rebate, whereby a monetary value is returned by a supplier to a retailer, in cash, account credit, or free goods, as a reward or compensation for meeting a pre-specified purchase goal, is prohibited.
 - 8. Suppliers authorized to sell alcohol beverages to licensed retailers pursuant to articles 3 or 4 of title 44, may offer account credits to licensed retailers under the following conditions:
 - a. Any account credit offered on previously issued sales invoices must be in direct relation to previous product purchases, lawful returns pursuant to this regulation or other legitimate commercial transactions as authorized under articles 3 or 4 of title 44, C.R.S. and related regulations.
 - b. Credits that cannot be connected with authorized business transactions, as described herein, will be considered unlawful financial assistance, and are therefore prohibited.
 - c. Both the seller and retail licensee shall maintain copies of sales invoices and evidence of payment related to the transactions described in this section, in accordance with 44-3-701, C.R.S., and for the time frame specified in Regulation 47-700.
 - 9. Wholesaler invoices provided to retail liquor store, fermented malt beverage off-premises, and liquor licensed drugstore licensees must clearly designate a price paid for each product, which shall not be less than the wholesaler's laid-in cost of each product. At no point may a retail liquor store, fermented malt beverage off-premises, or liquor licensed drugstore licensee receive any products from a wholesaler at less than laid-in cost.
- B. On-site sales promotions

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1. Suppliers may conduct an on-site product sales promotion at a retailer's licensed premises subject to the following conditions:
 - a. Free goods of any value may be provided to the public, provided that a supplier's representative or authorized agent, who is not the retailer or a retail employee/agent, is physically present to award free goods to the public. Suppliers shall not require a customer purchase in order for the customer to receive the free goods.
 - b. If only consumer advertising specialties, as described in Regulation 47-316(A), are to be provided at the promotion, neither suppliers or their agents need be present for their distribution.
 - c. Suppliers are prohibited from providing anything other than the items specified in Regulation 47-316(A) to retailers or their employees at on-site product sales promotions.
 - d. Suppliers may provide or pay for any media announcement of an on-site product sales promotion that primarily advertises the product, the location, and the date and time of the promotion. The name of the retail outlet may also be mentioned.
 - e. Retailers may at their own cost advertise in advance a supplier's product sales promotion.
 - f. No supplier may require that a retailer change its product selection as a condition of conducting a product sales promotion. Retailers may at their option change their product selection in support of a product sales promotion.
 - g. Competitors' products may not be excluded during a product sales promotion.
2. On-Premises Sampling. A supplier-sponsored consumer sampling of alcohol beverages may be held at a retailer's premises licensed for on-premises consumption for the purpose of product sales promotion under the following conditions:
 - a. A supplier-sponsored consumer sampling held at the licensed premises of a retailer licensed for on-premises consumption shall include only the alcohol beverages the retailer is licensed to sell.
 - b. The supplier shall only offer its alcohol beverage product to consumers during a supplier-sponsored consumer sampling.
 - c. A retailer or supplier shall not impose any charge to the consumer to enter or participate in the sampling.
 - d. Product used for sampling must be invoiced by the supplier, who is authorized to sell the alcohol beverages to licensed retailers pursuant to article 3 or 4 of title 44, as if sold to the retailer.
 - e. If all product listed in the sales invoice is consumed as permitted herein, the supplier may issue the retailer a credit against the entire amount of the original invoice.
 - f. Any remaining product must be returned to the wholesaler, or sold to the retailer at a minimum of the wholesaler's cost.

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1 indirectly, and is not intended to influence the product selection of such retailer. The
2 retailer's product selection for the event may not change as a condition of the event
3 sponsorship and the products of the supplier's competitors may not be excluded.
4

5 3. Suppliers may provide or pay for any media announcement of a sponsored event that
6 primarily advertises the product, the location, and the date and time of the event. The
7 name of the retail outlet may also be mentioned.
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9 4. Suppliers providing sponsorship fees to advertise at the aforementioned venues may also
10 provide those items and services authorized under regulations 47-316, 47-320, and 47-
11 322 to the licensed retailers at, or in conjunction with, the sponsored event.
12

13 D. Retailer entertainment

14 Suppliers may provide food, beverages, entertainment, recreation, or the costs associated with
15 the same, to a retailer and its employees at meetings, social events, conferences, trainings, or
16 other similar events, subject to the following:
17

18 1. Food, beverages, entertainment, or recreation are provided when, and where,
19 suppliers or supplier representatives are participating or present.
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21 2. Entertainment may include tickets or admission fees for athletic or sporting
22 events, concerts, artistic performances, festivals, and similar forms of
23 entertainment.
24

25 3. Recreation may include fees associated with participation in athletic or sports-related
26 activities.
27

28 4. For any supplier-provided retailer entertainment, the supplier is prohibited from
29 providing the costs associated with lodging and travel, other than nominal ground
30 transportation.
31

32 5. Suppliers must maintain records sufficient to verify those entertainment expenses
33 associated with retailers and their employees. Failure to maintain such records shall
34 not be a per se violation of this regulation, but could constitute a violation of section 44-
35 3- 701, C.R.S. or Regulation 47-700.
36

37 E. Alcohol Beverage Samples for Retailers

38 1. Wholesalers, or those licensed to sell at wholesale pursuant to article 3 and 4 of title
39 44, may furnish or give a limited amount of alcohol beverage samples to retailers
40 licensed solely for on-premises under the following conditions:
41

42 a. The retailer's class of liquor license permits the sale of the type of
43 beverage offered as a sample.
44

45 b. The providing of samples is not conditioned upon future purchases of
46 alcohol beverages, or as compensation for any previous alcohol beverage
47 purchase.
48

49 c. The retailer has not purchased the product SKU of the alcohol beverage
50 offered as a sample within the previous six (6) months.
51

52 d. The wholesaler provides not more than 3.0 liters per brand of spirituous liquor,
53 not more than 3.0 liters per brand of vinous liquor, and not more than one six-
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pack, or 72-ounce equivalent, per brand of malt liquor or fermented malt beverage so packaged. If a particular brand is not available in a size meeting the quantity limitations stated herein, a wholesaler may furnish the next available larger size.

e. Only the retailer and its employees are authorized to taste or test those alcohol beverages given as samples, as provided herein. Nothing shall authorize a retailer to sell any samples provided or to use such the same for consumer tastings.

2. Wholesalers, or those licensed to sell at wholesale pursuant to article 3 and 4 of title 44, may furnish or give a limited amount of alcohol beverage samples to retailers licensed solely for off-premises under the following conditions:

a. The retailer's class of liquor license permits the sale of the type of beverage offered as a sample.

b. The providing of samples is not conditioned upon future purchases of alcohol beverages, or as compensation for any previous alcohol beverage purchase.

c. The wholesaler provides not more than 3.0 liters per brand of spirituous liquor, not more than 3.0 liters per brand of vinous liquor, and not more than one six-pack per brand of malt liquor or fermented malt beverage so packaged. If a particular brand is not available in a size meeting the quantity limitations stated herein, a wholesaler may furnish the next available larger size.

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.

F. Wholesaler Trade Shows and Trade Events

1. For purposes of this Regulation 47-322(F):

a. "Trade show" means an event to which more than fourteen (14) authorized attendees are invited and which is organized and conducted by or on behalf of one or more wholesalers, as defined in Regulation 47-100(I), for the purpose of exhibiting and providing information regarding alcohol beverage products and services offered by the participating wholesaler(s), to retailers licensed to buy such alcohol beverage products from the wholesaler(s), and to provide samples of such alcohol beverage products for consumption during the event.

b. "Trade event" means an event to which fourteen (14) or fewer authorized attendees are invited and which is organized and conducted by or on behalf of one or more wholesalers, as defined in Regulation 47-100(I), for the purpose of exhibiting and providing information regarding alcohol beverage products and services offered by the participating wholesaler(s), to retailers licensed to buy such alcohol beverage products from the wholesaler(s), and to provide samples of such alcohol beverage products for consumption during the event.

c. "Hosting on-premises retailer" means a retailer licensed for on- premises consumption on whose licensed premises a trade show or trade event is held.

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- d. "Authorized attendees" means, and shall be limited to:
 - i. Officers, directors, and employees of a retail licensee that is licensed to sell the type of alcohol beverages to be exhibited and sampled during the trade show or trade event;
 - ii. Other individuals affiliated with one or more retail licensees as independent consultants or experts; and
 - iii. No more than one adult guest of each individual authorized to attend the trade show or trade event under subparagraphs (d)(i)-(ii).

- 2. Trade shows or trade events are subject to the following requirements and limitations:
 - a. A trade show or trade event shall take place only with the permission of, and on the licensed premises of, a hosting on-premises retailer that is licensed to sell the type of alcohol beverages to be exhibited and sampled during the trade show or trade event.
 - b. A trade show or trade event shall not be open to the general public, and shall be limited to authorized attendees registered (either in advance or at the door). The wholesaler(s) participating in the trade show or trade event shall maintain registration records containing, at a minimum, the date of the trade show or trade event, the name of the hosting on-premises retailer, the name of each authorized attendee who attended the trade show or trade event, and the name of the licensed retailer(s) with which each authorized attendee is associated. The registration records from the trade show or trade event shall be available for inspection by the Division during the trade show or trade event and shall be provided to the Division within ten (10) days of the conclusion of the trade show or trade event.
 - c. By agreement, the participating wholesaler(s), the hosting on-premises retailer or both (including such entities' agents and employees) may serve samples of alcohol beverage product(s) to authorized attendees during a trade show or trade event. Such samples shall be provided to authorized attendees free of charge.
 - i. The entity or entities responsible for the serving of the alcohol beverage products during a trade show or trade event shall be responsible for any violations of the Liquor Code, Beer Code, or Special Event Code, and/or any regulation promulgated pursuant thereto, related to the serving of alcohol beverage products during a trade show or trade event, including, but not limited to, violations related to service of alcohol beverages to a visibly intoxicated person or to a person under twenty-one years of age.
 - d. Alcohol beverage products used for a trade show or trade event must comply with all applicable product registration and labeling requirements, including those set forth in Regulation 47-904(F) and (G).
 - e. All taxes, fees and surcharges required by section 44-3-503, C.R.S., must be paid for all alcohol beverage products used in a trade show or trade event.
 - f. Invoices for alcohol beverage products used for a trade show or trade event

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must be clearly labeled as a “No-Cost Trade Show/Event Inventory Record” and shall be subject to the following requirements:

- i. Any wholesaler participating in a trade show or trade event must invoice any alcohol beverage products to be used in the trade show or trade event to the hosting on-premises retailer. Notwithstanding any other rule or regulation to the contrary contained in 1 CCR 203-2, the wholesaler shall invoice the hosting on-premises retailer for alcohol beverage products to be used in a trade show or trade event at no cost.
- ii. The hosting on-premises retailer must receive all wholesalers’ invoice(s) for alcohol beverage products to be used in the trade show or trade event prior to the commencement of the trade show or trade event, and shall retain such invoice(s) for their records.
- iii. Any wholesaler(s) participating in a trade show or trade event shall provide the Division with copies of all invoice(s) to be issued in accordance with this paragraph (F)(2)(f) as an accounting for all the alcohol beverage products intended to be used during the trade show, and the anticipated drop-off and pick-up dates for such alcohol product, at least three (3) days prior to the commencement of the trade show.
- iv. In order to account for unanticipated changes in the alcohol beverage products to be used during a trade show or trade event, any Wholesaler(s) participating in a trade show or trade event may provide the Division with an “Amended No-cost Trade Show/Event Inventory Record” before the commencement of the scheduled trade show or trade event, provided the wholesaler(s) complied with the provisions of paragraph (F)(2)(f)(iii) of this regulation in the first instance.
- v. At the conclusion of the trade show or trade event, any alcohol beverage product(s) invoiced for use during the trade show or trade event (whether opened or unopened) shall be removed from the hosting on-premises retailer’s licensed premises by the wholesaler(s), or destroyed.
 - A. Any alcohol beverage product(s) invoiced for use during the trade show or trade event remaining on the hosting on-premises retailer’s licensed premises at the conclusion of the trade show or trade event, and awaiting wholesaler pick-up, must be held in a secure area of the hosting on-premises retailer’s licensed premises, kept separate from, and clearly labeled to distinguish such alcohol beverage product(s) from, the host on-premises retailer’s stock, by affixing a copy of the most current invoice issued pursuant to paragraph (F)(2)(f)(iii), or (F)(2)(f)(iv) of this regulation, and marking such invoice with the anticipated pick-up date of the alcohol beverage product(s), which shall be no more than thirty (30) days after the conclusion of the Trade Show or Trade Event.
 - B. Allowing any alcohol beverage product(s) invoiced for use during the trade show or trade event (whether opened or unopened) to remain on the hosting on-premises retailer’s licensed premises after the conclusion of the thirty (30) day pick-up window allowed for in paragraph (F)(2)(f)(v)(A) above, shall be deemed a violation of this Regulation, for which both the wholesaler(s), and

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1 hosting on-premises retail licensee shall be responsible.

- 2
- 3 g. No delivery or exchange of alcohol beverage product(s) between a participating
- 4 wholesaler and authorized buyer of same shall take place during the trade show
- 5 or trade event.
- 6
- 7 h. A hosting on-premises retailer shall not be deemed to be receiving unlawful
- 8 financial assistance from the wholesaler(s) participating in the trade show or
- 9 trade event, so long as the hosting on-premises retailer does not directly
- 10 benefit from the sale of any alcohol beverage product exhibited to or sampled
- 11 by authorized attendees during the trade show or trade event.
- 12
- 13 i. All documents and information required to be provided to the Division pursuant
- 14 to paragraphs (F)(2)(b) and (F)(2)(F) of this regulation, shall be provided using a
- 15 method authorized by the Division (which, at the Division's discretion, may be
- 16 through uploading the records to an online location specified by the Division or
- 17 through electronic mail).
- 18

19 3. This Regulation 47-322(F) shall not apply to:

- 20
- 21 a. Events similar to those addressed in this Regulation that are organized and
- 22 conducted as special events pursuant to, and in compliance with article 5 of title
- 23 44, the exemption set forth in section 44-5-108, C.R.S., provisions of article 3 of
- 24 title 44 applicable to special events, and Regulations 47-1000 through 47-1022, 1
- 25 CCR 203-2.
- 26
- 27 b. Tastings conducted by a licensed winery pursuant to section 44-3-402(2), C.R.S.;
- 28 by a limited winery, pursuant to section 44-3-403(2)(e), C.R.S.; by a distillery,
- 29 pursuant to section 44-3-402(7), C.R.S.; by a beer wholesaler, pursuant to
- 30 section 44-3-407(1)(b), C.R.S.; or as part of a festival permit, pursuant to section
- 31 44-3-404, C.R.S.
- 32

33 G. Consignment Sales and Lawful Product Returns

- 34
- 35 1. Wholesalers are prohibited from making consignment sales to retailers.
- 36
- 37 2. A consignment sale is an arrangement whereby a wholesaler invoices and delivers
- 38 alcohol beverages to a retailer who is under no obligation to pay for such beverages
- 39 until they are resold. Consignment sales also afford the retailer the right to return
- 40 product to the wholesaler for any reason.
- 41
- 42 3. Wholesalers are permitted to accept a return of alcohol beverages previously sold to
- 43 retailers for ordinary and usual commercial reasons and to provide account credit or
- 44 product exchange. Such commercial reasons for return shall be limited to the
- 45 following:
- 46
- 47 a. Defective products: Products qualifying under this exception are those that
- 48 are upon delivery, or later become, unmarketable due to contamination or
- 49 deterioration of product ingredients, leaking containers, damaged labels, or
- 50 missing, damaged or compromised container seals.
- 51
- 52 b. Broken containers or short-filled containers/cases: Nothing shall prevent a
- 53 retailer from making a claim for the replacement of alcohol beverages that
- 54 were delivered by a wholesaler in a damaged or incomplete condition, and
- 55 nothing shall prevent a wholesaler from granting credible claims.

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- c. Error in products delivered: Any discrepancy between a retailer's product order and the products delivered may be corrected by the wholesaler within a reasonable period after delivery.

- d. Discontinued products: When a manufacturer or importer discontinues the production, importation, or market availability of a product, a retailer may return any remaining product to the original wholesaler. A retailer's decision to discontinue a product does not qualify.

- e. Manufacturer's product change: When a manufacturer has changed the formula, proof, label or container of an alcohol beverage, wholesalers may withdraw the product from the retailer's inventory and replace it with the newly-manufactured product.

- f. Manufacturer's quality standards: To ensure freshness standards for malt liquor and fermented malt beverages, wholesalers, with retailer consent, may withdraw product from the retailer's inventory and replace it with new product, without additional charge, under the following conditions:
 - i. Out of freshness standard is defined as: a product that has a pre-printed freshness date on the alcohol beverage container that is no more than thirty (30) days away from the current date.

 - ii. The product to be withdrawn is undamaged and in its original packaging.

 - iii. The retailer purchased the original product from the wholesaler providing the replacement, or the current wholesaler is acting as an authorized successor wholesaler.

 - iv. The wholesaler replaces the product with the identical product SKU, the identical quantity, and the identical package, or with a product from the same manufacturer's portfolio that is equal to or lesser in value to the original purchase.

 - v. A wholesaler may sell a product to another retailer that was picked up because it was within thirty (30) days prior to the freshness date. The sale of this replaced product to another retailer can only be done once.

- g. Retailer's seasonal operation: For those retailers who are only open for business a portion of the year due solely to seasonal influences, or for venues that operate only during scheduled events, a wholesaler may remove and grant credit for those products that are likely to spoil or violate a manufacturer's freshness standards.

- h. Wholesalers that have lawfully exercised their claim to a retailer's inventory as secured creditors.

- i. Products in a retailer's inventory that may no longer be sold due to statutory or regulatory changes or disciplinary actions over which the wholesaler and retailer had no control.

- j. Within thirty days of evidence of an expiration or a lawful surrender

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and cancellation of a retail liquor license by the state licensing authority.

k. Holders of special events permits that have unsold alcohol beverages after the licensed event.

4. A return of product for the following reasons does not qualify as a return for ordinary and usual commercial reasons:

a. A retailer's overstocked inventory or slow-moving products.

b. Products for which there is only a limited-time or seasonal demand, such as holiday decanters or seasonal brands.

H. Warehousing of products for a retailer

Wholesalers shall not furnish free warehousing to retailers by delaying delivery of alcohol beverages beyond the time that payment for the product is received or, if a retailer is purchasing on credit, delaying final delivery of products beyond the close of the period of time for which credit is lawfully extended pursuant to 44-3-202(2)(b), C.R.S.

I. Product resets

Resets by a supplier are permitted, but a competitor's alcohol beverage products may not be disturbed during the reset process, unless the in-state seller of the competing products has been given 72 hours written notice, during normal and customary business hours, and is not present at the time designated for the reset activity. Suppliers may furnish a retailer with a recommended shelf plan or shelf schematic.

J. Equipment rentals

All equipment rentals by a supplier to a retailer must be at fair market value.

K. Other goods

Suppliers may not provide a retailer with any other goods below fair market value except those items expressly permitted by articles 3, 4, or 5 of title 44, C.R.S, and related regulations.

When a supplier also deals in items of commerce that are not regulated by articles 3, 4, or 5 of title 44, only the following restrictions shall apply:

1. The unregulated item(s) may not be provided as an inducement, or require purchase of alcohol beverages.

2. Any equipment or other goods provided free of charge (e.g. energy drink refrigerated coolers) shall not be provided in conjunction with alcohol sales or promotions.

L. Indirect financial assistance through third party arrangements

1. A supplier's furnishing of any equipment, supplies, services, money, or other things of value to a third party that is not licensed pursuant to article 3 or 4 of title 44, C.R.S. where the benefits resulting from such things of value flow to individual licensed retailers through written agreements or otherwise, is prohibited.

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- 1 2. A supplier will not be in violation of this regulation when the unlicensed third party
2 provides the prohibited item or service to a retailer without the supplier's knowledge,
3 and the supplier could not have reasonably foreseen that the item or service would flow
4 to a retailer.
- 5
- 6 3. Retailers that collude with unlicensed third parties to obtain prohibited financial
7 assistance through a third-party arrangement between a third party and a
8 licensed supplier shall be in violation of this regulation.
- 9
- 10 4. It shall not be a violation for a supplier to furnish items or services to a retailer that are
11 otherwise specifically authorized by regulation or any provision within articles 3 or 4 of
12 title 44, C.R.S.

M. Value of Labor

- 13
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- 15
- 16 1. Definitions for purposes of this subsection (L):
- 17
- 18 a. “Deliver” or “delivering” is the act of a supplier bringing and unloading its alcohol
19 beverage product from its delivery vehicle onto the retailer’s licensed premises or
20 permitted retail warehouse storage location. “Deliver” or “delivering” does not
21 include a supplier bringing and unloading its alcohol beverage product from a
22 permitted retail warehouse storage location to a retailer’s licensed premises.
- 23
- 24 b. “Merchandise” or “merchandising” is the act of organizing, constructing,
25 maintaining, or stocking a display of alcohol beverage product or alcohol
26 beverage product promotional materials, including alcohol beverage product
27 signs, consumer advertising specialties, or point-of-sale advertising, within the
28 retailer’s licensed premises.
- 29
- 30 c. “Price stamp” or “price stamping” is the act of affixing the retail price of alcohol
31 beverage product to its respective shelf, refrigerator, or any other similar location
32 within the retailer’s licensed premises.
- 33
- 34 d. “Rotate” or “rotating” is the act of moving alcohol beverage product from the
35 rear to the front of any shelf, refrigerator, or similar location within the retailer’s
36 licensed premises.
- 37
- 38 e. “Service” or “servicing” is the act of replacing, staging, and/or tapping kegs
39 within a retail premises. “Service” or “servicing” also includes performing
40 necessary cleaning of alcohol beverage dispensing equipment, to the extent
41 necessary for the maintenance of reasonable standards of purity, cleanliness,
42 and health.
- 43
- 44 f. “Stock” or “stocking” is the act of placing or replenishing alcohol beverage
45 product on any shelf, refrigerator, or similar location within the retailer’s
46 licensed premises.
- 47
- 48 2. In a supplier’s sole discretion, and if allowed by the retailer, a supplier may deliver,
49 merchandise, price stamp, rotate, service, and stock its alcohol beverage product on
50 the retailer’s licensed premises at no cost to the retailer.
- 51
- 52 a. A supplier is prohibited from materially disturbing another supplier’s alcohol
53 beverage product while delivering, merchandising, price stamping, rotating,
54 servicing, or stocking its own alcohol beverage product.
- 55

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- 1 b. A supplier may only service the portion of the retailer’s alcohol
- 2 beverage dispensing equipment used for dispensing its alcohol
- 3 beverage product.
- 4
- 5 3. A retailer is prohibited from requiring a supplier to provide any labor to the retailer,
- 6 including, but not limited to, merchandising, price stamping, rotating, servicing, or
- 7 stocking activities, as an express or implied condition of the delivery, purchase, or
- 8 future purchases between the supplier and retailer.
- 9
- 10 4. Unless otherwise permitted under this Regulation, the Liquor Code, or the Beer Code, or
- 11 unless the retailer pays the supplier at the normal hourly rate of the employee performing
- 12 the labor, a supplier is prohibited from providing to a retailer, and a retailer is prohibited
- 13 from accepting from a supplier, any labor other than the kinds of labor described in
- 14 subsection (L)(2) of this Regulation, including, but not limited to:
- 15
- 16 a. Cleaning, repairing, or otherwise maintaining the interior or exterior of a
- 17 retailer’s premises;
- 18
- 19 b. Operating the retailer’s powered mechanical equipment, other than pallet
- 20 jacks; or
- 21
- 22 c. Performing inventory for the retailer’s records.
- 23
- 24 N. Prohibition.
- 25
- 26 1. Except as otherwise provided by the Colorado Liquor Code, Colorado Beer Code, or
- 27 Colorado Liquor Rules, a supplier is prohibited from disturbing another supplier’s
- 28 alcohol beverage product.
- 29

Regulation 47-405. Festival Permit.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44- 3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), 44-3-404(10), and 44-3-601(9), C.R.S. The purpose of this regulation is to address eligibility, requirements, and restrictions for festival permits under section 44-3-404, C.R.S.

A. Festival Permits.

- 1. The following license types are eligible to obtain a festival permit or participate in a festival for which a permit has been obtained:
 - a. A manufacturer license under section 44-3-402, C.R.S.;
 - b. A limited winery license under section 44-3-403, C.R.S.;
 - c. A wholesaler’s license under section 44-3-407, C.R.S.;
 - d. A beer and wine license under section 44-3-411, C.R.S.;
 - e. A hotel and restaurant license under section 44-3-413, C.R.S.;
 - f. A tavern license under 44-3-414, C.R.S.;
 - g. A brew pub license under 44-3-417, C.R.S.;

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- h. A vintner’s restaurant license under 44-3-422, C.R.S.; and
- i. A distillery pub license under 44-3-426, C.R.S.

2. For purposes of this regulation, the term “permittee” means a licensee under Regulation 47-405(A)(1) that has received a festival permit under this Regulation 47-405.

B. Initial Festival Permit Application

1. Only licensees listed in Regulation 47-405(A) may file a festival permit application with the state licensing authority. The initial festival permit application must be filed with the state licensing authority, and, if applicable the local licensing authority, at least ten (10) business days before the date the first festival is to be held, and must include:
 - a. The eligible license type and license number of the festival permit applicant;
 - b. A description of the licensed premises for the first festival;
 - c. The date of the first festival;
 - d. Duration of the festival, which cannot exceed seventy-two (72) hours;
 - e. The annual processing fee of twenty-five dollars (\$25 USD);
 - ~~f. A list of eligible licensees participating in the first festival;~~
 - fg. Contact information of a primary contact for each participating licensee including the name, title, phone number and email address of the primary contact;
 - gh. Any special event permit application that has been or will be filed in connection with the festival; and
 - hi. Confirmation that the applicant has provided notification to the local licensing authority of the location and date of the initial festival;
 - ij. A security and control plan, which must be provided to and agreed to by for each participating licensee, ~~the state and local licensing authority~~, which specifies:
 - (i) Hours of service of alcohol beverages;
 - (ii) Entries and exits;
 - (iii) How and where alcohol will be secured and stored when setting up for the festival, during the festival, and after conclusion of the festival;
 - (iv) How visibly intoxicated parties will be handled; and
 - (v) How the licensee plans to prevent persons under twenty-one (21) years of age from consuming or purchasing alcohol beverages ~~youth access to alcohol~~.

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- jk. Active Colorado liquor license numbers not under suspension for the applicant and each participating licensee;
- kl. Identification of any violations at a festival committed by the applicant or any participating licensee during the preceding three years; and
- ~~m. A plan to have water available to patrons; and~~
- ln. Such other information as required on form approved by the state licensing authority.

- 2. The applicant must apply with the state licensing authority and, if applicable, the local licensing authority, at least ten (10) business days before holding the initial festival under the festival permit. If the applicant does not provide the application to one or both of the applicable licensing authorities at least (10) business days before holding the initial festival, the application will be denied by the state licensing authority.
- 3. A festival permit must be approved by the state licensing authority before the first festival can be held.

C. Local licensing festival permit from the Local Licensing Authority.

- 1. If required by the local licensing authority, the festival permit applicant must also obtain a local festival permit. The licensee must file the festival permit application with the Division at the same time they file with any local licensing authority.
- 2. If the licensee filing the festival permit application holds a limited winery license, or a winery license, then a festival permit from the local licensing authority is not required.
- 32. A festival permit from a local licensing authority ~~permit under Regulation 47-405(C)(1)~~ is not required if the festival permit applicant ~~for a limited winery licensee under Regulation 47-405(A)(2), a winery licensee under Regulation 47-405(A)(1), or an applicant licensee under Regulation 47-405(A)~~ that also applies for a special event liquor permit issued under article 5 of title 44.

D. Expiration of Permit.

A festival permit under this regulation is valid for twelve (12) months from the date the initial festival permit is issued.

E. Subsequent Festival Permit Application(s).

- 1. Each permittee or eligible licensee participating in a festival under this regulation may hold or participate in no more than a total of nine (9) festivals, in a twelve (12) month period.
- 2. The permittee must notify the state licensing authority, and ~~if applicable~~ the local licensing authority if required under Section C above, at least ten (10) business days before holding any subsequent festivals under the festival permit, by filing a subsequent festival permit application. If the applicant does not provide the application to ~~one or both of~~ the applicable licensing authorities at least ten (10) business days prior to the subsequent festival, the application will be denied by the ~~S~~state licensing authority. The subsequent festival permit application must include:

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- a. The festival permit number;
- b. The festival permit expiration date;
- c. The festival permittee license name;
- d. A description of the licensed premises where the ~~subsequent~~ festival will be held;
- e. The date of the ~~subsequent~~ festival;
- f. Duration of the festival, which cannot exceed seventy-two (72) hours;
- ~~g. A list of eligible licensees participating in the subsequent festival(s);~~
- gh. The dates of all prior festivals occurring under the festival permit;
- hi. The number of prior festivals that have previously occurred under the festival permit;
- ij. Contact information of a primary contact for each participating licensee including the name, title, phone number and email address of the ~~primary contact~~;
- jk. Any special event permit application that has been or will be filed in connection with the festival; ~~and~~
- kl. Confirmation that the applicant has provided notification to the local licensing authority of the location and dates of each festival;
- ~~lm.~~ A security and control plan, which must be provided to and agreed to by ~~for~~ each participating licensee, ~~the state and local licensing authority~~, which specifies:
 - (i) Hours of service of alcohol beverages;
 - (ii) Entries and exits;
 - (iii) How and where alcohol will be secured and stored when setting up for the festival, during the festival, and after conclusion of the festival;
 - (iv) How visibly intoxicated parties will be handled; and
 - (v) How the licensee plans to prevent persons under twenty-one (21) years of age from consuming or purchasing alcohol beverages ~~youth access to alcohol~~.
- ~~m.~~ Active Colorado liquor license numbers not under suspension for the applicant and each participating licensee;
- ne. Identification of any violations at a festival committed by the applicant or any participating licensee during the preceding three years; and
- ~~p. A plan to have water available to patrons; and~~

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- oq. Such other information as required on form approved by the state licensing authority.
- 3. If the subsequent festival permit application is being filed in a different jurisdiction than the initial festival permit application, the permittee must ensure that an original festival permit application is filed with the subsequent festival jurisdiction’s local licensing authority, if applicable.
- 4. A subsequent festival permit application is deemed approved if held in the same jurisdiction as the initial festival application unless the state and, if applicable, the local licensing authority provides the permittee with a notice of denial at least seventy-two hours prior to the date of the subsequent festival.
- 5. The permittee must file the subsequent festival permit application, but other eligible licensees may jointly participate under the festival permit issued to the permittee, unless timely denied by the state or local licensing authority.

F. Festival Tastings and Sales.

- 1. For purposes of this regulation 47-405, “festival tastings” is defined as consumption on the premises of a festival permit.
- 2. The permittee and licensees participating in the festival may conduct festival tastings of their respective alcohol beverages during the festival which ~~that~~ the permittee or licensee could conduct at their respective licensed premises.
 - ~~a.—Supplier licensees which are eligible to participate in festivals and have a duly licensed sales room may offer festival tastings of the products that they offer for consumption on their licensed sales room premises.~~
 - a. Manufacturers of vinous and spirituous liquors may conduct on-premises tastings of their products at a festival pursuant to the abilities granted to them under 44-3-402(2)(a) and/or 44-3-402(7)(a), C.R.S.
 - b. Manufacturers of malt liquors may conduct on-premises tastings of their products at a festival as long as they possess a valid sales room license pursuant to 44-4-407(1)(b)(II)(A), C.R.S.
- 3. Regulation 47-313 on tastings applies to Retail Liquor Store licensees and Liquor Licensed Drugstore licensees and does not apply to festival tastings.

~~G. Festival Sales.~~

- ~~1.—The permittee and licensees participating in the festival may engage in the same retail sales of their respective alcohol beverages during the festival that the permittee and licensees participating in the festival could conduct at their respective licensed premises.~~
 - ~~a.—Supplier licensees which are eligible to participate in festivals and do not have a duly licensed sales rooms may not offer their products to the public during a festival.~~
- ~~1.—Festival permittees are prohibited from participating in an Entertainment District, unless they meet the licensing requirements pursuant to section 44-3-103(15), C.R.S. and are an approved member of the Promotional Association.~~
- ~~2.—Festival permittees may be located adjacent to a common consumption area if all retail alcohol sales adhere to all rules applicable to common consumption areas, more generally, including~~

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~~required container parameters, and the prohibition on consumption of alcohol beverages from containers not meeting the requirements established.~~

~~3. Festival permittees are prohibited from utilizing common consumption areas for customer service and consumption unless the festival permittee is a member of the promotional association or entertainment district associated with the common consumption area.~~

G. Denials.

1. The state licensing authority may deny a festival permit or subsequent festival permit application if:
 - a. A documented history of violations under article 3 of title 44 of these regulations by the permittee or any participating licensee;
 - b. The permittee or any participating licensee is ineligible for a festival permit;
 - c. An application is incomplete or late; or
 - d. There is a finding that the application, if granted, would result in violations of article 3 of title 44, these regulations, or ordinances or regulations of a local licensing authority.

H. Violations.

1. Violating Licensee Identified

- a. If a violation occurs during a festival permitted under this regulation and the licensee participating in the festival that is responsible for the violation can be identified, the state and local licensing authorities may impose appropriate penalties pursuant to section 44-3-601, C.R.S., Regulation 47-602, and Regulation 47-603 on the identified licensee per violation.
- b. Pursuant to section 44-3-601(9), C.R.S., when a permittee or participating licensee violates provisions of the Liquor Code that prohibit the service of an alcohol beverage to a minor or a visibly intoxicated person, the State and local licensing authorities shall consider it a mitigating factor if the licensee responsible for a violation is a responsible alcohol beverage vendor as defined in section 44-3-1002, C.R.S., and pursuant to the requirements of Regulation 47-605.

2. Violating Licensee Cannot be Identified

- a. If a violation occurs during a festival permitted under this regulation and the licensee participating in the festival that is responsible for the violation cannot be identified, the state licensing authority may send a written notice to every licensee identified on the festival permit application or subsequent permit application, respectively, and may fine each the same dollar amount, which cannot exceed twenty-five (25) dollars per licensee or two hundred dollars in the aggregate per violation.
- b. A joint fine levied pursuant to this subsequent section does not apply to the revocation or suspension of the licensee's license under section 44-3-601, C.R.S., or Regulation 47-603.

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- c. A joint fine levied pursuant to this section need not be reported as a substantive violation on the underlying liquor license renewal application for any licensee assessed such a fine.

Regulation 47-422. Arts License.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), and 44-3-419, 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

- A. For the purposes of determining eligibility for an arts license pursuant to section 44-3-419, C.R.S., “productions and performances of an artistic or cultural nature” include ~~all forms of theatrical and other performing arts, the display or exhibition of all forms of the visual arts, and activities conducted on the licensed premises in furtherance of the proper purposes of arts organizations.~~
 - 1. All forms of theatrical and other performing arts including visual performances;
 - 2. An exhibition or presentation of art or objects of cultural significance, such as those commonly held in art or history museums or galleries; and
 - 3. An education seminar on an artistic or cultural subject.
- B. ~~An organization otherwise complying with section 44-3-419, C.R.S. shall be deemed to be engaged in a production or performance at all times that visual art is on exhibit for viewing within the licensed premises.~~ For the purposes of determining eligibility for an arts license pursuant to section 44-3-419, C.R.S., a “patron” is a person who attends or observes the production or performance of an artistic or cultural nature for the purpose of supporting the nonprofit arts organization.
- C. The arts license must only be used to sell alcohol for consumption only to patrons present at the licensed premises for the productions and performances of the artistic or cultural nature.
- D. Alcohol beverages may be served pursuant to an arts license to adult patrons of a private function held on the arts licensed premises if the private function includes attendance at the productions and/or performances detailed in subparagraph (A) above.

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 includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), and 44-3-1002(2), C.R.S. The purpose of this regulation is to establish curricula required to be considered a responsible alcohol beverage vendor.

To be considered a ~~r~~Responsible ~~a~~Alcohol ~~b~~Beverage ~~v~~Vendor at any licensed premises, or to serve beverage alcohol at tastings held in retail liquor stores or liquor licensed drugstores, the following standards must be complied with.

- A) Initial Certification Training Program Standards
 - 1) To be designated as a responsible alcohol beverage vendor, all employees of a licensee selling/serving alcohol beverages, and any owner or manager who directly supervises such employees, must attend a ~~A~~ training program. ~~approved pursuant to this subsection (F). must be attended by the resident on-site owner (if applicable) or a manager, and all employees selling/serving alcohol beverages.~~
 - 2) Once a licensee is designated a ~~“r~~Responsible ~~alcohol beverage v~~Vendor,” all new

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- 1 employees involved in the sale, handling and service of alcoholic beverages must complete
- 2 the training described in this regulation within 90 days of date of hire.
- 3
- 4 3) The program must include at least **two** (2) hours of instruction time.
- 5
- 6 4) The program must provide written documentation of attendance and successful passage of
- 7 a test on the knowledge of the required curriculum for each attendee.
- 8
- 9 a) Attendees that can speak and write English must successfully pass a written test
- 10 with a score of 70% or better.
- 11
- 12 b) Attendees that cannot speak or write English may be offered a verbal test, provided
- 13 the same questions are given as are on the written test and the results of the verbal
- 14 test are documented with a passing score of 70% or better.
- 15
- 16 5) Program providers may, at their discretion, conduct class surveys or discussions to help
- 17 determine a program's effectiveness. This time shall not be counted as part of the
- 18 program's instruction time.
- 19
- 20 6) Program providers may, at their discretion, omit curriculum not applicable to the licensee
- 21 being trained so long as the provider provides the Division with notice for the reason of
- 22 omission.
- 23
- 24 B) Initial certification training class core curriculum
- 25
- 26 1) Discussion concerning alcohol's effects on the human body
- 27
- 28 a) Alcohol's physical effects
- 29
- 30 b) Visible signs of intoxication
- 31
- 32 c) Recognizing the signs
- 33
- 34 d) Poly-substance interactions, including but not limited to, interaction with marijuana,
- 35 prescriptions and over-the-counter medication, and other substances.
- 36
- 37 2) Liquor Liability
- 38
- 39 a) Civil liability
- 40
- 41 b) Criminal liability
- 42
- 43 c) Administrative liability (License Sanctions)
- 44
- 45 d) Liability for licensee and/or managers for the actions of employees
- 46
- 47 3) Sales to visibly Intoxicated persons
- 48
- 49 a) Colorado law provisions
- 50
- 51 b) Recognition and prevention, including identifying signs of visible alcohol and drug
- 52 impairment.
- 53
- 54 c) Intervention techniques
- 55

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- 1 d) Related laws or issues
- 2
- 3 (1) DUI/DWAI
- 4
- 5 (2) Reg. 47-900
- 6
- 7 4) Sales to minors
- 8
- 9 a) Colorado law provisions
- 10
- 11 b) Sale and service
- 12
- 13 c) Permitting consumption
- 14
- 15 5) Acceptable forms of Identification (Reg. 47-912)
- 16
- 17 a) How to check identification - protocol
- 18
- 19 b) Spotting false identification
- 20
- 21 c) Mistakes made in verification
- 22
- 23 6) Other key state laws and rules affecting owners, managers, sellers, and servers
- 24
- 25 a) Age requirements for servers and sellers
- 26
- 27 b) Provisions for confiscating fraudulent identifications
- 28
- 29 c) Removal of liquor from on-premises licensed establishment
- 30
- 31 d) Patrons prohibited from bringing liquor onto licensed premises
- 32
- 33 e) Permitted hours of sale and service
- 34
- 35 f) Conduct of establishment
- 36
- 37 g) Nudity and prohibited entertainment
- 38
- 39 h) Permitting inspections by state and local licensing and enforcement authorities
- 40
- 41 i) Reporting changes in ownership and management
- 42
- 43 j) Licensee responsible for activities occurring within licensed premises
- 44
- 45 k) Tastings in retail liquor stores and liquor licensed drugstores
- 46
- 47 l) Prohibited purchases
- 48
- 49 m) On-premises and off-premises delivery and takeout rules
- 50
- 51 n) Commonly arising issues with delivery and takeout sales
- 52
- 53 C) Information for Owners and Managers
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- 1) Local Licensing and Enforcement
 - a) Encourage to become familiar with local law provisions
 - b) Encourage to develop a relationship with local agencies
- 2) State Licensing and Enforcement
 - a) Contact Information for the Division
 - b) Become familiar with state laws and regulations
 - c) Encourage to develop a relationship with area investigator
- 3) Recommendations for Licensees
 - a) Establish policies and procedures.
 - b) Establish a record keeping system to document activities and events
 - c) Contact local authority on incident reporting expectations
- D) Training programs based on type of licensed establishment and portability of training
 - 1) Training program curriculum may be tailored by Division-certified training program providers to on-premises only licensed establishments, to off-premises only licensed establishments, or to both on-premises and off-premises combined. Except as noted below, all approved training programs shall include the curriculum contained in paragraphs B and C of this regulation.
 - 2) Combined training programs must include all of the curriculum contained in paragraphs B and C of this regulation. Persons certified in a combined training program may use the certification in both on- and off-premises licensed establishments.
 - 3) On-premises only training programs may exclude from their curriculum subparagraph B(6)(k) of this regulation relating to liquor store tasting events. Persons certified in an on-premises only training program may use their certification only in an on-premises licensed establishment.
 - 4) Off-premises only training programs may exclude from their curriculum subparagraphs B(6)(c), (d), (f), and (g) relating to activities at on-premises businesses. Persons certified in an off-premises only training program may use their certification only in an off-premises licensed establishment.
 - 5) Responsible alcohol beverage vendor trainers may request approval from the Division in writing to omit curriculum that is not detailed in paragraphs (D)(3) and/or (D)(4), and is not applicable to the licensee being trained. Once approved by the Division, the responsible alcohol beverage vendor trainer can provide the modified training to other licensees where the reason for omission is the same. ~~Program providers may, at their discretion, omit curriculum not applicable to the licensee being trained so long as the provider provides the Division with notice for the reason of omission.~~
- E) Recertification requirements for responsible alcohol beverage vendor certified sellers/servers
 - 1) Recertification must occur every two (2) years, inclusive of a grace period of thirty (30) days

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for the licensee to retain the responsible alcohol beverage vendor designation.

2) Recertification shall be accomplished in any of the following manners:

a) Documented successful passage of a written or verbal test with a score of 70% or better administered by a Division-approved program trainer in person, including virtually through a live program, which demonstrates knowledge of new and existing alcohol beverage laws

(1) Completion of a course is not required before the test is administered

(2) Failure to pass the first administration of the test shall require attendance at either a recertification course or an initial certification training program

b) Documented attendance and completion of a recertification course

c) Documented attendance and completion of an initial certification training program

3) Recertification course

a) The curriculum must cover any and all changes in the law or regulations that affect the curriculum contained in the initial certification program

b) The course must provide a refresher on the following topics:

(1) Sales to intoxicated persons

(2) Sales to minors

(3) Legal sales hours

(4) Civil and criminal liabilities for law violations

c) No minimum instruction time or testing requirements shall apply

d) Records Retention The certified seller – server training program providers for the Responsible Alcohol Beverage Vendor Program must keep proof of attendance and records of successful completion of the training for a minimum of three (3) years and make the records available to the Division upon request.

F) Certification and renewal of certification as a responsible alcohol beverage vendor trainer

1) To seek Division approval as a responsible alcohol beverage vendor trainer, an individual or business entity must submit the following information:

a) A Responsible Vendor Trainer Application; and

b) A copy of the responsible alcohol beverage vendor training course curriculum, to include any written or electronic materials to be shown to attendees, and a script of the planned presentation; ~~all electronic files, transcripts, or recordings.~~

2) Within thirty (30) days of providing the first training, the trainer shall provide a video or audio recording of the training material or lecture. ~~or recordings.~~

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32) Approved training providers must renew approval with the Division every two (2) years beginning with a certification cycle of January 1, 2023 and closing January 1, 2025 to ensure continued compliance with statutory and regulatory standards.

G) Denials, Revocations, and Suspensions of Training Providers

- 1) The Division may deny, revoke, or suspend a training provider’s approval if the Division finds any of the following:
 - a) The approved training provider does not comply with the minimum standards found in this regulation;
 - b) The approved training provider is not teaching from a rResponsible aAlcohol bBeverage vVendor training program submitted to the Division; or
 - c) A training provider made misstatements, omissions, misrepresentations, or untruths in connection with seeking certification or renewal of certification ~~perpetuates a fraud in records or certification.~~

Regulation 47-606- Disciplinary and Denial Process for State Licensing Authority

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to sections 44-3-202(1)(b), 44-3-202(1)(c), 44-3-202(1)(d), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(E), 44-3-202(2)(a)(I)(R), 44-3-601, 44-3-901, 24-4-104, and 24-4-105, C.R.S The purpose of this regulation is to establish what entity conducts the administrative hearings for the state licensing authority, the procedures governing administrative hearings, and other general hearing issues

A. Initiation of Disciplinary Actions.

- 1. If the state licensing authority, on its own initiative or based on a complaint, has reasonable cause to believe that a licensee has violated the Liquor Code, the Beer Code, the Special Event Code, the Colorado Liquor Rules, or any of the state licensing authority’s orders, the state licensing authority shall issue and serve upon the licensee an order to show cause as to why its license should not be suspended, revoked, restricted, fined, or subject to other disciplinary sanction.
- 2. The order to show cause shall identify the statute, rule, regulation, or order allegedly violated, and the facts alleged to constitute the violation. The order shall also provide an advisement that the license could be suspended, revoked, restricted, fined, or subject to other disciplinary sanction should the charges contained in the notice be sustained upon final hearing. 3. A respondent that has been served with an order to show cause shall be entitled to a hearing regarding the matters addressed therein.

B. License Denials.

- 1. If the state licensing authority denies an application, the state licensing authority shall inform the applicant in writing of the reasons for the denial in a notice of denial, mailed to the denied applicant at the last-known address as shown by the records of the Division and to the local licensing authority if a local license has been granted. A notice of denial shall be deemed to have been received three days after the date of mailing, if sent by mail.
- 2. If the denial of the application is based on a criminal conviction, the licensing authority shall also provide:
 - a. The earliest date the applicant may reapply for licensure.

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- b. The right to submit additional evidence relevant to each of factors related to the denial, which include:
 - i. The nature of the conviction;
 - ii. Whether there is a direct relationship between the conviction and the position's duties and responsibilities and the bearing, if any, the conviction may have on the applicant's fitness or ability to perform one or more such duties and responsibilities, including whether the conviction was for unlawful sexual behavior as listed in section 16-22-102(9); whether the duties of employment would place a coworker or the public in a vulnerable position; and whether the applicant will be directly responsible for the care of individuals susceptible to abuse or mistreatment because of the individual's circumstances, including the individual's age, disability, frailty, mental health disorder, developmental disability, or ill health;
 - iii. Any information produced by the applicant or produced on his or her behalf regarding his or her rehabilitation and good conduct; and
 - iv. The time that has elapsed since the conviction and the application for the license.

32. A denied applicant that has been served with a notice of denial may request a hearing within the time set forth in the notice of denial by making a written request for a hearing to the Division. The request must be submitted by United States mail, by hand delivery, or by email at dor_led@state.co.us or dor_led_legal@state.co.us. The request must be sent to the mailing address of the Division's headquarters, as listed on the Division's website. Include "Attn: Hearing Request" in the mailing address. The written request for a hearing must be received by the Division within the time stated in the nNotice of denial. An untimely request for hearing will not be considered.

43. A denied applicant that timely requests a hearing following issuance of a nNotice of dDenial shall be served with a Notice of Grounds for Denial and shall be entitled to a hearing regarding the matters addressed therein.

C. General Procedures – Administrative Hearings.

- 1. Hearing Location. Hearings will generally be conducted by the Department of Revenue's Hearings Division. Hearings will be held virtually, unless otherwise ordered by the hearing officer for good cause. If the hearing officer orders an in-person hearing, the hearing will be conducted at a location in the greater Denver metropolitan area to be determined by the hearing officer. Good cause for in-person hearings includes unusual circumstances where justice, judicial economy, and convenience of the parties would be served by holding a hearing in person.
- 2. Scope of Hearing Regulations. This Regulation shall be construed to promote the just and efficient determination of all matters presented.
- 3. Right to Legal Counsel. Any denied applicant or respondent has a right to legal counsel throughout all processes described in regulations associated with the denial of an application and disciplinary action. Such counsel shall be provided solely at the denied applicant's or respondent's expense. Unless a denied applicant or respondent is an entity that satisfies the exception in section 13-1-127(2), C.R.S., the denied applicant or respondent must be represented by an attorney admitted to practice law in the state of Colorado.

D. When a Responsive Pleading is Required.

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1. A respondent shall file a written answer with the hearings division and the Division within 30 days after the date of mailing of any order to show cause. The written answer shall comply with the requirements of Rule 8 of the Colorado Rules of Civil Procedure. If a respondent fails to file a required answer, the Hearing Officer, upon motion, may enter a default against that person pursuant to section 24-4-105(2)(b), C.R.S. For good cause, as described in this Regulation, shown, the hearing officer may set aside the entry of default within ten days after the date of such entry.
2. A denied applicant shall file a written answer with the Hearings Division and the Division within 30 days after the date of mailing of any Notice of Grounds for Denial. The written answer shall comply with the requirements of Rule 8 of the Colorado Rules of Civil Procedure. If a denied applicant fails to file a required answer, the hearing officer, upon motion, may enter a default against that person pursuant to section 24-4-105(2)(b), C.R.S. For good cause shown, as described in this Regulation, the hearing officer may set aside the entry of default within ten days after the date of such entry.

E. Hearing Notices.

1. Notice to Set. The Division shall send a notice to set a hearing to the denied applicant or Respondent in writing by electronic mail or, if an electronic mail address is unknown, by first-class mail to the last mailing address of record.
2. Notice of Hearing. The Hearings Division shall notify the Division and denied applicant or Respondent of the date, place, time, and nature of the hearing regarding denial of the license application or whether discipline should be imposed against the Respondent’s license at least 30 days prior to the date of such hearing, unless otherwise agreed to by both parties. This notice shall be sent to the Denied applicant or Respondent in writing by first-class mail to the last mailing address of record. Hearings shall be scheduled and held as soon as is practicable.
 - A. If an order of summary suspension has been issued pursuant to Regulation 47- 602, the hearing on the order to show cause will be scheduled and held promptly.
 - B. Continuances may be granted for good cause, as described in this Regulation, shown. A motion for a continuance must be timely.
 - C. Good Cause for Continuance. Good cause for a continuance may include but is not limited to: death or incapacitation of a party or an attorney for a party; a court order staying proceedings or otherwise necessitating a continuance; entry or substitution of an attorney for a party a reasonable time prior to the hearing, if the entry or substitution reasonably requires a postponement of the hearing; a change in the parties or pleadings sufficiently significant to require a postponement; a showing that more time is clearly necessary to complete authorized discovery or other mandatory preparation for the hearing; or agreement of the parties to a settlement of the case which has been or will likely be approved by the final decision maker. Good cause for a continuance normally will not include the following: unavailability of counsel because of engagement in another judicial or administrative proceeding, unless the other proceeding was involuntarily set subsequent to the setting in the present case; unavailability of a necessary witness, if the witness’ testimony can be taken by telephone or by deposition; or failure of an attorney or a party timely to prepare for the hearing.

F. Prehearing Matters Generally.

1. Prehearing Conferences Once a Hearing is Set. Prehearing conferences may be held at the discretion of the hearing officer upon request of any party, or upon the hearing officer’s own

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- 1 motion. If a prehearing conference is held and a prehearing order is issued by the hearing
2 officer, the prehearing order will control the course of the proceedings. Such prehearing
3 conferences will be held virtually or by telephone, unless otherwise ordered by the hearing
4 officer.
5
- 6 2. Depositions. Depositions are generally not allowed; however, a hearing officer has discretion
7 to allow a deposition if a party files a written motion and can show why such deposition is
8 necessary to prove its case. When a hearing officer grants a motion for a deposition, C.R.C.P.
9 30 controls. Hearings will not be continued because a deposition is allowed unless (a) both
10 parties stipulate to a continuance and the hearing officer grants the continuance, or (b) the
11 hearing officer grants a continuance over the objection of any party in accordance with
12 paragraphs (E)(2)(b) and (c) of this Regulation.
13
- 14 3. Prehearing Statements Once a Hearing is Set. Prehearing Statements are required and unless
15 otherwise ordered by the hearing officer, each party shall file with the hearing officer and serve
16 on each party a prehearing statement no later than seven calendar days prior to the hearing.
17 Parties shall also exchange exhibits at that time. Parties shall not file exhibits with the hearing
18 officer. Parties shall exchange exhibits by the date on which prehearing statements are to be
19 filed. Prehearing statements shall include the following information:
20
- 21 A. Witnesses. The name, mailing address, and telephone number of any witness whom
22 the party may call at hearing, together with a detailed statement of the expected
23 testimony.
24
- 25 B. Experts. The name, mailing address, and brief summary of the qualifications of any
26 expert witness a party may call at hearing, together with a statement that details the
27 opinions to which each expert is expected to testify. These requirements may be
28 satisfied by the incorporation of an expert's resume or report containing the required
29 information.
30
- 31 C. Exhibits. A description of any physical or documentary evidence to be offered into
32 evidence at the hearing. Exhibits should be identified as follows: Division using
33 numbers and denied applicant or respondent using letters.
34
- 35 D. Stipulations. A list of all stipulations of fact or law reached.
36
- 37 4. Prehearing Statements Binding. The information provided in a party's prehearing statement
38 shall be binding on that party throughout the course of the hearing unless modified to prevent
39 manifest injustice. New witnesses or exhibits may be added only if: (1) the need to do so was
40 not reasonably foreseeable at the time of filing of the prehearing statement; (2) it would not
41 prejudice other parties; and (3) it would not necessitate a delay of the hearing.
42
- 43 5. Consequence of Not Filing a Prehearing Statement Once a Hearing is Set. If a party does not
44 timely file a prehearing statement, the hearing officer may impose appropriate sanctions
45 including, but not limited to, striking proposed witnesses and exhibits.
46
- 47 G. Conduct of Hearings.
48
- 49 1. The hearing officer shall cause all hearings to be electronically recorded.
50
- 51 2. The hearing officer may allow a hearing, or any portion of the hearing, to be conducted in real
52 time by telephone or other electronic means. If a party is appearing by telephone, the party
53 must provide actual copies of the exhibits to be offered into evidence at the hearing to the
54 hearing officer when the prehearing statement is filed. Electronic filings will be accepted at:
55 dor_regulatoryhearings@state.co.us.
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3. The hearing officer shall administer oaths to all witnesses at hearing. The hearing officer may question any witness.

4. The hearing, including testimony and exhibits, shall be open to the public unless otherwise ordered by the hearing officer in accordance with a specific provision of law.

A. Reports and other information that would otherwise be confidential pursuant to subsection 44-3-202(1)(d), C.R.S., may be introduced as exhibits at hearing.

B. Any party may move the hearing officer to seal an exhibit or order other appropriate relief if necessary to safeguard the confidentiality of evidence.

5. Court Rules.

A. To the extent practicable, the Colorado Rules of Evidence apply. Unless the context requires otherwise, whenever the word “court,” “judge,” or “jury” appears in the Colorado Rules of Evidence, such word shall be construed to mean a hearing officer. A hearing officer has discretion to consider evidence not admissible under such rules, including but not limited to hearsay evidence, pursuant to section 24-4-105(7), C.R.S.

B. To the extent practicable, the Colorado Rules of Civil Procedure apply. However, Colorado Rules of Civil Procedure 16 and 26-37 do not apply, although parties are encouraged to voluntarily work together to resolve the case, simplify issues, and exchange information relevant to the case prior to a hearing. Unless the context otherwise requires, whenever the word “court” appears in a rule of civil procedure, that word shall be construed to mean a hearing officer.

6. Exhibits.

A. All documentary exhibits must be paginated by the party offering the exhibit into evidence.

B. The Division shall use numbers to mark its exhibits.

C. The denied applicant or respondent shall use letters to mark its exhibits.

7. The hearing officer may proceed with the hearing or enter a default judgment if any party fails to appear at hearing after proper notice.

H. Post Hearing. After considering all the evidence, the hearing officer shall determine whether the proponent of the order has proven its case by a preponderance of the evidence, and shall make written findings of evidentiary fact, ultimate conclusions of fact, conclusions of law, and a recommendation. These written findings shall constitute an initial decision subject to review by the state licensing authority pursuant to the Colorado Administrative Procedure Act and this paragraph H.

1. Exception(s) Process. Any party may appeal an initial decision to the State licensing authority pursuant to the Colorado Administrative Procedure Act by filing written exception(s) within 30 days after the date of mailing of the initial decision to the denied applicant or respondent and the Division. The written exception(s) shall include a statement giving the basis and grounds for the exception(s). Any party who fails to properly file written exception(s) within the time provided in these regulations shall be deemed to have waived the right to an appeal. A copy of the exception(s) shall be served on all parties. The address of the state licensing authority is: state licensing authority, 1707 Cole Boulevard, Suite 350, Lakewood CO 80401.

2. Designation of Record. Any party that seeks to reverse or modify the Initial Decision of the hearing officer shall file with the state licensing authority, within 20 days from the mailing of the

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1 Initial Decision, a designation of the relevant parts of the record and of the parts of the hearing
2 transcript which shall be prepared, and advance the costs therefore. A copy of this designation
3 shall be served on all parties. Within ten days thereafter, any other party may also file a
4 designation of additional parts of the transcript of the proceedings which is to be included and
5 advance the cost therefore. No transcript is required if the review is limited to a pure question
6 of law. A copy of this designation of record shall be served on all parties.

7
8 3. Deadline Modifications. The state licensing authority may modify deadlines and procedures
9 related to the filing of exceptions to the initial decision upon motion by either party for good
10 cause shown.

11
12 4. No Oral Argument Allowed. Requests for oral argument will not be considered.

13
14 I. No Ex Parte Communication. Ex parte communication shall not be allowed at any point following the
15 formal initiation of the hearing process. A party or counsel for a party shall not initiate any
16 communication with a hearing officer or the state licensing authority, or with conflicts counsel
17 representing the hearing officer or state licensing authority, pertaining to any pending matter unless all
18 other parties participate in the communication or unless prior consent of all other parties (and any pro
19 se parties) has been obtained. Parties shall provide all other parties with copies of any pleading or
20 other paper submitted to the hearing officer or the state licensing authority in connection with a hearing
21 or with the exceptions process.

22
23 J. Liquor Enforcement Division representation. The Division shall be represented by the Colorado
24 Department of Law.

25 **Regulation 47-900. Conduct of Establishment.**

26 Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to-is located at~~
27 subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(L), 44-3-202(2)(a)(I)(M), 44-3-202(2)(a)(I)(P), and 44-3-
28 202(2)(a)(I)(R), C.R.S. In accordance with the legislative declaration of section 44-3-102, C.R.S., the Colorado
29 Liquor Code is deemed an exercise of the police powers of the State of Colorado for the protection of the
30 economic and social welfare and the health, peace, and morals of the people of the State of Colorado.
31 Regulation of the manufacture, distribution, and sale of alcohol beverages is regulated by the Colorado Liquor
32 Code as a matter of statewide concern. The purpose of this regulation is to exercise proper regulation and
33 control over the sale of alcohol beverages, promoting the social welfare, the health, peace and morals of the
34 people of the State, and to establish uniform standards of decency, orderliness, and service within the licensed
35 industry. Additionally, Sections 14 and 16 of Article XVIII of the Constitution of Colorado do not permit open
36 and public consumption of marijuana and the State Licensing Authority deems liquor licensed premises to be
37 public places.

38 A. Orderliness, loitering, serving of intoxicated persons.

39 Each person licensed under Article 3, Article 4, and Article 5 of Title 44, and any employee or agent of
40 such licensee shall conduct the licensed premises in a decent, orderly and respectable manner, and
41 shall not serve a known habitual drunkard or any person who displays any visible signs of intoxication,
42 nor shall they permit a known habitual drunkard or any person who displays any visible signs of
43 intoxication to remain on the licensed premises without an acceptable purpose, nor shall the licensee,
44 ~~his~~ **their** employee or agent knowingly permit any activity or acts of disorderly conduct as defined by
45 and provided for in Section 18-92022106, C.R.S., nor shall a licensee permit rowdiness, undue noise,
46 or other disturbances or activity offensive to the senses of the average citizen, or to the residents of
47 the neighborhood in which the licensed establishment is located.

48 B. Attire and conduct of employees and patrons.

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1 No person licensed under Article 3, Article 4, and Article 5 of Title 44, nor any employee or agent of
2 such person licensed under these Articles shall engage in or permit the following:

- 3 1. Employment or use of any person in the sale or service of alcohol beverages in or upon the
4 licensed premises while such person is unclothed or in such attire, costume or clothing as to
5 expose to view any portion of the female breast below the top of the areola or of any portion of
6 the pubic hair, anus, cleft of the buttocks, vulva or genitals.
- 7 2. Employment or use of the services of any hostess or other person to mingle with the patrons
8 while such hostess or other person is unclothed or in such attire, costume or clothing as
9 described in paragraph number (1) above.
- 10 3. Any person on the licensed premises touching, caressing or fondling the breasts, buttocks,
11 anus, or genitals of any other person.
- 12 4. Any employee or person on the licensed premises wearing or using any device or covering of
13 any kind, which exposes or simulates the breasts, genitals, anus, pubic hair or any other
14 portion thereof.

15 C. Entertainment.

16 Live entertainment is permitted on any licensed premises, except that:

- 17 1. No person licensed under Article 3, Article 4, and Article 5 of Title 44, nor any employee or
18 agent of such person licensed under these Articles shall engage in or permit any person to
19 perform acts of or acts which simulate:
 - 20 a. Sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation or
21 any sexual acts which are prohibited by law.
 - 22 b. The touching, caressing or fondling of the breasts, buttocks, anus or genitals.
 - 23 c. The displaying of pubic hair, anus, vulva or genitals.
- 24 2. No licensee nor any employee or agent of such licensee shall engage in or permit any person
25 to use artificial devices or inanimate objects to depict any of the prohibited activities described
26 above.
- 27 3. No licensee nor any employee or agent of such licensee shall engage in or permit any person
28 to remain in or upon the licensed premises who exposes to public view any portion of ~~his or~~
29 ~~her~~ their genitals or anus.
- 30 4. No licensee nor any employee or agent of such licensee shall wear or use any device or
31 covering of any kind that exposes or simulates the breasts, genitals, anus, pubic hair or other
32 portion thereof.

33 D. Visual displays.

34 No person licensed under Article 3, Article 4, and Article 5 of Title 44, nor any employee or agent of
35 such person licensed under these Articles, shall engage in or permit on the licensed premises the
36 showing of film, still pictures, electronic reproduction, or other visual reproductions depicting:

- 37 1. Acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral copulation,
38 flagellation or any sexual acts which are prohibited by law.

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- 1 2. Any person being touched, caressed or fondled on the breasts, buttocks, anus or genitals.
- 2 3. Scenes wherein a person displays the vulva or the anus or the genitals.
- 3 4. Scenes wherein artificial devices or inanimate objects are employed to depict, or drawings are
4 employed to portray, any of the prohibited activities described above.

5

- 6 E. Marijuana consumption.

7 No person or entity licensed under Article 3, 4, or 5 of Title 44, C.R.S. shall permit the consumption of
8 marijuana and/or marijuana products as defined in sections 14 and 16 of Article XVIII of the
9 Constitution of Colorado on any licensed premises.

- 10 F. Local ordinances.

11 This regulation shall not be deemed to authorize or permit any conduct, behavior or attire on licensed
12 premises which is otherwise prohibited by any city or county ordinances.

13 **Regulation 47-901. Public Consumption of Alcohol Beverages.**

14 Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-
15 103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(D), and 44-3-202(2)(a)(I)(R), C.R.S. The purpose of
16 this regulation is to establish a mechanism for an appropriate authority to notify the state licensing authority
17 when public consumption ordinances, resolutions, or rules are promulgated within the applicable jurisdiction so
18 that the state licensing authority is aware of the varying ordinances, resolutions, or rules.

- 19 A. A local licensing authority or the Parks and Wildlife Commission, as applicable, shall notify the Division
20 of any new or amended ordinance, resolution, or rule which authorizes the public consumption of
21 alcohol beverages. Such notification must include a copy of and citation to the ordinance, resolution, or
22 rule.

- 23 B. Notification should be made to the Division by emailing dor_led@state.co.us within thirty (30) days of
24 adoption of the ordinance, resolution, or rule establishing, amending, or repealing public consumption
25 authorizations.

26 **Regulation 47-902. Sanitary Requirements.**

27 Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to~~ ~~is located at~~
28 subsections 44-3-202(1)(b) and 44-3-202(2)(a)(I)(L), C.R.S. The purpose of this regulation is to require clean
29 and sanitary conditions for on-premises consumption licensees.

- 30 A. Each licensee selling alcohol beverages for consumption on the premises, shall maintain its
31 establishment in clean and sanitary condition.

- 32 B. If the licensee is also required to be licensed by the Colorado Department of Public Health and
33 Environment or ~~any applicable local public health agency~~ ~~the Denver Department of Excise and~~
34 ~~Licenses~~, it shall maintain the Colorado Department of Public Health and Environment or the ~~local~~
35 ~~public health~~ ~~Denver Department of Excise and Licenses~~ licenses in full force and effect at all times
36 while selling such alcohol beverages for consumption therein.

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

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- 1 Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-
2 202(1)(b) and 44-3-202(2)(a)(I)(M), and 44-3-202(2)(a)(I)(N), C.R.S. The purpose of this regulation is to
3 establish filling, labeling, and sampling and analyzing standards for alcohol beverages.
- 4 A. No licensee, for the sale of alcohol beverages for consumption on the premises where sold, shall
5 maintain thereon any container of alcohol beverage which contains any such substance other than that
6 contained at the time such container was received by or delivered to the licensee. Nothing herein shall
7 prohibit a licensee from using emptied alcohol beverage bottles with labels removed by filling them
8 with non-alcohol items (e.g. marbles, sand, salt, pepper) for the purpose of decorations or display.
9 Nothing herein shall prohibit a licensee from using emptied, cleaned alcohol beverage bottles with
10 labels removed by filling them with water for patrons to consume on premises.
- 11 B. No licensee, for the sale of alcohol beverages for consumption on the premises where sold, shall
12 substitute one brand, type, or alcohol content of alcohol beverages for that which has been specifically
13 requested by a customer, unless the customer expressly consents to the substitution.
- 14 C. Except manufacturers or malt liquor manufacturers with an onsite wholesale sales room, no licensee
15 shall refill or permit the refilling of any alcohol beverage container with alcohol beverage or reuse any
16 such container by adding distilled spirits or any substance, including water, to the original contents or
17 any portion of such original contents. There shall be no prohibition against the use of carafes, pitchers
18 or similar serving containers for alcohol beverages.
- 19 D. If sampling, analysis or other means shall establish that any such licensee has upon the licensed
20 premises any bottle or other container which contains alcohol beverage of a different brand, type, or
21 alcohol content than that which appears on the label thereof, such licensee shall be deemed to have
22 violated this regulation.
- 23 E. All licensees for the sale of alcohol beverages for consumption on the premises where sold shall, upon
24 request of the Division or any of its officers, make available to the person so requesting a sufficient
25 quantity of such alcohol beverage to enable sampling or analysis thereof. The licensee shall be notified
26 of the results of the sampling or analysis without delay.
- 27 F. The manufacturer or importer of any alcohol beverage product sold in or shipped to Colorado must
28 register said product with the Division prior to the date of the product's initial intended date of sale or
29 shipment. If required by applicable Federal laws or regulations, alcohol beverages sold in Colorado
30 must have obtained either a "Certificate of Label Approval" or a "Certificate of Exemption" from the
31 Alcohol and Tobacco Tax and Trade Bureau ("TTB").
- 32 G. The manufacturer or importer of alcohol beverage products that have obtained a TTB "Certificate of
33 Exemption" are required upon request to certify that their product's label will comply with TTB labeling
34 criteria as found in the "Federal Alcohol Administration Act" 27 CFR Subchapter A - Liquor Part 4,
35 Subpart D; Part 5, Subpart D; and Part 7, Subpart C.
- 36 1 The material incorporated by reference shall be those effective as of January 1, 2019. Material
37 incorporated by reference in this rule does not include later amendments to or editions of the
38 incorporated material. Copies of the material incorporated by reference may be obtained by
39 contacting the Director of the Colorado Liquor Enforcement Division of the Department of
40 Revenue at; dor_led@state.co.us, or at the Division's office located at 1707 Cole Boulevard,
41 Suite 300, Lakewood, Colorado, 80401, and copies of the material may be examined at any
42 state publication depository library.

43 Regulation 47-905. Colorado Wineries – Labeling and Records

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1 Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to~~ ~~is located at~~
2 subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(N), 44-3-202(2)(a)(I)(O), and 44-3-403(3), C.R.S. The purpose of
3 this regulation is to establish labeling and record keeping standards for Colorado wineries.

4 A. A Colorado winery must include on the labels of all grape wines, even those exempted from approval
5 by the United States Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau (TTB),
6 information identifying the appellation of origin such as country, state, province, county or viticultural
7 area.

8 B. A Colorado winery using the words “Colorado grown” on a label shall use only 100% Colorado grown
9 grapes, fruit or other agricultural products in the manufacture of that labeled vinous liquor.

10 C. Honey wine, mead or any vinous liquor the alcoholic content of which is primarily obtained from
11 fermented honey shall not be subject to paragraph A of this regulation, 47-905, except that the use of
12 the phrase “Colorado grown” shall require that all honey and any other agricultural products used to
13 manufacture or flavor the wine must be grown, gathered or harvested within Colorado.

14 D. A Colorado winery shall maintain records of the purchase and harvest of agricultural produce used in
15 the manufacture of each of its vinous liquors. Such records shall be sufficient to verify the source of
16 agricultural produce used in the manufacture of vinous liquors. These records shall be available for
17 inspection by the Division for a period of three years after the first sale of each vinous liquor, or longer
18 if required by other applicable statutes or regulations.

19 E. ~~All labels shall comply with all applicable federal wine labeling requirements and nothing in this~~
20 ~~regulation shall be construed to supersede any more stringent statute or regulation. Any stock of~~
21 ~~printed labels in the possession of a winery prior to this regulation taking effect shall be exempt from~~
22 ~~these regulations until such time as that stock of printed labels is depleted. Neither this paragraph nor~~
23 ~~any other provision in this regulation shall be construed to supersede any more stringent statute or~~
24 ~~regulation. More specifically, labels exempted from this regulation under this paragraph are in no way~~
25 ~~exempt from complying with any and all applicable federal wine labeling requirements.~~

26 F. A Colorado limited winery shall, on or before February 28, annually declare on a form (DR 4639
27 Colorado Limited Winery Annual Production Certification) provided by the Division that it did not
28 manufacture more than 100,000 gallons of vinous liquor in the preceding calendar year.

29 Regulation 47-906. Container Size

30 Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to~~ ~~is located at~~
31 subsections 44-3-202(1)(b) and 44-3-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to establish
32 container size standards for vinous or spirituous liquors, available for sale in different licensed establishments.

33 A. No manufacturer or wholesaler shall sell or deliver any vinous or spirituous liquors to any Colorado
34 licensed retailer licensed for the sale of alcohol beverages for consumption on the premises in any
35 container prohibited by this regulation.

36 B. No Colorado licensed retailer licensed under Article 3 for the sale of alcohol beverages for the
37 consumption on the premises shall purchase or have in its possession upon or about the licensed
38 premises spirituous liquor of over fourteen (14) percent alcohol by volume in any container of less than
39 375 milliliters, or vinous liquors of over fourteen (14) percent alcohol by volume in any container of less
40 than 375 milliliters, and no vinous or spirituous liquors, regardless of alcohol content, shall be
41 purchased or possessed on the licensed premises in any flat or flask-shaped container of less than
42 twenty-four (24) ounce capacity. The provisions of this subsection B, shall not apply to an aggregate
43 package of alcohol beverages that are, upon manufactured packaging and sale to a retailer, at least
44 375 milliliters in aggregate, and provided that the individual containers within the aggregate package

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1 are opened by the licensee prior to serving consumers, and that neither the seal nor any other device
2 that can be used to seal the container is provided by the licensee to the consumer.

3 C. The provisions of subsection B, herein above, shall not apply to any retailer licensed as a public
4 transportation system pursuant to Article 3. However, no person licensed as a public transportation
5 system shall purchase or possess on the licensed premises any vinous or spirituous liquors in any flat
6 or flask-shaped container less than twenty-four (24) ounce capacity. In addition, no person licensed as
7 a public transportation system shall sell or serve any vinous or spirituous liquor to any person except in
8 an open container, or in a container which has had the lid, top, cork, or seal broken open or removed.

9 D. The provisions of subsection B, herein above, shall not apply to containers of any size in hotel guest
10 rooms nor shall it prohibit any hotel and restaurant licensee including an optional premise licensee,
11 from purchasing or possessing for sale to customers, for on-premise consumption only, any container
12 which is not less than 1.7 fluid ounce capacity; provided, however, the licensee must open the lid, top
13 or cork, break and remove the seal, and pour the contents of the container into a serving glass or other
14 serving container. The customer may retain the empty container as a souvenir.

15 E. The alcohol beverage containers referred to in paragraphs B, C, and D of this regulation shall include
16 all alcohol beverages marketed in the nearest metric equivalent measure container.

17 Regulation 47-908. Automatic and Electronic Dispensing Systems.

18 Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to~~ ~~is located at~~
19 subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(B), 44-3-202(2)(a)(I)(E), 44-3-
20 202(2)(a)(I)(L), 44-3-202(2)(a)(I)(M), and 44-3-202(2)(a)(I)(N), C.R.S. The purpose of this regulation is to
21 establish requirements for an on-premises consumption licensee's self-dispensing system and its operation if a
22 licensee has a self-dispensing system on the licensed premises.

23 The installation of automatic and electronic dispensing systems by on-premises consumption licensees is
24 authorized provided that the following requirements are complied with:

25 A. Such equipment must avoid an in-series hook-up which would permit the contents of vinous and
26 spirituous liquor bottles or containers to flow from bottle to bottle before reaching the dispensing spigot
27 or nozzle. Such equipment shall not permit intermixing of different brands, or differently labeled types,
28 of the same kind of alcohol beverages within the dispensing systems.

29 B. Where any part of such installation is within a locked area, upon demand to the licensee, such area
30 shall be made available for inspection without delay; and upon request by an authorized representative
31 of the licensing authority, or peace officers, such licensees shall open said area for inspection.

32 C. Such equipment shall not be coin operated nor be able to accept other payment methods and shall be
33 operated personally and directly only by the licensee or employees thereof. Provided, however, this
34 subsection (C) does not apply to a dispensing system that is located at a licensed premises where the
35 regular consumption of malt liquors, fermented malt beverages, vinous liquor or spirituous liquor by
36 persons over the age of twenty-one is authorized under the following conditions:

37 1. Prior to activation of such device, the licensee or their employee has determined the patron is
38 (1) twenty-one (21) years of age or older, and (2) is otherwise legally able to be served an
39 alcohol beverage; and

40 2. Such activation of the device is conducted by the licensee or employee thereof; and

41 3. Such activation provides the ability to dispense no more than thirty-two (32) ounces of malt
42 liquor or fermented malt beverage; or fourteen (14) ounces of vinous liquor; or two (2) ounces
43 of spirituous liquor, per person, before reactivation is allowed; and

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1 4. The licensee or their employees shall monitor the sale, service, and consumption of any
2 alcohol beverages from the dispensing system to ensure compliance with the Colorado Liquor
3 Code and Rules.

4 5. No alcohol shall be dispensed outside the times allowed pursuant to sections 44-3-901(6) or
5 44-3-301(10)(c)(V), C.R.S. and any un-dispensed alcohol after such time will be forfeited and
6 not be able to be dispensed at a later time. This paragraph (5) does not prohibit a refund of
7 unused credit to a consumer.

8 Any dispensing device used solely by the licensee or their employees is not subject to paragraph C.

9 D. No alcohol beverage shall be sold, served or dispensed from such system equipment unless the brand
10 names of the manufacturer's product, corresponding to the container from which the alcohol beverage
11 is drawn, are conspicuously posted and visible to the customer; or are imprinted on a card, sign or
12 plate, and are visible to the public.

13 E. The installation of such equipment without compliance with any of the foregoing requirements shall
14 constitute good and sufficient cause for the suspension, cancellation or revocation of the license.

15 **Regulation 47-910. Consumption Prohibited.**

16 Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to-is located at~~ 44-3-
17 202(1)(b) and 44-3-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to prohibit on-premises
18 consumption of alcohol beverages during any time prohibited by law.

19 No retail licensee shall permit the consumption of any alcohol beverages on the licensed premises at any time
20 during such hours as the sale of such beverages is prohibited by law.

21
22 **Regulation 47-912. Identification.**

23
24 Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-
25 103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(a)(I)(R), 44-3-410(2)(a)(IV), and 44-3-901(11)(a), C.R.S.
26 The purpose of this regulation is to define adequate identification criteria for purposes of demonstrating age,
27 and establish the factors of an affirmative defense available to a licensee for an alleged sale to a minor.

28
29 A. Except as otherwise provided in section 44-3-901(11), C.R.S., licensees may refuse to sell alcohol
30 beverages to any person if unable to verify the person is at least twenty-one years of age. Verification
31 of age can be done by either:

32 1. Producing adequate identification of age, including any verified digital identification, that is
33 valid and unexpired. Identification of age is adequate if it contains a picture and date of birth
34 and is one of the following:

35 a. Any type of driver's license, or identification card issued by any state within the United
36 States, the District of Columbia, any U.S. Territory, or any foreign country, including
37 Canada or Mexico;

38 b. A United States military identification card or any other identification card issued by the
39 United States government including, but not limited to, a permanent resident card,
40 alien registration card, or consular card;

41 c. A passport, or passport identification card;

42 d. A valid consular identification card from any foreign country; or

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- 1 2. Using a biometric identity verification device. For purpose of this regulation, “biometric identity
2 verification device” means a device that instantly verifies the identity and age of a person by
3 an electronic scan of a biometric characteristic of the person, such as a fingerprint, iris, face,
4 or other biometric characteristic, or any combination of these characteristics; references the
5 person’s identity and age against any record of identification described in paragraph (A)(1) of
6 this regulation; and contemporaneously provides the licensee with identity and age verification
7 for the person utilizing the device. Prior to using a biometric identity verification device to verify
8 the identity and age of a person for purposes of this paragraph (A)(2), the licensee shall
9 ensure the device provider has systems in place to:
 - 10 a. Verify the authenticity of any identification records by an electronic authentication
11 process;
 - 12 b. Verify the identity of, and relevant identifying information about, the person through a
13 secondary, electronic authentication process or set of processes utilizing commercially
14 available data, such as a public records query or a knowledge-based authentication
15 quiz; and
 - 16 c. Securely link the authenticated record to biometric characteristics contemporaneously
17 collected from the person and store the authenticated record in a centralized, highly
18 secured, encrypted biometric database.

- 19 B. It shall be an affirmative defense to any administrative action brought against a licensee for alleged
20 sale to a minor if the licensee meets its burden of proof to establish, by a preponderance of the
21 evidence, that:
 - 22 1. The minor presented fraudulent identification of the type established in paragraph (A)(1) of this
23 regulation, and the licensee possessed an identification book issued within the past ~~three-two~~
24 (2) years, which contained a sample of the specific kind of identification presented for
25 compliance purposes, or;
 - 26 2. The licensee used and relied upon a biometric identity verification device that indicated the
27 minor was twenty-one years of age or older, in accordance with paragraph (A)(2) of this
28 regulation.
 - 29 3. A licensee asserting the affirmative defense, as described in Paragraph (B)(2) of this
30 regulation, shall be responsible for obtaining, and providing to the Division, all records
31 necessary to establish that a biometric identity verification device was used as age verification
32 for the transaction in question.

- 33 C. If a liquor-licensed drug store elects to use a biometric identity verification device at a selfcheckout
34 machine or other mechanism described in section 44-3-410(2)(a)(III), C.R.S., it shall not allow a
35 consumer to complete the alcohol beverage purchase without assistance from and completion of the
36 entire transaction by an employee of the liquor-licensed drugstore.

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

Basis and Purpose. The statutory authority for this regulation ~~includes, but is not limited to, is located at~~
subsections 44-3-202(1)(b) and 44-3-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to make clear ~~the~~
~~circumstances under which alcohol may be removed from an on-premises licensee’s licensed premises., with~~
~~the limited exceptions found in section 44-3-423, C.R.S. that knowingly permitting the removal of any alcohol~~
~~beverages 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 44-3-~~
~~901(10)(a)(II), C.R.S.~~

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- 1 A. Except as provided by ~~Articles 3, 4, or 5 of Title 44, section 44-3-423 C.R.S., or subsection 44-3-~~
2 ~~107(2), C.R.S.~~ no licensee, manager or agent of any establishment licensed for on-premises
3 consumption shall knowingly or recklessly permit the removal from the licensed premises of any
4 alcohol beverages in sealed or unsealed containers.
5
6 1. Licensees that post signs as specified in subsection 44-3-901(10)(a)(II)(A), C.R.S., must
7 post the signs at all exits in a location that can be easily identified and read by patrons
8 using those exits.
9
10 2. Regardless of whether a licensee posts a sign as specified in subsection 44-3
11 901(10)(a)(II)(A), C.R.S., the licensee may be charged with knowingly permitting the
12 removal of an alcohol beverage from the licensed premises if the licensee shows reckless
13 disregard for the prohibitions against alcohol beverage removal from the licensed
14 premises ~~that are applicable to their license or permit type., which may include permitting~~
15 ~~the removal of an alcohol beverage from the licensed premises three times within a~~
16 ~~twelve month period, regardless of whether the three incidents occur on the same day or~~
17 ~~separate days. A licensee may be charged with knowingly permitting the removal of an~~
18 ~~alcohol beverage from the licensed premises upon the third occurrence of alcohol~~
19 ~~beverage removal from the licensed premises.~~
20
21 B. Licensees who may permit a patron to remove a partially consumed bottle of vinous liquor pursuant to
22 section 44-3-423, C.R.S., shall reseal the bottle with a cork or other commercially manufactured
23 stopper.
24
25 C. Patrons transporting a partially consumed bottle of vinous liquor in a motor vehicle shall comply with the
26 requirements of section 42-4-1305, C.R.S.
27
28 D. Wholesalers may remove sealed and unsealed containers of alcohol beverages from liquor licensed
29 premises that had been introduced during the retailer sampling.
30
31 E. ~~Licensees who may permit a patron to remove an alcohol beverage from the licensed premises~~
32 ~~pursuant to a takeout and delivery permit shall comply with the requirements of regulation 47-1101 and~~
33 ~~section 44-3-911, C.R.S.~~
34

Regulation 47-1000. Qualifications for Special Event Permit.

35
36
37 Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to is located at~~
38 ~~subsections 44-3-202(1)(b), and 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), and 44-5-102, C.R.S.~~ The purpose
39 of this regulation is to define the types of organizations that qualify for a special event permit.
40

41 ~~A special event permit under the Special Event Code may be issued to: Organizations qualifying for special~~
42 ~~events permit: are described as follows:~~
43

- 44 A. ~~An organization, whether or not presently licensed under the Liquor Code or Beer Code, that:~~
45
46 1. ~~Has been incorporated Organizations that are incorporated~~ under the laws of this state for
47 social, fraternal, patriotic, political, educational, or athletic purposes, and not for pecuniary gain
48
49 2. ~~Is a~~ regularly chartered branch, lodge, or chapter of a national organization or society
50 organized for social, fraternal, patriotic, political, educational, or athletic purposes and is
51 nonprofit in nature.
52
53 3. ~~Is a~~ regularly established religious or philanthropic institution.
54
55 4. ~~Is a~~ state institution of higher education, to include each principal campus of such institution.

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- B. ~~Any municipality, county, or special districts.~~
- C. Any political candidate who has filed the necessary reports and statements with the secretary of state pursuant to article 45 of title 1, C.R.S. **As used in this regulation:**
 - 1. "Political" as used in article 5 of title 44, shall mean any political organization or political party; ~~as defined in 1-1-104, C.R.S.~~
 - 2. "Political organization" means any group of registered electors who, by petition for nomination of an unaffiliated candidate as provided in section 1-4-802, C.R.S., places upon the official general election ballot nominees for public office pursuant to section 1-1-104(24), C.R.S. as defined in section 1-1-104, C.R.S.; and
 - 3. "Political party" means either a major political party or a minor political party pursuant to 1-1-104(25). However, no permit shall be required for those individuals or candidates campaigning or running for public office and who sponsor fund raising activities when such activities are held in a private residence and there is no cash bar in operation.
- ~~C. Any nonprofit or charitable organization that is incorporated or registered with the Colorado secretary of state.~~
- ~~D. A regularly chartered branch, lodge, or chapter of a national organization or society organized for social, fraternal, patriotic, political, educational, or athletic purposes and is nonprofit in nature.~~
- ~~E. A regularly established religious or philanthropic institution.~~
- ~~F. A state institution of higher education, to include each principal campus of such institution.~~
- ~~G. Any political candidate who has filed the necessary reports and statements with the secretary of state pursuant to article 45 of title 1, C.R.S. Political as used in article 5 of title 44, shall mean any political organization or political party as defined in section 1-1-104, C.R.S. However, no permit shall be required for those individuals or candidates campaigning or running for public office and who sponsor fund raising activities when such activities are held in a private residence and there is no cash bar in operation.~~
- DH. An entity that is either a state agency, the Colorado Wine Industry Development Board created in section 35-29.5-103, C.R.S., or an instrumentality of a municipality or county, provided that the entity promotes:
 - 1. Alcohol beverages manufactured in the state; or
 - 2. Tourism in an area of the state where alcohol beverages are manufactured.

~~I. Repealed.~~

Regulation 47-1002. Application for Special Event Permit.

Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to is located at~~ subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(C), ~~and~~ 44-3-202(2)(a)(I)(D), 44-3-202(2)(a)(I)(R), 44-5-106 and 44-5-107, C.R.S. The purpose of this regulation is to establish procedures and forms required ~~to apply for and obtain to issue~~ a special event permit.

- A. Applications for special event permits shall be made on forms provided by the local or state licensing authority and verified by oath or affirmation of an officer, or a duly appointed designee, of the applicant

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organization.

1. Process When Local Licensing Authority Elects Local-Only Approval Method.

aB. A local licensing authority may elect not to notify the state licensing authority for the purpose of obtaining the state licensing authority’s approval or disapproval of an application for a special event permit. Any local licensing authority electing not to notify the state licensing authority shall promptly act upon each application for a special event permit.

b4. The local licensing authority acting as the sole reviewer of the application shall report to the Division, within ten (10) days from issuance of a special event permit, the name of the permitted organization, the address of the permitted location, and the permitted dates of alcohol beverage service.

~~2. The Division shall maintain on its public website the statewide permitting activity, which the local authority shall review prior to its approval and issuance of permits in order to ensure compliance with section 44-5-105(3), C.R.S. regarding the maximum number of permits that may be issued to an organization each calendar year.~~

~~C. Applications shall be filed with the local licensing authority not less than thirty (30) days prior to the date of the special event. The respective local licensing authority shall investigate each special event permit application, and shall either approve or deny such application upon proper grounds in accordance with the provisions of article 5 of title 44, C.R.S.~~

2. Process When Local Authority Elects State and Local Approval Method.

aD. If a local licensing authority elects to notify the state licensing authority for the purpose of obtaining the state licensing authority’s approval or disapproval of an application for a special event permit already approved by the local licensing authority, the local licensing authority shall submit the permit application, ~~shall be accompanied by the applicable state permit fees, to the and shall be submitted to Division the state licensing authority~~ not less than ten (10) days prior to the date of the event.

b. The state licensing authority may not consider or approve a special event permit application unless it is first approved by the local licensing authority.

~~B. The Division shall maintain on its public website the statewide permitting activity, which the local licensing authority shall review prior to its approval and issuance of permits in order to ensure compliance with section 44-5-105(3), C.R.S., regarding the maximum number of permits that may be issued to an organization each calendar year.~~

~~C. Public Notice Posting, Protests, and Hearings on Special Event Permit Applications.~~

~~1. A public notice of the proposed special event permit, on a form approved by the state licensing authority and in compliance with paragraph (D)(2) of this regulation, shall be conspicuously posted on the proposed location for at least ten (10) days before approval of the permit by the local licensing authority.~~

~~2. The public notice shall set forth the procedure for protesting issuance of the permit, including information concerning the address, or email address, where an affected person must submit any written protest, and the date and time by which any written protest must be received. To be considered, any written protest must be submitted to the address or email address listed in the public notice by affected persons within ten (10) days after the date of the public notice.~~

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- 1 3. The local licensing authority shall cause a hearing to be held if, after investigation and upon
2 review of the contents of any protest filed by affected persons, sufficient grounds appear to
3 exist for denial of a permit. No hearing is required if sufficient grounds do not appear to exist
4 for denial of a permit, but a hearing may still be held at the discretion of the local licensing
5 authority.
- 6
- 7 4. Any hearing required by this regulation, or any hearing held at the discretion of the local
8 licensing authority, shall be held at least ten (10) days after the initial posting of the public
9 notice. Notice of the hearing shall be provided to the applicant and any person who has filed
10 any written protest.
- 11
- 12 D. The local licensing authority may assign all or a part of its functions under the Special Event Code to
13 an administrative officer. The Division may accept an assignment of all or a part of a local licensing
14 authority's functions under the Special Event Code if agreed upon by the Division and the local
15 licensing authority in writing.
- 16
- 17 EG. The state or local licensing authority, for good cause, may waive the time requirements set forth in this
18 regulation, but may not waive any time requirements specified in article 5 of title 44, C.R.S.
- 19
- 20 FH. The holder of ~~any type of a~~ special event permit issued by ~~either the local, and if applicable the state,~~
21 licensing authority, shall post such permit **in a conspicuous place** upon the premises covered by such
22 permit and **upon** any authorized non-contiguous storage areas, and it shall produce evidence of the
23 permit to any law enforcement officer **upon request**.
- 24

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

25
26
27 Basis and Purpose. The statutory authority for this regulation **includes but is not limited to ~~is located at~~**
28 **subsections 44-3-202(1)(b), ~~and~~ 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R),** C.R.S. The purpose of this
29 regulation is to make clear that a special event permit is non-transferable, and is only valid for dates and
30 locations specified in the application.

- 31
- 32 A. The special event permit issued by the local or state licensing authority for a specific date and location,
33 as properly described in the application for such permit, is non-transferable. Such permit is not valid for
34 any other date or location unless the local licensing authority published notice of, and considered,
35 other alternate dates or locations in the event of inclement weather, etc.
- 36
- 37 B. The special event permit cannot be transferred to any other organization, nor may any other person or
38 organization exercise the privileges of said permit, directly or indirectly.
- 39

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

41
42 Basis and Purpose. The statutory authority for this regulation **includes but is not limited to ~~is located at~~**
43 **subsections 44-3-202(1)(b), 44- 3-202(2)(a)(I)(A), and 44-3-202(2)(a)(I)(R),** C.R.S. The purpose of this
44 regulation is to make clear that the issuance of a special event permit within a distance restricted (500 ft) area
45 pertaining to school property during hours in which no school classes are scheduled is permitted and otherwise
46 prohibiting the same.

- 47
- 48 A. No application for the issuance of a special event permit for the sale of malt, vinous or spirituous
49 liquors shall be received or acted upon where the premises upon which the alcohol beverage is to be
50 sold is located within five hundred feet of any public or parochial school or the principal campus of any
51 college, university or seminary, which distance is to be measured as set forth in the liquor code or
52 related regulations.
- 53
- 54 B. This restriction shall not be imposed during those hours in which no school classes are scheduled, or

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1 shall not apply to those applicable exceptions set forth in subsection 44-3- 313(1)(d)(I), C.R.S. or
2 related regulations.

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

5
6 Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to-is located-at~~
7 subsections 44-3-202(1)(b), ~~44-3-202(2)(a)(I)(A), and 44-3-202(2)(a)(I)(D), and 44-3-202(2)(a)(I)(A),~~ C.R.S.
8 The purpose of this regulation is to allow one special event permit with duplicate copies if the event will be
9 conducted on a series of separate private residences.

10
11 Upon filing of satisfactory evidence with the local licensing authority, an organization qualifying under article 5
12 of title 44, C.R.S. may obtain a single permit with duplicate copies for a particular event if such event is to be
13 conducted in a series of separate private residences, provided such residences are in the same neighborhood
14 and local licensing jurisdiction and the application contains the specific description or address of each of the
15 proposed residential premises. Said permit shall not be valid for any other locations and shall be subject to the
16 time restriction set forth in articles 3, 4, and 5 of title 44, C.R.S. Nothing herein shall permit the operation of a
17 cash bar at any of the specified locations.

18 **Regulation 47-1010. Special Event Permit - Possession of Beverages.**

19
20
21 Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to-is located-at~~
22 subsections 44-3-202(1)(b), ~~and 44-3-202(2)(a)(I)(A), and 44-3-202(2)(a)(I)(R),~~ C.R.S. The purpose of this
23 regulation is to declare that a permittee shall only allow the sale, possession, or consumption of alcohol
24 beverages as defined within the permit's terms.

- 25
26 A. No special event permittee shall allow the sale, possession, or consumption of any alcohol beverages
27 on the licensed premises when or where the sale, possession or consumption of such alcohol
28 beverages is prohibited by the permit.
29
30 B. Except as provided by subsection 44-3-107(2), C.R.S., no person shall possess or consume on the
31 licensed premises any beverage other than that allowed by the type of special events permit as issued.
32
33 C. Special event permittees shall only sell licensed beverages by the drink to persons for consumption on
34 the licensed premises.
35

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

37
38 Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to-is located-at~~
39 subsections 44-3-202(1)(b), ~~and 44-3-202(2)(a)(I)(A), and 44-3-202(2)(a)(I)(R),~~ C.R.S. The purpose of this
40 regulation is to establish age requirements for alcohol beverage employees, agents, or volunteers under a
41 special event permit.
42

- 43 A. No person under eighteen (18) years of age may sell, serve, dispense or handle alcohol beverages.
44
45 B. Malt, vinous, and spirituous liquors special event permittees may permit a person who is at least eighteen
46 (18) years of age but less than twenty-one (21) years of age to sell, serve, dispense, or handle alcohol
47 beverages when said person is under the direct supervision of a person who is at least twenty-one (21)
48 years of age.
49
50 C. Fermented malt beverage special event permittees may permit a person who is at least eighteen (18)
51 years of age to sell, serve, dispense, or handle fermented malt beverages.
52

53 **Regulation 47-1014. Special Event Permit - Discipline/Complaint Against Special Event Permittees** 54 **and Special Event Festival Licensees-Cancellation- Suspension or Revocation of Permit – Summary**

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1 **Suspension.**

2
3 Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to~~ ~~is located at~~
4 subsections 44-3-202(1)(b), ~~44-3-202(2)(I)(A), and 44-3-202(2)(a)(I)(E), 44-3-202(2)(a)(I)(R), 44-3-404, 44-5-~~
5 ~~103, and 44-3-601, C.R.S.~~ The purpose of this regulation is to establish general processes and procedures
6 required for the licensing authority to ~~suspend, revoke, or deny future applications of,~~ take disciplinary action
7 ~~against~~ a special event permit holder for violations of certain laws, rules, or regulations ~~and against the~~
8 ~~licensees participating in a special event festival.~~

9 10 11 A. Special Event Permit Holder – Violations.

- 12
13 1. ~~Upon inspection, notice, and hearing,~~ The state or local licensing authority ~~on its own motion or~~
14 ~~on complaint, after investigation and a public hearing at which the permittee shall be afforded~~
15 ~~an opportunity to be heard, may fine a special event permittee, may suspend or revoke a special~~
16 ~~permit, or may seek other penalties against a special event permit holder pursuant to subsection~~
17 ~~44-3-601(2), C.R.S., and Regulations 47-600 through 47-606, as applicable. The state or local~~
18 ~~licensing authority and~~ may further order the denial of future applications for another special
19 event permit submitted by the same organization.
20
21 2. The state or local licensing authority may summarily suspend a special event permit pursuant
22 to, and under the circumstances set forth in, subsection 44-3-601(2), C.R.S., and Regulation
23 47-602.

24 25 B. Special Event Festival – Licensee Violations.

26
27 For purposes of this regulation, a “special event festival” means a special event permit issued on the
28 premises of a festival permit issued pursuant to section 44-3-404, C.R.S. and Regulation 47-405.

- 29
30 1. Responsible Licensee Can Be Identified. If a violation of article 5 or article 3 of this title 44, or
31 these regulations, occurs during a special event festival and the responsible licensee can be
32 identified, the state or local licensing authority may charge and impose appropriate penalties on
33 the licensee per violation.
34
35 2. Responsible Licensee Cannot Be Identified. If the responsible licensee cannot be identified, the
36 state licensing authority may send written notice to every licensee identified on the festival permit
37 applications and may fine each the same dollar amount. The fine shall not exceed twenty-five
38 dollars per licensee or two hundred dollars in the aggregate, per violation. A joint fine levied
39 pursuant to this paragraph does not apply to the revocation or suspension of a licensee's license
40 under section 44-3-601, C.R.S.

41 42 **Regulation 47-1016. Special Event Permittee - Purchase and Storage of Alcohol Beverages.**

43
44 Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-
45 202(1)(b), ~~44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(K), 44-3-202(2)(a)(I)(R), and 44-5-109, C.R.S.~~ The purpose of
46 this regulation is to establish purchasing and storage requirements for a special event permit.
47

48 A. Special event permittees may purchase alcohol beverages authorized by such permits from a licensed
49 wholesaler, brew pub, distillery pub, limited winery, vintner's restaurant, retail liquor store, or liquor-
50 licensed drugstore.

- 51
52 1. Any alcohol beverages purchased from a retailer licensed for off-premises consumption for a
53 non-profit event held at a retail location licensed for on-premises consumption will count
54 against the on-premises licensee's statutory dollar limit of alcohol beverages purchased from
55 an off-premises retailer.

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- B. Special event permittees may store alcohol beverage stock in areas outside the designated event area approved by the state or local licensing authority under the following conditions:
 - 1. The application included the address of proposed storage locations and a diagram of said premises.
 - 2. The application included evidence of the special event permittee's lawful possession of the storage premises by way of deed, lease, rental, or other arrangement and specifying the terms of storage.
 - 3. The proposed location is not a location licensed pursuant to articles 3 or 4 of title 44, C.R.S.
 - 4. State and local law enforcement authorities have the right to inspect each storage area that is used for permitted events.
 - 5. Storage areas may only be maintained in anticipation of scheduled events. Nothing herein shall authorize long-term storage of alcohol beverages that have no nexus to events. This subparagraph (B)(5) does not apply to special event permittees that hold a valid club or arts license.
 - 6. A licensed wholesaler may deliver alcohol beverages purchased by a special event permittee to the storage location in accordance to subparagraphs (B)(1), (B)(2), (B)(3), and (B)(4) of this regulation, but such storage cannot be more than two (2) business days prior to the date for the special event. If a licensed wholesaler donates alcohol to the special event permittee, the wholesaler may pick up such unused donated alcohol beverage products from the storage area in accordance to subparagraphs (B)(1), (B)(2), (B)(3), and (B)(4) of this regulation. Such removal of unused donated alcohol beverage products must occur within two (2) business days after the end of the special event permit.

- C. If the special event permittee is also a retailer licensed for on-premises consumption that holds a valid club or arts license, and the designated event area is the retailer's licensed premises, then the special event permittee need not store the alcohol beverages purchased for the special event in a separate area of the on-premises retailer's licensed premises.
 - 1. At the conclusion of the special event, the on-premises retailer may sell alcohol beverages purchased for the special event to consumers by the drink pursuant to the on- premises retailer's licensed privileges and normal business operations.
 - 2. This paragraph (C) only applies when the special event permittee is a qualified not-for- profit organization and is the same legal entity as the holder of the on-premises retailer's license.
 - 3. This paragraph (C) only applies when the special event permittee purchases alcohol for a special event held for the benefit of the entity holding both the special event permit and the on-premises retailer's license.
 - 4. This paragraph (C) does not apply to alcohol beverages donated to the special event permittee or purchased by the special event permittee below cost.

Regulation 47-1018. Special Event Permittee - Supplier Financial Assistance.

Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to is located at~~ subsections 44-3-202(1)(b), ~~44-3-202(2)(a)(I)(A), and 44-3-202(2)(a)(I)(G), 44-3-202(2)(a)(I)(R), and 44-3-308,~~ C.R.S. The purpose of this regulation is to clarify permitted and prohibited support and/or services offered by

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1 suppliers to organizations holding a special event permit.

2
3 A. Licensed suppliers may furnish financial support and/or services to organizations, that qualify for a
4 special events permit. Any furnished financial support and/or services shall be in connection with
5 public service or non-profit fundraising activities including, but not limited to, events such as:

- 6
7 1. Fairs,
8
9 2. Sporting events,
10
11 3. Agricultural exhibitions,
12
13 4. Educational clinics,
14
15 5. Concerts, and
16
17 6. Other similar events.

18
19 B. A supplier may furnish or share the cost of advertisements, signs, promotional materials and items of a
20 similar nature used in connection with a non-profit special events permit.

21
22 C. Support shall not be conditioned, directly or indirectly, upon the present or future purchase of an
23 alcohol beverage or the exclusive sale of a supplier's product at such events.

24
25 **Regulation 47-1020. Alcohol Beverage Donations.**

26
27 Basis and Purpose. The statutory authority for this regulation ~~includes but is not limited to~~ ~~is located at~~
28 subsections 44-3-202(1)(b), ~~44-3-202(2)(a)(I)(A), and 44-3-202(2)(a)(I)(G), and 44-3-202(2)(a)(I)(R),~~ C.R.S.
29 The purpose of this regulation is to clarify permitted alcohol beverage donations and associated conditions.

30
31 A. For purposes of this regulation, "wholesaler" means an entity licensed to sell alcohol beverages at
32 wholesale to special event permit holders, including wholesalers of malt liquor and fermented malt
33 beverages, wholesalers of vinous and spirituous liquors, limited wineries, brew pubs, distillery pubs
34 and vintner's restaurants.

35
36 B. A wholesaler may donate alcohol beverages to a special event permittee at no cost if such alcohol
37 beverages are used for hospitality or fundraising purposes, including resale by the drink. The
38 wholesaler shall provide an invoice documenting the donation of alcohol beverages to the permittee
39 and shall ensure that all applicable state excise taxes are paid pursuant to section 44- 3-503, C.R.S.

40
41 C. Nothing herein shall prohibit a retailer licensed for off-premises consumption to make a donation of
42 alcohol beverage to a special event permittee, as long as such donation is taken from the retailer's
43 existing inventory.

44
45 D. Wholesalers and retailers licensed for off-premises consumption may make a donation of alcohol
46 beverages to organizations that would otherwise qualify for a special events permit but are exempted
47 under section 44-5-108, C.R.S. The wholesaler shall provide an invoice documenting the donation of
48 alcohol beverages to the organization and shall ensure that all applicable state excise taxes are paid
49 pursuant to section 44-3-503, C.R.S. However, nothing herein shall authorize a wholesale licensee to
50 deliver such alcohol beverages to premises that are not licensed pursuant to articles 3 or 4 of title 44,
51 C.R.S.

52
53 E. When an event, for which the alcohol donations are solicited, is held at a retail location licensed for on-

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- 1 premises consumption pursuant to article 3 or 4 of title 44;
- 2
- 3 1. The wholesaler shall invoice the retailer at no cost for alcohol beverages intended for the
- 4 event, if the retail licensee consents to such an arrangement.
- 5
- 6 2. Any such donated alcohol beverages which are unused must be returned by the retailer to the
- 7 wholesaler as soon as practicable after the event.
- 8
- 9 3. If the unused alcohol beverages are not returned, then the wholesaler must charge the retailer
- 10 at least the laid-in cost for those alcohol beverages.
- 11
- 12 4. The retail value of any donation of alcohol beverages from a retailer licensed for off- premises
- 13 consumption to a non-profit event held at a retail location licensed for on- premises
- 14 consumption will count against the on-premises licensee’s statutory dollar limit of alcohol
- 15 beverages purchased from an off-premises retailer.
- 16

Regulation 47-1022. Donated Alcohol Beverages in Sealed Containers for Auction For Fundraising Purposes.

Basis and Purpose. The statutory authority for this regulation includes but is not limited to subsections 44-3-107, 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(G), and 44-3-202(2)(a)(I)(R), C.R.S. The purpose of this regulation is to clarify the definitions of the terms “donated” or “otherwise lawfully obtained” alcohol beverages as those terms are used in subsection 44-3-107(2), C.R.S.

- 25 A. For purposes of subsection 44-3-107(2), C.R.S., “donated” or “otherwise lawfully obtained” alcohol
- 26 beverages mean:
- 27
- 28 1. Alcohol beverages donated pursuant to Regulation 47-1020, 1 C.C.R. 203-2; or
- 29
- 30 2. Alcohol beverages donated by a private individual who is at least twenty-one (21) years of age
- 31 and lawfully obtained the alcohol beverages she or he is donating; or
- 32
- 33 3. Alcohol beverages donated by an entity that does not hold a liquor license pursuant to articles
- 34 3 or 4 of title 44, C.R.S. and lawfully obtained the alcohol beverages it is donating. The agent
- 35 or representative of the donating entity must be a private individual who is at least twenty-one
- 36 (21) years of age and lawfully obtained the alcohol beverages she or he is donating.