DEPARTMENT OF REVENUE

Division of Liquor Enforcement DIVISION

1 CCR 203-2

Liquor Code RULES

EFFECTIVE MARCH 30, 2019

Regulation 47-002. Fermented Malt Beverages Advertising Practices-REPEALED.

<u>Basis and Purpose</u>. The statutory authority for this regulation is located at subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(G), and 44-3-202(2)(a)(I)(H), C.R.S. The purpose of this regulation is to establish certain prohibited advertising practices of fermented malt beverage licensees pertaining to the alcohol content of beverages sold on the licensed premises.

No licensee for the retail sale or distribution of fermented malt beverages shall, upon or in proximity to, or referring to the licensed premises, use, publish or exhibit, or permit to be used, published or exhibited, any sign, advertisement, display, notice, symbol or other device which advertises, indicates, implies or infers that beverages containing more than 3.2% alcohol by weight (wt) or four percent by volume (vl), are sold, distributed or dispensed upon or from said premises.

Regulation 47-004. Fermented Malt Beverages - Possession of Alcohol Liquors.

<u>Basis and Purpose</u>. The statutory authority for this regulation 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 prohibit possession and consumption of <u>alcohol beverages containing alcohol in excess of fermented malt beverage standards</u> MALT, VINOUS, OR SPIRITUOUS LIQUORS on a fermented malt beverage licensee's licensed premises.

No person shall possess or consume on the licensed premises of a fermented malt beverage licensee, any beverages containing alcohol in excess of three and two-tenths percent by weight or four-percent alcohol by volume.

- A. EXCEPT AS PROVIDED BY SUBSECTION 44-3-107(2), C.R.S., NO SUPPLIER, WHOLESALER, OR RETAILER LICENSED PURSUANT TO ARTICLE 4 OF TITLE 44, C.R.S., SHALL ALLOW THE SALE, POSSESSION, OR CONSUMPTION OF MALT, VINOUS, OR SPIRITUOUS LIQUOR ON ITS LICENSED PREMISES.
- B. EXCEPT AS PROVIDED IN SUBSECTION 44-3-107(2), C.R.S., NO PERSON SHALL POSSESS OR CONSUME MALT, VINOUS, OR SPIRITUOUS LIQUOR ON THE LICENSED PREMISES OF A SUPPLIER, WHOLESALER, OR RETAILER LICENSED PURSUANT TO ARTICLE 4 OF TITLE 44, C.R.S.

Regulation 47-006. Fermented Malt Beverages Identification and Labeling REPEALED.

<u>Basis and Purpose</u>. The statutory authority for this regulation is located at subsections 44-3-202(1)(b) and 44-3-202(2)(a)(I)(N), C.R.S. The purpose of this regulation is to establish labeling standards required for the sale, offering, exposure for sale, or distribution of fermented malt beverages.

- A. No licensee for the sale of fermented malt beverages shall sell, offer, expose for sale, or distribute within this state any canned or bottled fermented malt beverages in case or carton lots unless such beverages be contained in a case or carton bearing the phrase "3.2%" or "4.0% ABV" followed by a word indicating the type of beverage, such as beer or ale. The designation "3.2% BEER," "3.2% ALE," or "4.0% ABV Beer," "4.0% ABV Ale," etc., as the case may be, shall be composed of legible symbols of not less than ¼ of one inch in height, and shall be indelibly stamped or imprinted on top of the case or carton or upon the sealing strip thereof.

 Notwithstanding the above, cartons or unsealed returnable cases need no external markings if such container allows direct view of the individual cans or bottles which indicates the percent and type of beverage therein.
- B. No licensee shall sell, offer or expose for sale or distribute within this state any fermented malt beverages in kegs, casks or other containers except bottles and cans of less than 33 ounces capacity unless such containers bear thereon the phrase "3.2%" followed by a word indicating the type of beverage, such as beer or ale. The designation "3.2% BEER", "3.2% ALE," etc., as the case may be, shall be composed of legible symbols of not less than one inch in height, shall clearly and visibly appear on the container which is intended to be opened and shall be indelibly stamped or imprinted either upon the container itself or upon a label affixed thereto and sealed with a transparent water repellent material. Nothing shall prohibit the division from approving materials other than water repellent material used for labeling if the division finds the material is suitable for maintaining the required information on the container.
- C. No such licensee shall sell, offer or expose for sale or distribute within the state any fermented malt beverages in bottles or cans of less than thirty three (33) ounces capacity unless said containers, or a label attached thereto, shall carry thereon, in clear legible and indelible print a statement which clearly indicates that the beverage therein contains not more than 3.2% alcohol by weight or 4% alcohol by volume.

Regulation 47-008. Fermented Malt Beverages - Limitations of License.

- A. EXCEPT AS PROVIDED BY SUBSECTION 44-3-107(2), C.R.S., No No person licensed for on-premises consumption only, pursuant to section 44-4-107(1)(b), C.R.S., shall sell fermented malt beverages in sealed containers, or permit the removal from the licensed premises of any fermented malt beverages in either sealed or unsealed containers.
- B. EXCEPT AS PROVIDED BY SUBSECTION 44-3-901(6)(K)(II)(B), C.R.S., No No person licensed for off-premises consumption only, pursuant to section 44-4-107(1)(a), C.R.S., shall sell, by the drink, any open container of fermented malt beverage, or permit the consumption of any fermented malt beverages within the licensed premises.

REGULATION 47-009 FERMENTED MALT BEVERAGE OFF-PREMISES LICENSES DISTANCE REQUIREMENT.

BASIS AND PURPOSE. THE STATUTORY AUTHORITY FOR THIS REGULATION IS FOUND AT SUBSECTIONS 44-3-202(1)(B), 44-3-202(2)(A)(I)(A), 44-3-202(2)(A)(I)(D), 44-3-202(2)(A)(I)(R), AND 44-3-202(2)(A)(I)(O), C.R.S. THE PURPOSE OF THIS REGULATION IS TO CLARIFY THE AVAILABILITY OF THE EXCEPTION TO THE STATUTORY DISTANCE REQUIREMENT AS IT APPLIES TO FERMENTED MALT BEVERAGE OFF-PREMISES LICENSES.

A. THE EXCEPTIONS TO THE FIVE HUNDRED (500) FOOT DISTANCE RESTRICTION SET FORTH IN SUBSECTION 44-3-301(12)(A.5)(II)(A) AND (B), C.R.S., SHALL APPLY ONLY IF THE STRUCTURE FOR WHICH A BUILDING PERMIT OR CERTIFICATE OF OCCUPANCY HAS BEEN TIMELY APPLIED FOR OR RECEIVED WAS INTENDED FOR USE AS A FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES AT THE TIME OF SUBMITTING THE APPLICATION FOR THE BUILDING PERMIT OR CERTIFICATE OF OCCUPANCY.

REGULATION 47-010. ITEMS APPROVED FOR SALE IN FERMENTED MALT BEVERAGE OFF-PREMISES LICENSES.

BASIS AND PURPOSE. THE STATUTORY AUTHORITY FOR THIS REGULATION IS FOUND AT SUBSECTIONS 44-3-202(1)(B), 44-3-202(2)(A)(I)(A), 44-3-202(2)(A)(I)(D), 44-3-202(2)(A)(I)(R), AND 44-3-202(2)(A)(I)(O), C.R.S. THE PURPOSE OF THIS REGULATION IS TO DEFINE HOW APPLICABLE LICENSEES MUST REPORT AND DEMONSTRATE COMPLIANCE CONCERNING THIS SPECIFIC STATUTORY REQUIREMENT.

- A. TO DEMONSTRATE COMPLIANCE WITH SUBSECTION 44-4-107(3), C.R.S., IF APPLICABLE, THE APPLICANT OR LICENSEE MUST AFFIRM ON ITS NEW AND ANNUAL RENEWAL APPLICATION THAT THE LICENSE DERIVES OR WILL DERIVE AT LEAST TWENTY (20) PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES FROM THE SALE OF FOOD ITEMS FOR CONSUMPTION OFF THE PREMISES. THE EXCEPTIONS TO THE FOREGOING REQUIREMENT, SET FORTH IN SUBSECTIONS 44-4-107(3)(A)(D)(I) AND (II), C.R.S., SHALL APPLY ONLY IF THE STRUCTURE FOR WHICH A BUILDING PERMIT OR CERTIFICATE OF OCCUPANCY HAS BEEN APPLIED FOR OR RECEIVED WAS INTENDED FOR USE AS A FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES AT THE TIME OF SUBMITTING THE APPLICATION FOR A BUILDING PERMIT OR CERTIFICATE OF OCCUPANCY.
- B. NOTHING WITHIN THIS REGULATION SHALL LIMIT THE AUTHORITY OF THE STATE LICENSING AUTHORITY TO INSPECT BOOKS AND RECORDS PURSUANT TO REGULATION 47-700, 1 C.C.R. 203-2, TO VERIFY THIS AFFIRMATION OR COMPLIANCE WITH THIS STATUTORY REQUIREMENT.

Regulation 47-100. Definitions.

- A. "Licensed, Licensee LICENSEE, and Licensed Premises LICENSED PREMISES" mean persons or premises issued a license or permit under Articles 3, Articles 4 and Article 5 of Title 44.
- B. "Manufacturer" means a Colorado licensed brewery, winery, limited winery, distillery, vintner's restaurant, distillery pub or brewpub BREW PUB as defined by C.R.S. 44-4-104 and 44-3-103.
- C. "Nonresident Manufacturer MANUFACTURER" means a manufacturer of COLORADO LICENSEE THAT MANUFACTURES malt liquor or fermented malt beverages that is located outside the state of

Colorado and has been issued a Brewer's Notice by the Bureau of Alcohol, Tobacco and Firearms ALCOHOL AND TOBACCO TAX AND TRADE BUREAU.

- D. "Product Sales Promotion ON-SITE PRODUCT SALES PROMOTION" means a sales promotion, featuring a particular brand of alcohol beverage, that is conducted on a retailer's licensed premises by an alcohol beverage supplier. Product sales promotions ON-SITE PRODUCT SALES PROMOTION may include drink specials, product sampling and the giveaway of consumer goods.
- E. "Sponsored Event EVENT" means an event supported in whole or in part by a licensed supplier that is conducted at a retail licensed establishment.
- F. "Supplier" means a Colorado licensed manufacturer, BREWERY, WINERY, DISTILLERY, brewpub BREW PUB, distillery pub, vintners VINTNER'S restaurant, limited winery, non-resident NONRESIDENT manufacturer, wholesaler or importer of alcohol beverages.
- H. "Unreasonable or Undue Noise NOISE" means a level of noise that violates local noise ordinance standards, or where no local noise ordinance standard exists, a level of noise that would violate the provisions of SECTION 25-12-103, C.R.S.
- "Wholesaler" means those entities authorized to sell alcohol beverages at wholesale to licensed retailers, including wholesalers of malt liquors and fermented malt beverages, wholesalers of FERMENTED MALT BEVERAGES, MALT LIQUORS, vinous and spirituous liquors, limited wineries, brewpubs BREW PUBS, distillery pubs, and vintner's restaurants.
- K. "COLORADO LIQUOR CODE" OR "LIQUOR CODE" MEANS ARTICLE 3 OF TITLE 44, C.R.S.
- L. "COLORADO BEER CODE" OR "BEER CODE" MEANS ARTICLE 4 OF TITLE 44, C.R.S.
- M. "SPECIAL EVENT CODE" MEANS ARTICLE 5 OF TITLE 44, C.R.S.
- N. "COLORADO LIQUOR RULES" MEANS THIS REGULATORY ARTICLE, 1 C.C.R. 203-2.
- O. "DIVISION" MEANS THE STATE OF COLORADO DEPARTMENT OF REVENUE'S LIQUOR ENFORCEMENT DIVISION, EXCEPT AS PROVIDED OTHERWISE.

REGULATION 47-104. WINERY DIRECT SHIPPER'S PERMITS.

BASIS AND PURPOSE. THE STATUTORY AUTHORITY FOR THIS REGULATION IS LOCATED AT SUBSECTIONS 44-3-202(1)(B), 44-3-202(2)(A)(I)(A), AND 44-3-104(6), C.R.S. THE PURPOSE OF THIS REGULATION IS TO CLARIFY THE SCOPE OF A WINERY DIRECT SHIPPER'S PERMITTEE'S PRIVILEGES.

A. FOR PURPOSES OF THIS REGULATION, THE TERM "PERMIT" OR "PERMITTEE" MEANS THE NATURAL PERSON OR ENTITY HOLDING A WINERY DIRECT SHIPPER'S PERMIT AND ANY MANAGER, AGENT, SERVANT, OFFICER, OR EMPLOYEE THEREOF.

- B. FOR PURPOSES OF THIS REGULATION, THE TERM "PERSONAL CONSUMER" HAS THE MEANING SET FORTH IN SECTION 44-3-103(36).
- C. SUBJECT TO THE REQUIREMENTS AND LIMITATIONS IN SECTION 44-3-104, C.R.S., A PERMITTEE MAY SHIP OR DELIVER ONLY WINE THAT IT PRODUCED OR BOTTLED TO A PERSONAL CONSUMER LOCATED IN COLORADO.
- D. A WINERY DIRECT SHIPPER'S PERMITTEE SHALL NOT ENGAGE IN ANY IN-PERSON SALE (AS DEFINED IN SECTION 44-3-103(52), C.R.S.) OF WINE TO BE SHIPPED OR DELIVERED TO A CONSUMER IN THE STATE OF COLORADO, EXCEPT AT THE LICENSED PREMISES OF A PERMITTEE'S LICENSED WINERY OR LIMITED WINERY, OR AT AN APPROVED SALES ROOM OF A LICENSED WINERY OR LIMITED WINERY THAT ALSO HAS RECEIVED A WINERY DIRECT SHIPPER'S PERMIT.
- E. IN-PERSON SALES (AS DEFINED IN SECTION 44-3-103(52), C.R.S.) OF WINE TO BE SHIPPED OR DELIVERED TO A CONSUMER IN THE STATE OF COLORADO, SHALL ALSO BE ALLOWED UPON THE LICENSED PREMISES ASSOCIATED WITH A WINE FESTIVAL PERMIT VALIDLY HELD BY A LICENSED WINERY OR LIMITED WINERY.
- Regulation 47-200. Petitions for Statements of Position and Declaratory Orders Concerning the Colorado Liquor Code, Colorado Beer Code, OF Special Event Codes Code, OR Colorado Liquor Rules.
- A. Statements of Position. Any person may petition the Liquor Enforcement Division of the Colorado Department of Revenue for a statement of position concerning the applicability to the petitioner of any provision of the Colorado Liquor, Beer, or Special Events Codes or any regulation of the state licensing authority Colorado Liquor Code, Colorado Beer Code, Special Event Code, or Colorado Liquor Rules.
- B. Service of Petition for Statement of Position. A letter for petition for a statement of position shall be served on the Liquor Enforcement 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.
- 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. OF 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 Liquor Enforcement Division.
- E. Time to Petition for a Declaratory Order. If a petitioner is dissatisfied with a statement of position, a petition for declaratory order must be filed within forty-five (45) days after issuance

of the statement of position. Any petitioner who has not received a statement of position within forty-five (45) days may petition the state licensing authority at any time thereafter.

- FE. Requirements of Petition for Declaratory Order. Each 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 Codes Code and if so, the type of license/permit LICENSE OR PERMIT and address of the licensed premises.
- GF. Service: A petition for a declaratory order shall be served on the State Licensing Authority STATE LICENSING AUTHORITY by mailing such petition to the State Licensing Authority STATE LICENSING AUTHORITY with a copy of the petition sent on the same date to the Liquor Enforcement 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.
- HG. Acceptance: The state licensing authority will determine, in its discretion without prior notice to the petitioner, whether to entertain any petition FOR DECLARATORY ORDER. If 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:
 - 3. The petition involves a subject, question or issue which is currently involved in a pending hearing COURT ACTION, AN ADMINISTRATIVE ACTION before the state or any local licensing authority, or which is involved in an on—going ONGOING investigation conducted by the Division or which is involved in a written complaint previously filed with the state liquor licensing authority OR DIVISION.
- IH. 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:
 - 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 <u>Liquor Enforcement</u> Division to submit additional evidence and legal argument in writing. Any such request for additional information shall be copied SERVED on all parties.
- JI. Record Retention and Reliability:. Files of all requests, statements of position, and declaratory orders will be maintained and relied upon by the Liquor Enforcement Division for a period of

five (5) years, unless the statement of position or declaratory order is superseded by a statutory or regulatory change, or amended or reversed by the State Licensing Authority STATE LICENSING AUTHORITY. Except with respect to any material required by law to be kept confidential, such files shall be available for public inspection.

Regulation 47-301. Undue Concentration of Licenses.

- A. For purposes of determining if the issuance of a new tavern or retail liquor store license would result in or add to an undue concentration of the same class of license and, as a result, require the use of additional law enforcement resources, the state or local licensing authority may consider factors, including, but not limited to:
 - 1. Whether the ratio of the number of tavern or retail liquor store licenses within the county/s COUNTY OR COUNTIES of the neighborhood to be served where application has been made to the county/s COUNTY OR COUNTIES population exceeds the ratio of the statewide number of licenses of the same class to the state population;
- B. For purposes of this regulation:
 - 2. The population shall be the estimate published by the most recent United-states STATES decennial or special census (for state, census tract, and census division data) or the most recent estimates published by the Department of Local Affairs (for county and municipal data).

Regulation 47-302 Changing, Altering, or Modifying Licensed Premises.

<u>Basis and Purpose</u>. The statutory authority for this regulation is located at subsections 44-3-202(1)(b), and 44-3-202(2)(a)(I)(A), AND 44-3-202(2)(A)(I)(D), C.R.S. The purpose of this regulation is to establish procedures for a licensee seeking to make material or substantial alterations to the licensed premises, and provide factors the licensing authority must consider when evaluating such alterations for approval or rejection.

- A. After issuance of a license, the licensee shall make no physical change, alteration or modification of the licensed premises that materially or substantially alters the licensed premises or the usage of the licensed premises from the LATEST APPROVED plans and specifications submitted at the time of obtaining the original license ON FILE WITH THE STATE AND LOCAL LICENSING AUTHORITIES without application to, and the approval of, the local and state RESPECTIVE licensing authorities.
 - For purposes of this regulation, physical changes, alterations or modifications of the licensed premises, or in the usage of the premises requiring prior approval, shall include, but not be limited to, the following:
 - 3. Any substantial or material enlargement of a bar, or relocation of a bar, or addition of a separate bar. However, the temporary addition of bars or service areas to accommodate

- seasonal operations shall not require prior approval unless the additional service areas are accompanied by an enlargement of the licensed premises.
- 4. A TEMPORARY OUTSIDE SERVICE AREA LOCATED ON A SIDEWALK OWNED BY A MUNICIPALITY, AND THAT THE LICENSEE POSSESSES IN ACCORDANCE WITH SUBSECTION (B)(2) OF THIS REGULATION, MAY BE APPROVED BY THE STATE AND LOCAL LICENSING AUTHORITIES UPON THE ANNUAL FILING OF A TEMPORARY MODIFICATION OF PREMISES APPLICATION, DUE AT THE TIME OF INITIAL APPLICATION OR AT THE TIME OF RENEWAL, ON A FORM APPROVED BY THE STATE LICENSING AUTHORITY, AND PAYMENT OF THE ASSOCIATED FEE AS SET FORTH IN REGULATION 47-506, PROVIDED THAT:
 - A. THE PROPOSED TEMPORARY OUTSIDE SERVICE AREA LOCATED ON A SIDEWALK IS IMMEDIATELY ADJACENT TO THE LICENSED PREMISES;
 - B. THE LICENSED PREMISES, AS TEMPORARILY MODIFIED, WILL COMPRISE A DEFINITE CONTIGUOUS AREA; AND
 - C. PLANS AND SPECIFICATIONS IDENTIFYING THE TEMPORARY OUTSIDE SERVICE AREA LOCATED ON A SIDEWALK ACCOMPANY THE FORM AND FEE.
- 45. Any material change in the interior of the premises that would affect the basic character of the premises or the physical structure that existed in the plan on file with the latest application DETAILED IN THE LATEST APPROVED PLANS AND SPECIFICATIONS ON FILE WITH THE STATE AND LOCAL LICENSING AUTHORITIES. However, the following types of modifications will not require prior approval, even if a local building permit is required: painting and redecorating of premises; the installation or replacement of electric fixtures or equipment, plumbing, refrigeration, air conditioning or heating fixtures and equipment; the lowering of ceilings; the installation and replacement of floor coverings; the replacement of furniture and equipment; and any non structural remodeling where the remodel does not expand or reduce the existing area designed for the display or sale of alcohol beverage products.
- 56. The destruction or demolition, and subsequent reconstruction, of a building that contained the retailer's licensed premises shall require the filing of new building plans with the local licensing authority, or in the case of manufacturers and wholesalers, with the state licensing authority. However, reconstruction shall not require an application to modify the premises unless the proposed plan for the newly-constructed premises materially or substantially alters the licensed premises or the usage of the licensed premises from the plans and specifications submitted at the time of obtaining the original license DETAILED IN THE LATEST APPROVED PLANS AND SPECIFICATIONS ON FILE WITH THE STATE AND LOCAL LICENSING AUTHORITIES.
- 67. Nothing herein shall prohibit a licensee, who is otherwise not eligible for an optional premises permit or optional premises license, from modifying its licensed premises to

include in the licensed premises a public thoroughfare, if the following conditions are met:

- C. If permission to change, alter or modify the licensed premises is denied, the licensing authority shall give notice in writing and shall state grounds upon which the application was denied. The licensee shall be entitled to a hearing on the denial if a request in writing is made to the licensing authority within fifteen (15) days after the date of notice.
- D. This regulation shall be applicable to the holder of a manufacturer's license as specifically defined in Section 44-3-402, C.R.S., or a limited winery defined in section 44-3-403, C.R.S, only if the physical change, alteration, or modification involves any increase or decrease in the total size of the licensed premises or sales room locations. EXCEPT, ANY CHANGE, ALTERATION, OR MODIFICATION OF A SALES ROOM, SHALL BE REPORTED IN ACCORDANCE WITH SUBSECTION (A).
- E. Neither the state or local licensing authority shall impose any additional fees for the processing or review of an application for a modification of premises for the holder of a manufacturer's license.

REGULATION 47-302(A)(4) IS EFFECTIVE APRIL 1, 2019.

Regulation 47-303. License Renewal.

- A. Only the license holder may exercise the privilege of license renewal. No one other than the license holder, or their duly-authorized representative, may file an application to renew the license with local and state licensing authorities.
- B. A complete renewal application shall include evidence that the licensee remains in possession of the licensed premises, by ownership, lease, rental, or other arrangement at the time of application. Lease agreements AN AGREEMENT that include a provision that a lease period may lapse within the new license year do not automatically disqualify NEITHER AUTOMATICALLY DISQUALIFIES the licensee from renewing, nor automatically invalidate INVALIDATES the license. However, this provision does not preclude a THE STATE OR LOCAL licensing authority from initiating any action as provided by law to suspend or revoke a license for loss of possession of the licensed premises.
- C. NOTHING HEREIN AUTHORIZES A LICENSEE TO PURCHASE, SELL, OR SERVE ALCOHOL BEVERAGES WITH AN EXPIRED LICENSE, EXCEPT AS AUTHORIZED IN SUBSECTIONS D, E(2), AND F(3) OF THIS REGULATION. LICENSED PRIVILEGES ARE NOT RESTORED UNTIL AND UNLESS THE APPLICABLE REQUIREMENTS OF SECTION E(2) AND/OR F(3) OF THIS REGULATION ARE MET.
- ←D. Application for the renewal of an existing license shall be made to the local licensing authority not less than forty-five (45) days prior to the date of expiration and to the state licensing authority not less than thirty (30) days prior to the date of expiration. The state or local licensing authority may waive these requirements for good cause. Once an application for renewal has

been filed with the local licensing authority, OR THE STATE LICENSING AUTHORITY FOR STATE ONLY LICENSES, the licensee may continue to operate—up and until final agency action, if final action by both authorities has not been completed before the date of license expiration.

- DE. LICENSE EXPIRED FOR NOT MORE THAN NINETY (90) DAYS.
 - 1. No application for renewal of a license shall be accepted by the local licensing authority after the date of expiration; except that, a A licensee whose license has not been expired for more than ninety (90) days may file a late renewal application upon the payment of a non-refundable late application fee to the local licensing authority, AND/OR THE STATE LICENSING AUTHORITY.
 - 2. A licensee who files a late renewal application and pays the requisite fees may resume operation until both THE state and/OR local licensing authorities have taken final AGENCY action to approve or deny such licensee's late renewal application.
- E. Nothing herein authorizes a licensee to purchase, sell, or serve alcohol beverages with an expired license after expiration, except as otherwise authorized in this regulation. Licensed privileges are not restored until the renewal application and requisite fees have been duly filed with the local licensing authority, in the case of a retail license, and with the state licensing authority for all others.
- FF. LICENSE EXPIRED FOR MORE THAN NINETY (90) DAYS, BUT LESS THAN ONE HUNDRED EIGHTY (180) DAYS.
 - 1. Pursuant to section 44-3-302(2), C.R.S, any ANY licensee whose license has been expired more than ninety (90) but less than one hundred eighty (180) days, may submit to the local licensing authority, or state licensing authority (for state-only issued STATE ONLY licenses), an application:
 - A. FOR A NEW LICENSE, SUBJECT TO SECTION 44-3-311 44-3-301, C.R.S., OR
 - B. for FOR a reissued license, subject to 44-3-302, C.R.S. SUBSECTION 44-3-302(2)(D), C.R.S.
 - 2. THE LOCAL LICENSING AUTHORITY, OR STATE LICENSING AUTHORITY FOR STATE-ONLY LICENSES, SHALL HAVE SOLE DISCRETION TO DETERMINE WHETHER TO ALLOW A LICENSEE TO APPLY FOR A REISSUED LICENSE. IF THE LOCAL LICENSING AUTHORITY, OR STATE LICENSING AUTHORITY FOR STATE-ONLY LICENSES, DOES NOT ALLOW THE LICENSEE TO APPLY FOR A REISSUED LICENSE, THEN THE LICENSEE MUST APPLY FOR A NEW LICENSE.
 - 3. A LICENSEE MAY RESUME OPERATION UNTIL BOTH THE STATE AND LOCAL LICENSING AUTHORITIES HAVE TAKEN FINAL AGENCY ACTION TO APPROVE OR DENY THE LICENSEE'S APPLICATION ONLY IF THE LOCAL LICENSING AUTHORITY, OR STATE LICENSING AUTHORITY FOR STATE-ONLY LICENSES:
 - A. ALLOWS A LICENSEE TO APPLY FOR A REISSUED LICENSE;; AND

- B. ACCEPTS THE REISSUED LICENSE APPLICATION AND REQUIRED FEES AND FINES.
- GG. Any licensee whose license has been expired for more than one hundred eighty (180) days OR MORE must apply for a new license pursuant to section 44-3-311, C.R.S., and shall not purchase or sell any alcohol beverage until all required licenses have been obtained, unless otherwise authorized under these regulations.

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

<u>Basis and Purpose</u>. The statutory authority for this regulation is located at subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(J), 44-3-301(7), 44-3-301(9), and section 44-3-308, C.R.S. The purpose of this regulation is to establish reporting and disclosure requirements for the identification of applicants, licensees, and their relevant financial interests to promote transparency and prevent the occurrence of statutorily prohibited financial interests between the manufacturing, wholesale, and retail tiers.

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

Regulation 47-305. Transfers – Wholesaler Confirmation.

- A. In accordance with section 44-3-303(1)(d), C.R.S., the Applicant APPLICANT shall deliver a confirmation to each wholesaler licensed under this article, (to include brewpubs INCLUDING BREW PUBS, distillery pubs, vintner's restaurants and limited wineries), who has sold alcohol beverages to the transferor-licensee within the preceding one hundred eighty (180) calendar days, in the form and substance approved by the Liquor Enforcement Division.
- C. Upon delivery of a confirmation to a wholesaler, the transferor-licensee shall not purchase alcohol beverage on credit or accept an offer or extension of credit from the wholesaler and shall effect payment upon delivery of the alcohol beverage from the wholesaler. Allowed payments include cash, credit/debit CREDIT OR DEBIT cards, check, money orders, certified check, EFT transfer and any other method OF payment approved by the Liquor Enforcement Division.
- D. A wholesaler shall have fifteen (15) business days upon receipt of a confirmation to complete and return the confirmation to the Applicant APPLICANT, in the same manner and extent as allowed SPECIFIED in Section SECTION B above OF THIS REGULATION. If a wholesaler does not complete and return the confirmation within the 15 day FIFTEEN (15) BUSINESS DAY period of time, the wholesaler shall be deemed paid in full solely for purposes of transferring the license.
- E. Nothing within this Regulation REGULATION shall prohibit or restrict a local licensing authority from issuing a temporary permit or from processing the transfer application. However, a transfer shall not be approved unless the transferor-licensee is in compliance with this regulation.

F. The Applicant APPLICANT, transferor-licensee and/or its agent and assign, and each wholesaler shall act in good faith and fair dealing with each other.

Regulation 47-306. Change of Trade Name.

- A. No licensee shall change USE A NEW the BUSINESS name or trade name of the licensed premises without submitting written notice to the local and state licensing authorities, not less than ten (10) days prior to the change USE of A NEW BUSINESS NAME OR TRADE name.
- B. Exterior signage or advertising OF the business NAME OR (trade) name is not required, but if used, must accurately reflect the current BUSINESS NAME OR trade name on file with the Liquor Enforcement Division.

Regulation 47-307. Master Files.

B. An applicant for master file can meet the minimum requirements of this regulation by having an interest in separate licensed entities LOCATIONS, as long as there are a minimum of five (5) total licenses issued and/or applications pending.

Regulation 47-310. Application - General Provisions.

A. All applications for state licenses for the manufacture or sale of alcohol beverages shall be made upon forms prescribed by the Department of Revenue, Liquor Enforcement Division. No application will be considered which is not complete in every material detail, or which is not accompanied by a remittance in full for the whole amount of the annual state license fee, and eighty five percent of the local license fee. Each application for a new retail license shall contain a report from the local licensing authority of the town, city, county, or city and county, in which the applicant proposes to conduct its business, which report shall show the opinion of the local licensing authority concerning the reasonable requirements of the neighborhood and the desires of the adult inhabitants with respect to the issuance of the license applied for and the character of a new applicant.

REGULATION 47-313. TASTINGS.

BASIS AND PURPOSE. THE STATUTORY AUTHORITY FOR THIS REGULATION IS FOUND 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 CLARIFY WHO MAY CONDUCT TASTINGS AND HOW OPEN AND UNCONSUMED SAMPLES MUST BE APPROPRIATELY TREATED AFTER A TASTING.

A. TASTINGS.

- 1. A TASTING SHALL BE CONDUCTED ONLY BY A PERSON WHO HAS COMPLETED SELLER-SERVER TRAINING THAT MEETS THE STANDARDS ESTABLISHED BY THE DIVISION, AND IS:
 - A. A RETAIL LIQUOR STORE OR LIQUOR-LICENSED DRUGSTORE LICENSEE OR EMPLOYEE; OR

- B. A REPRESENTATIVE, EMPLOYEE, OR AGENT OF ONE OF THE FOLLOWING SUPPLIERS LICENSED BY THE STATE LICENSING AUTHORITY:
 - i. Wholesaler,
 - II. Brew Pub,
 - III. DISTILLERY PUB,
 - IV. MANUFACTURER,
 - V. LIMITED WINERY,
 - VI. IMPORTER, OR
 - VII. VINTNER'S RESTAURANT.
- B. FOLLOWING A TASTING, THE LICENSEE SHALL PROMPTLY REMOVE ALL OPEN AND UNCONSUMED ALCOHOL BEVERAGE SAMPLES FROM THE LICENSED PREMISES, DESTROY THE SAMPLES IMMEDIATELY FOLLOWING THE COMPLETION OF THE TASTING, OR STORE ANY OPEN CONTAINERS OF UNCONSUMED ALCOHOL BEVERAGES IN A SECURE AREA OUTSIDE THE SALES AREA OF THE LICENSED PREMISES FOR USE ONLY AT A TASTING CONDUCTED AT A LATER TIME OR DATE. A SECURE AREA MEANS:
 - 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.

Regulation 47-314. Limited Liability Company.

B. Each Limited Liability Company licensed pursuant to this Article or Article 4, of Title 44, shall report changes of any of its managers within 30 days from the date of the change, and shall submit said information to the respective local or state licensing authorities on forms approved by the Department of Revenue, Liquor Enforcement Division. A report shall also be required for changes of any member having a 10% or more interest in the licensee.

REGULATION 47-315. LODGING AND ENTERTAINMENT LICENSE.

BASIS AND PURPOSE. THE STATUTORY AUTHORITY FOR THIS REGULATION IS LOCATED AT SUBSECTIONS 44-3-202(1)(B), 44-3-202(2)(A)(I)(A), 44-3-202(2)(A)(I)(C), 44-3-202(2)(A)(I)(L), AND 44-3-202(2)(A)(I)(R), C.R.S. THE PURPOSE OF THIS REGULATION IS TO DESCRIBE THOSE SPORTS AND ENTERTAINMENT ACTIVITIES WHICH QUALIFY AN ESTABLISHMENT AS AN ENTERTAINMENT FACILITY. ADDITIONALLY, THE PURPOSE OF THIS REGULATION IS TO DESCRIBE HOW TO DETERMINE THE PRIMARY BUSINESS OF A LODGING AND ENTERTAINMENT FACILITY.

- A. IN ADDITION TO OTHER STATUTORY REQUIREMENTS, A LODGING AND ENTERTAINMENT LICENSE MAY BE ISSUED TO A QUALIFYING LODGING AND ENTERTAINMENT FACILITY. A "LODGING AND ENTERTAINMENT FACILITY" IS AN ESTABLISHMENT THAT IS EITHER:
 - 1. A "LODGING FACILITY," THE PRIMARY BUSINESS OF WHICH IS TO PROVIDE THE PUBLIC WITH SLEEPING ROOMS AND MEETING FACILITIES; OR
 - 2. AN "ENTERTAINMENT FACILITY," THE PRIMARY PURPOSE OF WHICH IS TO PROVIDE THE PUBLIC WITH SPORTS OR ENTERTAINMENT ACTIVITIES WITHIN ITS LICENSED PREMISES.
- B. TO QUALIFY AS AN ENTERTAINMENT FACILITY, THE APPLICANT OR LODGING AND ENTERTAINMENT LICENSEE MUST DEMONSTRATE THAT ITS PRIMARY BUSINESS IS TO PROVIDE QUALIFYING SPORTS OR ENTERTAINMENT ACTIVITIES WITHIN ITS LICENSED PREMISES.
 - 1. TO QUALIFY AS A SPORTS ACTIVITY, THE ACTIVITY MUST PROVIDE THE PUBLIC WITH AN OPPORTUNITY TO PARTICIPATE IN, OR TO OBSERVE OTHERS WHO PARTICIPATE IN, AN ACTIVITY SUCH AS A GAME, RECREATION, TEAM OR INDIVIDUAL SPORT, OR AN ACTIVITY OF A SIMILAR NATURE. EXAMPLES OF QUALIFYING SPORTS ACTIVITIES INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:
 - A. ARCADE GAMES;
 - B. BILLIARDS;
 - c. Bowling;
 - D. GOLF; OR
 - E. LASER TAG.
 - 2. TO QUALIFY AS AN ENTERTAINMENT ACTIVITY, THE ACTIVITY MUST PROVIDE THE PUBLIC WITH AN OPPORTUNITY TO PARTICIPATE IN OR OBSERVE OTHERS WHO PARTICIPATE IN AN ACTIVITY THAT IS PRIMARILY ARTISTIC, CULTURAL, EDUCATIONAL, OR ENTERTAINING, OR AN ACTIVITY OF A SIMILAR NATURE. EXAMPLES OF QUALIFYING ENTERTAINMENT ACTIVITIES INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:
 - A. ARTISTIC EXHIBITIONS, FILMS, OR PERFORMANCES;
 - B. ARTS AND CRAFTS CLASSES;
 - C. COOKING CLASSES;
 - D. AMUSEMENT RIDES; OR
 - E. SPA EXPERIENCES.

- I. FOR PURPOSES OF THIS REGULATION, TO QUALIFY AS A "SPA EXPERIENCE" THE FACILITY MUST OFFER AT LEAST THREE (3) OF THE FOLLOWING TREATMENTS AND EXPERIENCES:
 - A. FACIALS;
 - B. MASSAGE THERAPY;
 - C. SKIN TREATMENT;
 - D. BODY WRAPS; OR
 - E. BODY WAXING.
- 3. THE FOLLOWING ACTIVITIES SHALL NOT QUALIFY AS ENTERTAINMENT ACTIVITIES FOR PURPOSES OF AN ENTERTAINMENT FACILITY:
 - A. ANY ACTIVITY NOT DESCRIBED IN SUBPARAGRAPHS (B)(1) OR (B)(2) OF THIS REGULATION; AND
 - B. Shopping for or receiving goods or personal services, including but not limited to hair care or nail care services.
- C. AN ACTIVITY THAT WOULD OTHERWISE QUALIFY UNDER SUBPARAGRAPHS (B)(1) AND (B)(2) OF THIS REGULATION, SHALL NOT QUALIFY IF THE ACTIVITY INVOLVES THE USE OF A DEADLY WEAPON AS DEFINED BY SUBSECTION 18-1-901(3)(E), C.R.S., OR CREATES A SUBSTANTIAL HEALTH AND SAFETY RISK TO ANY PERSON.
- D. DETERMINING THE PRIMARY BUSINESS OF A LODGING AND ENTERTAINMENT FACILITY.
 - 1. To satisfy the requirement that the primary business of a lodging facility is to provide the public with sleeping rooms and meeting facilities, and that serving and selling alcohol beverages is incidental thereto, the lodging facility's annual gross revenues from the sale of sleeping rooms and meeting facilities must exceed fifty (50) percent of the lodging facility's total annual gross sales revenues.
 - 2. To satisfy the requirement that the primary business of an entertainment facility is to provide the public with sports or entertainment activities, and that serving and selling alcohol beverages is incidental thereto, the entertainment facility's annual gross revenues from the sale of sports or entertainment activities must exceed fifty (50) percent of the entertainment facility's total annual gross sales revenues.

Regulation 47-316. Advertising Practices

A. Consumer Advertising Specialties

1. "Consumer advertising specialties" shall mean those items designed to advertise or promote a specific alcohol beverage brand or supplier, that have a utilitarian function to the consumer in addition to product promotion and that are intended and designed to be carried away by the consumer. Consumer advertising specialties shall include: t-shirts, caps, visors, bottle or can openers, cork screws, printed recipes, pencils, pens, pins, buttons, matches, computer flash and jump drives (not to exceed 8 GB), computer mouse pads, shopping bags, key chains, paper or plastic cups and plates, and similar items of negligible value, as approved by the Liquor Enforcement Division. For purposes of this regulation, glassware and plates do not qualify as consumer advertising specialties.

B. Point-of-Sale Advertising

2. Suppliers may provide the following point-of-sale advertising materials to licensed retailers free of charge for use within retail premises: display decorations of negligible value, table tents, table tent holders, sports schedules and brackets, case cards, serving trays, condiment trays, bar utensil caddies, stir rods, strainers, presses, check and credit card holders, shakers, pitchers, table mats, bar mats, alcohol beverage lists or menus, menu cards, menu holders, calendars, napkins, napkin holders, coasters, stir sticks, and similar items of negligible value, as approved by the Liquor Enforcement Division.

5. Supplier Give-A-Ways and Displays

d. The actual item(s) that is(are) part or the Consumer Contest shall be delivered to the retail license premises together with an invoice made out to the retail licensee for not less than the actual cost of the item(s). The retail licensee shall be responsible for and required to pay the invoice cost for the item unless the retail licensee can establish to the satisfaction of the Liquor Enforcement Division that the item(s) was(were) in fact presented to the winning consumer in accordance with the rules of the Consumer Contest. Both the retail licensee and the supplier of the item shall each maintain in their respective records proof establishing that the item(s) was(were) delivered to the winning consumer. Such records shall include but not be limited to a signed acknowledgement of receipt of the item(s) by the winning consumer which acknowledgment shall include a valid form of identification proving the identity of the consumer, the consumer's name, address, phone number, e-mail address (if available) and the date on which the item was presented to the consumer. In addition, the records shall include the name and position of the person or persons presenting the item to the consumer sufficient so that the Liquor Enforcement Division can verify that the item was presented to the Consumer Contest winner.

C. Media Advertising

- 1. Except as provided in Regulations 47-322(B) and 47-322(C) for on-site sales promotions and Sponsored Events, AND SUBSECTION (C)(3) OF THIS REGULATION, no supplier shall directly or indirectly furnish or pay for any advertising for or with respect to any one or more retail licensee by means of the internet, device applications (apps), radio or television broadcast, magazines, newspapers, pamphlets, or similar media, or by means of any sign not located on or in the licensed premises of the retailer which is advertised.
- 2. Except as provided in Regulations 47-322(B) and 47-322(C) for on-site sales promotions and Sponsored Events, suppliers that purchase internet, device applications (apps), radio or television advertising packages from third party advertising agencies:
 - a. May not authorize the advertising agency to apply any value attributable to the supplier's advertising package toward the advertising or promotion of any licensed retailer or their location.
 - May not authorize the advertising agency to combine supplier-purchased advertising packages with those purchased by licensed retailers, for the purpose and benefit of cooperative advertising.
- 3. For purposes of this paragraph C, a supplier's A SUPPLIER MAY DIRECTLY OR INDIRECTLY ADVERTISE FOR OR WITH RESPECT TO ANY ONE (1) OR MORE RETAILERS THAT SELL THE SUPPLIER'S ALCOHOL BEVERAGES, VIA THE SUPPLIER'S internet websites (including forums such as a supplier's Facebook page, blog or device applications (apps)) and electronic advertising messages delivered directly to consumers' private electronic devices., shall not be construed as "similar media."

Regulation 47-318. Owner-Manager.

B. Owners may hire managers, and managers may be compensated on the basis of profits made, gross or net. In such cases, (except through an I.R.S. qualified retirement account), the financial interests of the manager(s) must be reported on the forms prescribed by the Liquor Enforcement Division. The manager may be required to complete an individual history report and be subject to a background check. A license may not be held in the name of the manager.

Regulation 47-319. Liquor-Licensed Drugstore Manager Permit.

C. A liquor-licensed drugstore licensee must submit an application for each permitted manager with the Liquor Enforcement Division on forms approved by the State Licensing Authority. The manager permit is an annual permit that is renewed every year.

REGULATION 47-321. BONA FIDE LOYALTY OR REWARDS PROGRAMS – DISCONTINUED SALES – CLOSE-OUT SALES.

BASIS AND PURPOSE. THE STATUTORY AUTHORITY FOR THIS REGULATION IS FOUND AT SUBSECTIONS 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)(O), C.R.S. THE PURPOSE OF THIS REGULATION IS TO CLARIFY HOW APPLICABLE LICENSEES MAY SELL ALCOHOL BEVERAGES BELOW COST UNDER LIMITED STATUTORY EXCEPTIONS.

- A. A RETAILER LICENSED PURSUANT TO SECTION 44-3-409 OR 44-3-410, OR SUBSECTION 44-4-107(1)(A), C.R.S., SHALL NOT SELL ALCOHOL BEVERAGES TO CONSUMERS AT A PRICE THAT IS BELOW THE RETAILER'S COST, AS LISTED ON THE INVOICE, UNLESS THE SALE IS OF DISCONTINUED OR CLOSE-OUT ALCOHOL BEVERAGES. FOR PURPOSES OF THIS SUBSECTION:
 - "DISCONTINUED" MEANS WHEN A MANUFACTURER OR IMPORTER DISCONTINUES THE PRODUCTION, IMPORTATION, OR MARKET AVAILABILITY OF A SPECIFIC ALCOHOL BEVERAGE PRODUCT. A RETAILER'S DECISION TO STOP MAKING AVAILABLE THE ALCOHOL BEVERAGE PRODUCT FOR PURCHASE BY A CONSUMER DOES NOT QUALIFY AS A DISCONTINUED PRODUCT.
 - 2. TO QUALIFY AS A "CLOSE-OUT" SALE, THE FOLLOWING CONDITIONS MUST BE SATISFIED:
 - A. THE CLOSE-OUT SALE MUST INCLUDE AND LIQUIDATE, BY SALE OR DESTRUCTION, ALL OF THE RETAILER'S CURRENT INVENTORY OF A SPECIFIC ALCOHOL BEVERAGE PRODUCT AS OF THE DATE THE CLOSE-OUT SALE BEGINS.
 - B. THE RETAILER IS PROHIBITED FROM SELLING THE SPECIFIC ALCOHOL BEVERAGE PRODUCT THAT WAS INVOLVED IN THE CLOSE-OUT SALE AT A PRICE BELOW COST FOR A PERIOD OF TWO (2) YEARS COMMENCING ON THE DATE THE LAST ITEM INCLUDED IN THE CLOSE-OUT SALE IS LIQUIDATED.
- B. A RETAILER LICENSED PURSUANT TO SECTION 44-3-409 OR 44-3-410, OR SUBSECTION 44-4-107(1)(A), C.R.S., SHALL NOT BE PROHIBITED FROM OPERATING A BONA FIDE LOYALTY OR REWARDS PROGRAM FOR ALCOHOL BEVERAGES THE RETAILER IS LICENSED TO SELL SO LONG AS THE PRICE FOR THE PRODUCT IS NOT BELOW THE RETAILER'S COSTS AS LISTED ON THE INVOICE. FOR PURPOSES OF SUBSECTIONS (B) AND (C) OF THIS REGULATION:
 - 1. "BONA FIDE LOYALTY OR REWARDS PROGRAM" MEANS A STRUCTURED PROGRAM USED BY A RETAILER LICENSED PURSUANT TO SECTION 44-3-409 OR 44-3-410, OR SUBSECTION 44-4-107(1)(A), C.R.S., TO ENCOURAGE PARTICIPANTS TO CONTINUE TO SHOP AT THE RETAILER'S LICENSED BUSINESS BY ALLOWING PARTICIPANTS TO ACCRUE PROGRAM BENEFITS, THROUGH THE PURCHASE OF ALCOHOL BEVERAGES, TO BE REDEEMED IN THE FORM OF A DISCOUNT UPON A SUBSEQUENT SALES TRANSACTION ON ALCOHOL BEVERAGE PRODUCTS ONLY.
 - 2. "RETAILER'S COST" MEANS THE ACTUAL PROPORTIONATE INVOICE PRICE CHARGED BY THE WHOLESALER,
 PER ITEM, INCLUDING APPLICABLE STATE AND FEDERAL TAXES. ALL INVOICES MUST CLEARLY DESIGNATE A
 PRICE PAID FOR EACH PRODUCT, WHICH SHALL NOT BE LESS THAN THE WHOLESALER'S LAID-IN COST FOR
 EACH PRODUCT.

- 3. "PRICE" MEANS THE AMOUNT AN ALCOHOL BEVERAGE PRODUCT IS LISTED FOR SALE TO CONSUMERS BY THE RETAILER, BEFORE APPLICABLE TAXES, AND BEFORE APPLICATION OF BONA FIDE LOYALTY OR REWARDS PROGRAM BENEFITS IN THE FORM OF A DISCOUNT.
- 4. A SUPPLIER SHALL NOT PROVIDE TO A RETAILER, AND A RETAILER SHALL NOT ACCEPT FROM A SUPPLIER, ANY FINANCIAL ASSISTANCE IN CONNECTION WITH A BONA FIDE LOYALTY OR REWARDS PROGRAM.
- 5. BONA FIDE LOYALTY REWARDS PROGRAM BENEFITS SHALL BE STRUCTURED SO THAT BOTH THE ACCRUAL AND REDEMPTION OF BENEFITS IS APPLIED WITHOUT DISCRIMINATION ACROSS ALL BRANDS AND LABELS OF ALCOHOL BEVERAGES.
- C. A RETAILER DESCRIBED IN SUBSECTION (B) OF THIS REGULATION SHALL MAINTAIN AND MAKE AVAILABLE THOSE BUSINESS RECORDS REGARDING ALL BONA FIDE LOYALTY OR REWARDS PROGRAM TRANSACTIONS CONSISTENT WITH REGULATION 47-700, 1 C.C.R. 203-2. A RETAILER DESCRIBED IN SUBSECTION (B) OF THIS REGULATION MUST MAINTAIN, AT A MINIMUM, THE FOLLOWING RECORDS REGARDING ITS BONA FIDE LOYALTY OR REWARDS PROGRAM:
 - DOCUMENTATION REGARDING THE VALUE OF LOYALTY OR REWARDS PROGRAM BENEFITS AND HOW
 THOSE BENEFITS MAY BE ACCRUED AND REDEEMED BY PARTICIPANTS;
 - 2. DOCUMENTATION SHOWING THE LOYALTY OR REWARDS PROGRAM BENEFITS ACTUALLY ACCRUED AND REDEEMED BY EACH PARTICIPANT, ORGANIZED BY A UNIQUE CUSTOMER IDENTIFICATION NUMBER ASSIGNED TO EACH PARTICIPANT;
 - 3. INVOICES SHOWING THE RETAILER'S COST OF THE INDIVIDUAL ALCOHOL BEVERAGE PRODUCT TO WHICH ANY CONSUMER LOYALTY OR REWARDS BENEFIT WAS APPLIED OR REDEEMED; AND
 - 4. RECEIPTS FOR EVERY ALCOHOL BEVERAGE SALE TO WHICH LOYALTY OR REWARDS PROGRAM BENEFITS ARE REDEEMED, SHOWING THE PRICE FOR EVERY ALCOHOL BEVERAGE AND THE AMOUNT OF SUCH BENEFITS.

Regulation 47-322. Unfair Trade Practices and Competition.

- A. Sales of alcohol beverages.
 - 5. Certain sales of alcohol beverages below cost are not designed or intended to influence or control a retailer's product selection. The following exceptions to below cost product sales are therefore permitted:
 - 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 manufacturer, wholesaler, brewpub BREW PUB, distillery

pub, or vintner's restaurant, or invoiced at a minimum of laid in cost to the retailer.

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

- 2. On-Premises Sampling. Supplier-sponsored A supplier-sponsored consumer sampling of alcohol beverages that is MAY BE held in establishments licensed for on-premises consumption AT A RETAILER'S PREMISES LICENSED FOR ON-PREMISES CONSUMPTION for the purpose of product sales promotion, are permitted 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.
 - Product used for sampling must be invoiced by a 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.
 - A retailer may not impose any charge to the consumer to enter or participate in the sampling.
 - EE. 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.
 - df. Any remaining product must be returned to the wholesaler, or sold to the retailer at a minimum of the seller's WHOLESALER'S cost.
 - eg. The supplier must be present and shall be the person who provides the sample to a consumer who is twenty-one (21) years of age or older., Supplier representatives or their authorized agents may provide alcohol beverage samples directly to the

- consumer, if the product has been delivered to the retail premises pursuant to the conditions described herein, and the retailer has so consented.
- FH. Suppliers may provide or pay for any media announcement of a supplier sponsored SUPPLIER-SPONSORED consumer sampling that primarily advertises the product, the location, and the date and time of the sampling. The name of the retail outlet may also be mentioned.
- 3. OFF-PREMISES GIVEAWAY. A supplier-sponsored consumer give-a-way GIVEAWAY of SEALED malt liquors LIQUOR OR FERMENTED MALT BEVERAGES MAY BE held in retail establishments licensed for off-premises consumption at a retailer's premises licensed for OFF-premises consumption for the purpose of product sales promotion, are permitted under the following conditions:
 - A. A SUPPLIER-SPONSORED CONSUMER GIVEAWAY HELD AT THE LICENSED PREMISES OF A

 RETAILER LICENSED FOR OFF-PREMISES CONSUMPTION IS LIMITED TO EITHER SEALED MALT
 LIQUOR OR FERMENTED MALT BEVERAGES, WHICHEVER THE RETAILER IS LICENSED TO SELL.
 - B. THE SUPPLIER SHALL ONLY OFFER ITS MALT LIQUOR OR FERMENTED MALT BEVERAGES PRODUCT TO CONSUMERS DURING A SUPPLIER-SPONSORED CONSUMER GIVEAWAY.
 - C. A RETAILER OR SUPPLIER SHALL NOT IMPOSE ANY CHARGE TO THE CONSUMER TO ENTER OR PARTICIPATE IN THE GIVEAWAY.
 - ad. The supplier must purchase the malt liquors from the retailer at the retail price of the product to be given away, including sales tax. PRODUCT USED FOR THE GIVEAWAY MUST BE INVOICED BY A SUPPLIER, WHO IS AUTHORIZED TO SELL MALT LIQUOR OR FERMENTED MALT BEVERAGE TO LICENSED RETAILERS PURSUANT TO ARTICLE 3 OR 4 OF TITLE 44, AS IF SOLD TO THE RETAILER.
 - b. A retailer/supplier may not impose any charge to the consumer to enter or participate in the give-a-way.
 - E. IF ALL PRODUCT LISTED IN THE SALES INVOICE IS GIVEN AWAY 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.
 - c. The product purchased must be of the supplier's brands and currently offered by the supplier.
 - dg. The supplier must be present and shall be the person who gives the product

 SEALED CONTAINER to consumers. The supplier representative must verify that

 Page 21 of 43

each consumer is of lawful age prior to giving the item to them GIVING AWAY THE SEALED CONTAINER.

- e. The supplier and retailer must keep records of all items purchased from a retail liquor store to be used as a free give a way to consumers. The records must include the date, retailer/supplier name, amount paid, and name of products purchased.
- f. Supplier representatives or their authorized agents may give-a-way sealed malt liquor products directly to the consumer (for off premises consumption only), if the product has been purchased in accordance to this regulation and the retailer has so consented. The retail licensee or their employee(s) are not eligible to receive free malt liquor samples.
- g. The maximum amount of malt liquor beverages given to each consumer is limited to twenty-four (24) ounces.
- HH. Suppliers may provide or pay for any media announcement of a supplier sponsored SUPPLIER-SPONSORED consumer give a way GIVEAWAY that primarily advertises the product, the location, and the date and time of the give-a-way GIVEAWAY. The name of the retail outlet may also be mentioned.
- All items purchased by the supplier representative for the give-a-way must be given away to the consumer or the retailer must purchase back any remaining items not given away at the original purchase price.
- I. THE MAXIMUM AMOUNT OF MALT LIQUOR OR FERMENTED MALT BEVERAGES GIVEN TO EACH CONSUMER SHALL NOT EXCEED TWENTY-SIX (26) OUNCES.

J. Other goods

Suppliers may not provide a retailer with any other goods below a supplier's cost FAIR MARKET VALUE except those items expressly permitted by articles 3, 4, or 5 of title 44, C.R.S, and related regulations.

L. Value of labor

- Suppliers may provide labor at no cost as it relates to product delivery, price stamping, rotation and stocking. The cleaning of beverage dispensing equipment and supplierprovided displays may also be provided at no cost.
- Suppliers may, upon retail premises, organize, construct, and maintain displays of those alcohol beverages that they sell. Such supplier-constructed displays shall be accessible by the consumer.

- 3. Cost of labor provided to a retailer for services such as the installation of dispensing systems and the pouring or serving of alcohol beverages (except as allowed by regulation 47-322(B)(2)) shall be at least at a minimum of that employee's hourly wage.
- 1. FOR PURPOSES OF THIS SUBSECTION (L):
 - A. "DELIVER" OR "DELIVERING" IS THE ACT OF A WHOLESALER BRINGING AND UNLOADING ITS ALCOHOL BEVERAGE PRODUCT FROM ITS DELIVERY VEHICLE ONTO THE RETAILER'S LICENSED PREMISES OR PERMITTED RETAIL WAREHOUSE STORAGE LOCATION. "DELIVER" OR "DELIVERING" DOES NOT MEAN A WHOLESALER BRINGING AND UNLOADING ITS ALCOHOL BEVERAGE PRODUCT FROM A PERMITTED RETAIL WAREHOUSE STORAGE LOCATION TO A RETAILER'S LICENSED PREMISES.
 - B. "STOCK" OR "STOCKING" IS THE ACT OF A SUPPLIER PLACING OR REPLENISHING ITS ALCOHOL BEVERAGE PRODUCT ON ANY SHELF, REFRIGERATOR, OR SIMILAR LOCATION WITHIN THE RETAILER'S LICENSED PREMISES.
 - C. "ROTATE" OR "ROTATING" IS THE ACT OF A SUPPLIER MOVING ITS ALCOHOL BEVERAGE
 PRODUCT FROM THE REAR TO THE FRONT OF ANY SHELF, REFRIGERATOR, OR SIMILAR LOCATION
 WITHIN THE RETAILER'S LICENSED PREMISES, SO THAT OLDER ALCOHOL BEVERAGE PRODUCT
 WILL SELL FIRST.
 - D. "PRICE STAMP" OR "PRICE STAMPING" IS THE ACT OF A SUPPLIER AFFIXING THE RETAIL PRICE OF ITS ALCOHOL BEVERAGE PRODUCT TO ITS RESPECTIVE SHELF, REFRIGERATOR, OR ANY OTHER SIMILAR LOCATION WITHIN THE RETAILER'S LICENSED PREMISES.
 - E. "MERCHANDISE" OR "MERCHANDISING" IS THE ACT OF A SUPPLIER ORGANIZING,
 CONSTRUCTING, OR MAINTAINING A TEMPORARY DISPLAY OF ALCOHOL BEVERAGE PRODUCT
 INCLUDING A SIGN, INTERIOR DISPLAY, CONSUMER ADVERTISING SPECIALTY, OR POINT-OF-SALE
 ADVERTISING, WITHIN THE RETAILER'S LICENSED PREMISES, FOR THE PURPOSE OF INCREASED
 PRODUCT VISIBILITY TO CONSUMERS.
- 2. EXCEPT AS OTHERWISE PROVIDED BY THIS SUBSECTION (L)(2), THE COLORADO LIQUOR CODE, THE COLORADO BEER CODE, OR THE COLORADO LIQUOR RULES, A SUPPLIER IS PROHIBITED FROM PROVIDING ANY LABOR TO A RETAILER AT NO COST OR CONDUCTING AN ON-SITE SALES PROMOTION PURSUANT TO SUBSECTION (B) OF THIS REGULATION, FOR THE PURPOSE OF ALTERING OR INFLUENCING A RETAILER'S PRODUCT SELECTION. A RETAILER IS PROHIBITED FROM REQUIRING A SUPPLIER TO PROVIDE ANY LABOR TO THE RETAILER OR TO CONDUCT AN ON-SITE SALES PROMOTION PURSUANT TO SUBSECTION (B) OF THIS REGULATION, AS AN EXPRESS OR IMPLIED CONDITION OF THE DELIVERY, PURCHASE, OR FUTURE PURCHASES BETWEEN THE SUPPLIER AND THE RETAILER.
 - A. A WHOLESALER MAY DELIVER ITS ALCOHOL BEVERAGE PRODUCT AT NO COST TO THE RETAILER.

- B. IN A SUPPLIER'S SOLE DISCRETION, A SUPPLIER MAY STOCK, ROTATE, PRICE STAMP, AND
 MERCHANDISE ITS ALCOHOL BEVERAGE PRODUCT ON THE RETAILER'S LICENSED PREMISES AT NO
 COST TO THE RETAILER.
 - I. EXCEPT AS PROVIDED BY SUBSECTION (L)(2)(B)(II) OF THIS REGULATION, NO SINGLE LICENSED SUPPLIER, NOR ANY COMBINATION OF LICENSED SUPPLIERS OF ANY GIVEN ALCOHOL BEVERAGE PRODUCT MAY PERFORM THE ACTIVITIES LISTED IN SUBSECTION (L)(2)(B) OF THIS REGULATION UPON ANY RETAILER'S LICENSED PREMISES MORE THAN FOUR (4) DAYS IN A CALENDAR WEEK. A CALENDAR WEEK, FOR PURPOSES OF THIS SUBSECTION, WILL COMMENCE ON SUNDAY AND END ON SATURDAY.
 - II. TWELVE (12) TIMES PER CALENDAR YEAR, ANY SINGLE LICENSED SUPPLIER, OR COMBINATION OF LICENSED SUPPLIERS OF ANY GIVEN ALCOHOL BEVERAGE PRODUCT SHALL BE PERMITTED TO PERFORM THE ACTIVITIES LISTED IN SUBSECTION (L)(2)(B) OF THIS REGULATION FOR A TOTAL OF FIVE (5) DAYS IN A CALENDAR WEEK. NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO PERMIT A SINGLE LICENSED SUPPLIER, OR ANY COMBINATION OF LICENSED SUPPLIERS OF ANY GIVEN ALCOHOL BEVERAGE PRODUCT TO PERFORM THESE ACTIVITIES MORE THAN FIVE (5) DAYS IN A CALENDAR WEEK.
 - III. A SUPPLIER IS PROHIBITED FROM DISTURBING ANOTHER SUPPLIER'S ALCOHOL BEVERAGE PRODUCT WHILE STOCKING, ROTATING, PRICE STAMPING, AND/OR MERCHANDISING.
 - IV. FOR PURPOSES OF THIS SUBSECTION (L)(2)(B), THE RETAILER'S LICENSED PREMISES SHALL NOT INCLUDE A PERMITTED RETAIL WAREHOUSE STORAGE LOCATION.
 - V. BOTH THE RETAIL LICENSEE AND EACH LICENSED SUPPLIER SHALL MAINTAIN, IN THEIR RESPECTIVE RECORDS, PURSUANT TO 44-3-701, C.R.S., A LOG FOR EACH CALENDAR WEEK THAT DOCUMENTS EVERY INSTANCE IN WHICH A LICENSED SUPPLIER PERFORMED ANY OF THE ACTIVITIES LISTED IN SUBSECTION (L)(2)(B) OF THIS REGULATION.
 - A. THE LOG SHALL INCLUDE THE LICENSED SUPPLIER NAME, THE DATE THE
 ACTIVITIES WERE PERFORMED, AND THE NAME OF AT LEAST ONE PERSON
 WHO PERFORMED THE ACTIVITIES ON BEHALF OF THE SUPPLIER.
 - B. These records shall be maintained by each licensee in accordance with regulation 47-700.
 - C. FAILURE TO MAINTAIN ACCURATE OR COMPLETE RECORDS SHALL BE A VIOLATION OF THIS REGULATION.

- C. A SUPPLIER MAY CLEAN THE RETAILER'S ALCOHOL BEVERAGE DISPENSING EQUIPMENT AT NO COST TO THE RETAILER. A SUPPLIER MAY ONLY CLEAN THE PORTION OF THE RETAILER'S ALCOHOL BEVERAGE DISPENSING EQUIPMENT USED FOR DISPENSING ITS ALCOHOL BEVERAGE PRODUCT.
- 3. A SUPPLIER IS PROHIBITED FROM PROVIDING TO A RETAILER, AND A RETAILER IS PROHIBITED FROM REQUIRING FROM A SUPPLIER, ANY ACTS OF LABOR OTHER THAN THOSE ACTS DESCRIBED IN SUBSECTION (L)(2) OF THIS REGULATION. SUCH PROHIBITED ACTS OF LABOR SHALL INCLUDE, BUT ARE NOT LIMITED TO:
 - A. CLEANING, SWEEPING, MOPPING, OR MAINTAINING THE RETAILER'S LICENSED PREMISES;
 - B. CLEANING THE RETAILER'S SHELVES OR REFRIGERATORS;
 - C. OPERATING THE RETAILER'S POWERED MECHANICAL EQUIPMENT; OR
 - D. PERFORMING INVENTORY FOR THE RETAILER'S RECORDS.
- 4. A REPRESENTATIVE, EMPLOYEE, OR AGENT OF ONE OF THE FOLLOWING SUPPLIERS LICENSED BY THE STATE LICENSING AUTHORITY MAY POUR OR SERVE ONLY ITS OWN ALCOHOL BEVERAGE PRODUCTS AS PART OF A TASTING AT NO COST TO THE RETAILER:
 - A. WHOLESALER,
 - B. Brew Pub,
 - C. DISTILLERY PUB,
 - D. MANUFACTURER,
 - E. LIMITED WINERY,
 - F. IMPORTER, OR
 - G. VINTNER'S RESTAURANT.

M. PROHIBITION.

EXCEPT AS OTHERWISE PROVIDED BY THE COLORADO LIQUOR CODE, COLORADO BEER CODE, OR
 COLORADO LIQUOR RULES, A SUPPLIER IS PROHIBITED FROM DISTURBING ANOTHER SUPPLIER'S ALCOHOL
 BEVERAGE PRODUCT.

REGULATION 47-322(A)(9) IS EFFECTIVE JULY 1, 2019.

Regulation 47-326. Distance Restriction – Applicability and Measurement.

- A. Except as provided for in this regulation, no RETAIL license shall be issued to or held by any person where malt, vinous, or spirituous liquor is ALCOHOL BEVERAGES ARE sold if the licensed premises is located within 500 feet of any public or parochial school or the principal campus of any college, university or seminary;. said SAID distance to SHALL be computed by direct measurement from the nearest property line of the land used for school purposes to the nearest portion of the building in which malt, vinous, or spirituous liquors ALCOHOL BEVERAGES are to be sold, using a route of direct pedestrian access, measured as a person would walk safely and properly, without trespassing, with right angles at crossings and with the observance of traffic regulations and traffic signals.
- B. The restriction stated herein shall not be applicable to the following:
 - 7. A RETAILER LICENSED PURSUANT TO SUBSECTION 44-4-107(1)(B), C.R.S.

Regulation 47-407. Liquor-Licensed Drugstore.

- E. Additional liquor-licensed drugstore locations:
 - 1. After January 1, 2017, a liquor-licensed drugstore licensee may apply for additional liquor-licensed drugstore licenses as long as they meet the requirements of section 44-3-410(1)(b)(I-IV), C.R.S. The application for an additional liquor-licensed drugstore will be a single application form approved by the Liquor Enforcement Division. The application process will include the transfer of ownership of at least two retail liquor stores, the change of location to the new licensed premises and the merger and conversion of a new liquor-licensed drugstore.
- F. On or after January 1, 2017, a liquor-licensed drugstore licensee shall not purchase malt, vinous or spirituous liquors from a wholesaler on credit and shall effect payment upon delivery of the alcohol beverages. Allowed payments include cash, credit/debit cards, check, money orders, certified check, EFT transfer and any other method of payment approved by the Liquor Enforcement Division.
- H. Wholesalers, including brewpubs BREW PUBS, distiller's DISTILLERY pubs, vintner's restaurants and limited wineries shall take orders for alcohol beverage sales to a liquor-licensed drugstore only from a permitted manager of such liquor-licensed-drugstore who has a valid manager's permit under section 44-3-427, C.R.S.

D. Restaurants must be maintained in a clean and sanitary condition, and shall maintain such food service license issued by the Colorado Department of Public Health and Environment OR THE DENVER DEPARTMENT OF EXCISE AND LICENSES in full force and effect at all times while selling alcohol beverages for consumption therein.

Regulation 47-426. Delivery of Alcohol Beverages.

<u>Basis and Purpose</u>. The statutory authority for this regulation is located at subsections 44-4-107(1)(c), 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-409(3), and 44-3-410(3), C.R.S. The purpose of this regulation is to permit fermented malt beverage on-off premises OFF-PREMISES licensees, retail liquor stores, and liquor licensed drug stores to deliver alcohol beverage products to consumers within the requirements, restrictions, and limitations outlined in the regulation in accordance with the statutory provisions under which limited retail delivery activities are authorized.

A. Delivery Prohibited.

No retail liquor licensee, licensed to sell malt, vinous, and spirituous liquor for off-premises consumption or fermented malt beverages for on and off premises consumption, shall conduct a delivery only business, or permit the delivery of such alcohol beverages beyond the customary parking area for the customers of the retail outlet except as permitted in paragraph B of this regulation.

BA. Delivery Permitted.

A-retail liquor licensee, licensed to sell malt, vinous, and spirituous liquor, for off-premises consumption or fermented malt beverages for on and off premises consumption, may, RETAILER LICENSED PURSUANT TO SECTION 44-3-409 OR 44-3-410, OR SUBSECTION 44-4-107(1)(A), C.R.S., MAY deliver such alcohol beverages AUTHORIZED BY ITS LICENSE to any location off the licensed premises, pursuant to the following restrictions:

1. Order.

- A. The order for the alcohol beverages which are to be delivered, must be taken by the licensee or an ordering service acting as an agent of the licensee pursuant to a written agreement entered into with the licensee. Licensee shall provide a copy of said agreement to the Liquor Enforcement Division prior to any orders being accepted by licensee's agent.
- B. The order may be taken by written order, by telephone, in person, or via internet communication with the licensee or its agent.
- c. The person placing the order must provide the licensee with their name, address, date of birth, AND DELIVERY ADDRESS and a valid form of identification, including the identification number. Under no circumstances shall a person

under TWENTY-ONE (21) years of age be permitted to place an order for alcohol beverages.

2. Delivery.

- A. Delivery of alcohol beverages shall only be made to a person TWENTY-ONE (21) years of age or older at the address specified in the order.
- B. Delivery must be made by the licensee, an employee of the licensee, or a delivery service acting as an agent of the licensee pursuant to a written agreement entered into with the licensee. A copy of said agreement shall be maintained by the licensee OR THE LICENSEE'S EMPLOYEE WHO IS AT LEAST TWENTY-ONE (21) YEARS OF AGE AND IS USING A VEHICLE OWNED OR LEASED BY THE LICENSEE TO MAKE THE DELIVERY.
- C. The licensee or his THE LICENSEE'S employee, or a representative of a delivery service who delivers the alcohol beverages shall note and log, at the time of delivery; the name, address, date of birth and the valid form of identification, including the AND identification number, of the person the alcohol beverages are delivered to. Under no circumstances shall a person under TWENTY-ONE (21) years of age be permitted to receive a delivery of alcohol beverages.
- D. A LICENSEE MUST DERIVE NO MORE THAN FIFTY (50) PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES OF ALCOHOL BEVERAGES THAT THE LICENSEE DELIVERS.
- 3. Licensees who deliver alcohol beverages shall maintain as a part of their required records, pursuant to 44-3-701, C.R.S., all records of delivery including; delivery agreements, delivery orders, receipt logs and journals. These records shall be maintained by the licensee for the current and three prior calendar years. Failure to maintain accurate or complete records shall be a violation of this regulation.
- 4. Have a licensed premises with the following conditions:
 - AA. Open to the public a minimum of three (3) days a week; and
 - BB. Open to the public a minimum of five (5) hours each day the business is open; and
 - Cc. Have signage viewable from a public road.

5. PERMIT REQUIRED.

A. EFFECTIVE JULY 1, 2019, THE STATE LICENSING AUTHORITY WILL ACCEPT COMPLETE DELIVERY PERMIT APPLICATIONS FROM ANY APPLICANT OF OR RETAILER LICENSED PURSUANT TO SECTION 44-3-409 OR 44-3-410, OR SUBSECTION 44-4-107(1)(A), C.R.S.

- B. EFFECTIVE JULY 1, 2020, ANY RETAILER LICENSED PURSUANT TO SECTION 44-3-409 OR 44-3-410, OR SUBSECTION 44-4-107(1)(A), C.R.S., MUST HOLD A VALID DELIVERY PERMIT ISSUED BY THE STATE LICENSING AUTHORITY TO DELIVER ALCOHOL BEVERAGES PURSUANT TO THE COLORADO LIQUOR CODE, THE COLORADO BEER CODE, AND THIS REGULATION.
- C. The applicant must affirm on its delivery permit application that the applicant derives or will derive no more than fifty (50) percent of its gross annual revenues from total sales of alcohol beverages that the applicant delivers. However, nothing within this subsection (A)(5)(c) shall limit the authority of the state licensing authority to inspect books and records pursuant to Regulation 47-700, 1 C.C.R. 203-2, to verify this affirmation or compliance with this statutory requirement.
- D. A DELIVERY PERMITTEE SHALL DISPLAY ITS DELIVERY PERMIT AT ALL TIMES IN A PROMINENT PLACE ON ITS LICENSED PREMISES. A DELIVERY PERMITTEE SHALL NOT BE REQUIRED TO HOLD OR CARRY A COPY OF ITS DELIVERY PERMIT IN THE DELIVERY VEHICLE.
- E. A DELIVERY PERMIT SHALL NOT BE REQUIRED FOR A RETAILER TO DELIVER ALCOHOL BEVERAGES WITHIN ITS CUSTOMARY PARKING AREA.

CB. Suspension/Revocation-Suspension or Revocation.

Any delivery made in violation of Title 44, Articles 3 and Article 4, or in violation of this regulation may be grounds for suspension or revocation OF THE LICENSEE'S LICENSE AND/OR DELIVERY PERMIT by the State Licensing Authority STATE LICENSING AUTHORITY as provided for in section 44-3-601, C.R.S.

Regulation 47-428. Manufacturer Sales Rooms.

- B. The applicant must send a copy of the application for the sales room concurrently to the state licensing authority and to the local licensing authority in the jurisdiction in which such sales room is proposed. All applications for VINOUS OR SPIRITUOUS LIQUOR sales rooms to be operated for no more than three (3) consecutive days shall be filed with both the local and state licensing authorities not less than ten (10) business days prior to the proposed opening date.
- D. The local licensing authority may submit a response to the application to the state licensing authority including its determination whether or not the approval of the proposed sales room will impact traffic, noise, or other neighborhood concerns in a manner that is inconsistent with local regulations or ordinances, which may be determined by the local licensing authority without requiring a public hearing, or that the applicant cannot sufficiently mitigate any potential impacts identified by the local licensing authority. the The local licensing authority submission to the state licensing authority shall be done in a manner that provides proof of date of delivery. This includes, but not limited to, email, facsimile, or certified mail.

J. Neither the state or local licensing authority shall impose any additional fees for the processing or review of an application for a sales room

Regulation 47-432. Colorado Manufacturers – Alternating Proprietor Licensed Premises.

A. Definitions

- 3. "Alternating Proprietor Agreement" shall mean a written agreement between a host manufacturer and an alternating proprietor that, at minimum, conveys possession of specific alternating proprietor licensed premises within a host manufacturer's licensed premises to specific alternating proprietors, establishes the general time frame for possession of alternating proprietor licensed premises, and the manner in which each alternating proprietor will maintain control over its manufacturing operations as an independent producer. Such agreement must be approved by the Liquor Enforcement Division, and any changes, modifications, or termination of such agreement must also be reported to the division Division within the time frame specified within paragraph C of this regulation.
- B. Requirements of Alternating Proprietor Licensed Premises in Colorado Wineries, Breweries, and Brewpubs Brew Pubs
- C. Application for Alternating Proprietor Licensed Premises
 - When a host manufacturer elects to alternate its licensed premises by designating a
 portion of its licensed premises as alternating proprietor licensed premises, it shall file
 notification with the <u>Liquor Enforcement</u> Division, within ten (10) days after alternation
 has commenced.
 - Notification shall be filed on forms prepared by the Liquor Enforcement Division, and shall include all applicable fees, an alternating proprietor agreement, color-coded diagrams delineating those sections of the licensed premises that are to be operated as alternating proprietor licensed premises and those sections that are to remain designated premises, and the manner in which alcohol beverage stock ownership will be identified and segregated.

Regulation 47-500. Excise Tax Audits.

<u>Basis and Purpose</u>. The statutory authority for this regulation is located at subsections 44-3-202(1)(b) and 44-3-503(2), C.R.S. The purpose of this regulation is to establish a regular audit for brewpubs BREW PUBS, distillery pubs, manufacturers, and wholesalers, and associated credits and liabilities consequential to this audit

The Department of Revenue shall cause each original monthly summary report to be audited.

- A. If the audit reveals that the reporting brewpub BREW PUB, distillery pub, manufacturer or wholesaler shall have paid more tax, penalty, or interest than was actually due, the Department of Revenue shall issue to that brewpub BREW PUB, distillery pub, manufacturer or wholesaler a tax credit form reflecting the amount of overpayment. The brewpub BREW PUB, distillery pub, manufacturer or wholesaler may deduct the tax credit from any succeeding monthly report by attaching tax credit forms to the report.
- B. If such audit reveals that the reporting brewpub BREW PUB, distillery pub, manufacturer or wholesaler shall have paid less tax, penalty, or interest than was actually due, the Department of Revenue shall issue to that brewpub BREW PUB, distillery pub, manufacturer or wholesaler a notice of assessment form reflecting the amount of underpayment. The brewpub BREW PUB, distillery pub, manufacturer or wholesaler must return the assessment form, along with the remittance, payable to the Department of Revenue.

Regulation 47-506. Fees.

<u>Basis and Purpose</u>. The statutory authority for this regulation is located at subsections 44-3-202(1)(b) and 44-3-501(3)-(4), C.R.S. The purpose of this regulation is to establish fees for certain applications, notices, reports, and services.

Below are the fees set by the State Licensing Authority pursuant to sections 44-3-501(3) and 44-3-501(4), C.R.S.

Alternating Proprietor Licensed Premises\$150.00
Application for New License\$1,100.00
Application for Transfer License\$1,100.00
Application for Transfer & Conversion for an Additional Liquor-Licensed Drugstore
Branch Warehouse or Warehouse Storage Permit\$100.00
Change of Corporate or Trade Name\$50.00
Change of Location\$150.00
Concurrent Review\$100.00
Corporate/LLC Change (Per Person)\$100.00
Duplicate Liquor License
Limited Liability Change\$100.00

Manager Permit Registration (Liquor-Licensed Drugstore)
Master File Background\$250.00
Master File Location Fee (Per Location)
Modification of License Premises (City or County)\$150.00
(EXCEPT THAT A TEMPORARY MODIFICATION OF LICENSED PREMISES TO ACCOMMODATE AN OUTSIDE SERVICE AREA LOCATED ON A SIDEWALK SHALL ONLY INCUR AN ANNUAL FEE OF \$75.00, AS OUTLINED IN REGULATION
47-302(A)(4)).
47°302(\(\text{\beta}\)(\(\frac{4}{I}\)).
New Product Registration (Per Unit)\$0.00
New Product Registration (Per Unit)\$0.00
New Product Registration (Per Unit)
New Product Registration (Per Unit) \$0.00 Optional Premises Added to H&R License (Per Unit) \$100.00 Retail Warehouse Storage Permit. \$100.00

Regulation 47-600. Complaints against Licensees - Suspension and Revocation of Licenses.

- A. Whenever a written complaint shall be filed with a licensing authority, charging ALLEGING A VIOLATION BY any licensee for the manufacture or sale of alcohol beverages with a violation of any law or of any of the rules or regulations adopted by the State Licensing Authority STATE LICENSING AUTHORITY, the licensing authority shall determine by investigation or otherwise INVESTIGATE, AS DEEMED APPROPRIATE, the probable truth of such charges ALLEGATIONS.
- B. If it shall appear therefrom or shall otherwise come to the attention of the licensing authority APPEARS FROM AN INVESTIGATION that there is probable cause to believe that a licensee has violated any such law, rule or regulation, the licensing authority shall MAY issue and cause to be served upon such licensee a notice of hearing and order to show cause why its license should not be suspended or revoked.

Regulation 47-601. Assurance of Voluntary Compliance.

A. The Liquor Enforcement Division Director or Local Licensing Authority OR LOCAL LICENSING AUTHORITY may accept an Assurance of Voluntary Compliance regarding any act or practice alleged to violate Articles 3, 4 or 5 of title 44, C.R.S., or the rules and regulations thereunder, by a licensee who has engaged in, is engaging in, or is about to engage in such acts or practices.

- B. The Assurance OF VOLUNTARY COMPLIANCE must be in writing and may include a stipulation for the voluntary payment of the costs of the investigation.
- C. An Assurance of Voluntary Compliance may not be considered an admission of a violation for any purpose by the State or Local STATE OR LOCAL licensing authority AUTHORITY. however HOWEVER, proof of failure to comply with the Assurance of Voluntary Compliance is prima facie evidence of a violation of articles 3, 4 or 5 of title 44, C.R.S., or the rules and regulation thereunder.
- D. AN ASSURANCE OF VOLUNTARY COMPLIANCE SHALL not to exceed nine (9) months from the date of executed agreement.
- E. The State Licensing Authority or Local Licensing Authority STATE OR LOCAL LICENSING AUTHORITY may approve or review an Assurance of Voluntary Compliance executed by their respective agencies.

Regulation 47-605. Responsible Alcohol Beverage Vendor and Permitted Tastings by Retail Liquor Stores and Liquor Licensed LIQUOR-LICENSED Drugstores

- C) Information for Owners and Managers
 - 2) State Licensing and Enforcement
 - a) How to contact Contact Information for the Liquor Enforcement Division
- F. 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 Liquor Enforcement Division upon request.

Regulation 47-700. Inspection of the Licensed Premises.

A. The licensed premises, including any places of storage where alcohol beverages are stored or dispensed, shall be subject to inspections by the State or Local Licensing Authorities and their duly authorized representatives (which include investigators or peace officers) during all business hours and all other times of apparent activity, for the purpose of determining compliance with the provisions of articles 3, 4, or 5 of title 44, C.R.S., and regulations promulgated thereunder. For examination of any inventory or books and records required to be kept by licensees, access shall only be required during business hours. Where any part of the licensed premises consists of a locked area (for example, closets, filing cabinets, desks, safes), upon demand to the licensee, such area shall be made available for inspection without unreasonable delay; and upon request by authorized representatives of the licensing authority or peace officers, such licensee shall open said area for inspection.

Regulation 47-900. Conduct of Establishment.

B. Attire and conduct of employees and patrons.

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

1. Employment or use of any person in the sale or service of alcohol beverages in or upon the licensed premises while such person is unclothed or in such attire, costume or clothing as to expose to view any portion of the female breast below the top of the areola or of any portion of the public PUBIC hair, anus, cleft of the buttocks, vulva or genitals.

REGULATION 47-901. Public Consumption of Alcohol Beverages.

BASIS AND PURPOSE. THE STATUTORY AUTHORITY FOR THIS REGULATION IS FOUND AT SUBSECTIONS 44-3-202(1)(B), 44-3-202(2)(A)(I)(A), AND 44-3-202(2)(A)(I)(D), C.R.S. THE PURPOSE OF THIS REGULATION IS ESTABLISH A MECHANISM FOR AN APPROPRIATE AUTHORITY TO NOTIFY THE STATE LICENSING AUTHORITY WHEN PUBLIC CONSUMPTION ORDINANCES, RESOLUTIONS, OR RULES ARE PROMULGATED WITHIN THE APPLICABLE JURISDICTION SO THAT THE STATE LICENSING AUTHORITY IS AWARE OF THE VARYING ORDINANCES, RESOLUTIONS, OR RULES.

A. A LOCAL LICENSING AUTHORITY OR THE PARKS AND WILDLIFE COMMISSION, AS APPLICABLE, SHALL NOTIFY THE DIVISION OF ANY NEW OR AMENDED ORDINANCE, RESOLUTION, OR RULE WHICH AUTHORIZES THE PUBLIC CONSUMPTION OF ALCOHOL BEVERAGES. SUCH NOTIFICATION MUST INCLUDE A COPY OF AND CITATION TO THE ORDINANCE, RESOLUTION, OR RULE.

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

- E. All licensees for the sale of alcohol beverages for consumption on the premises where sold shall, upon request of the Department of Revenue, Liquor Enforcement Division or any of its officers, make available to the person so requesting a sufficient quantity of such alcohol beverage to enable sampling or analysis thereof. The licensee shall be notified of the results of the sampling or analysis without delay.
- F. The manufacturer or importer of any alcohol beverage product sold in or shipped to Colorado must register said product with the Liquor Enforcement Division prior to the date of the product's initial intended date of sale or shipment. If required by applicable Federal laws or regulations, alcohol beverages sold in Colorado must have obtained either a "Certificate of Label Approval" or a "Certificate of Exemption" from the Alcohol and Tobacco Tax and Trade Bureau ("TTB").

The material incorporated by reference shall be those effective as of January 1, 2019. Material incorporated by reference in this rule does not include later amendments to or editions of the incorporated material. Copies of the material incorporated by reference may be obtained by contacting the Director of the Colorado Liquor Enforcement Division of the Department of Revenue, 1881 Pierce Street, Suite 108A, Lakewood, Colorado Tel: 303-205-2300 1697 Cole Boulevard, Suite 200, Golden,

COLORADO, 80401, and copies of the material may be examined at any state publication depository library.

Regulation 47-905. Colorado Wineries – Labeling and Records

- D. A Colorado winery shall maintain records of the purchase and harvest of agricultural produce used in the manufacture of each of its vinous liquors. Such records shall be sufficient to verify the source of agricultural produce used in the manufacture of vinous liquors. These records shall be available for inspection by the Liquor Enforcement Division for a period of three years after the first sale of each vinous liquor, or longer if required by other applicable statutes or regulations.
- F. A Colorado limited winery shall, on or before February 28, annually declare on a form provided by the Liquor Enforcement Division that it did not manufacture more than 100,000 gallons of vinous liquor in the preceding calendar year.

Regulation 47-913. Age of Employees.

This regulation provides guidance as to the acceptable age of employees employed in the manufacture, sale, and/or distribution of alcohol beverages.

- A. However, nothing herein NOTHING WITHIN THIS REGULATION shall authorize a licensee to permit an employee A PERSON under the age of eighteen (18) to sell, DISPENSE, or serve, OR PARTICIPATE IN THE SALE, DISPENSING, OR SERVICE OF alcohol beverages under any circumstances.
- B. EXCEPT AS OTHERWISE PROVIDED BY THIS REGULATION, nor to A LICENSEE SHALL NOT permit a person WHO IS at least eighteen (18) YEARS of age but less than twenty-one (21) years of age to possess alcohol beverages except as part of the person's employment responsibilities authorized herein TO SELL, DISPENSE, OR SERVE ALCOHOL BEVERAGES UNLESS THE EMPLOYEE IS SUPERVISED BY ANOTHER PERSON WHO IS ON THE LICENSED PREMISES AND IS AT LEAST TWENTY-ONE (21) YEARS OF AGE.
- AC. Retail liquor stores, liquor-licensed drug stores, taverns that do not regularly serve meals,

 TAVERN and lodging and entertainment facilities LICENSEES that do not regularly serve meals.
 - 1. Employees or agents of the licensee who are at least twenty-one (21) years of age may handle and otherwise act with respect to malt, vinous, and spirituous liquors in the same manner as that person does with other items sold at retail and may sell such alcohol beverages or check identification of the customers of the retail outlet.
- D. RETAIL LIQUOR STORE AND LIQUOR-LICENSED DRUGSTORE LICENSEES.
 - RETAIL LIQUOR STORE AND LIQUOR-LICENSED DRUGSTORE LICENSEES MAY PERMIT A PERSON WHO IS AT LEAST EIGHTEEN (18) YEARS OF AGE TO SELL, SERVE, OR PARTICIPATE IN THE SALE OR SERVICE OF MALT, VINOUS, AND SPIRITUOUS LIQUOR.

- 2. RETAIL LIQUOR STORE AND LIQUOR-LICENSED DRUGSTORE LICENSEES SHALL NOT PERMIT A PERSON WHO IS LESS THAN TWENTY-ONE (21) YEARS OF AGE TO DELIVER MALT, VINOUS, AND SPIRITUOUS LIQUOR PURSUANT TO REGULATION 47-426, 1 C.C.R. 203-2.
- BE. 3.2% beer licensees (On-premises, Off-premises, and On/Off Premises) and 3.2% special event permit holders: FERMENTED MALT BEVERAGE LICENSEES.
 - 1. Employees or agents of the licensee who are at least eighteen (18) years of age may handle and otherwise act with respect to fermented malt beverages in the same manner as such person would with other items sold at retail, without the supervision of persons who are at least twenty-one (21) years of age, including the sale of fermented malt beverage and checking identification of the customers of the retail outlet.

 FERMENTED MALT BEVERAGE LICENSEES MAY PERMIT A PERSON WHO IS AT LEAST EIGHTEEN (18) YEARS OF AGE TO SELL, SERVE, OR PARTICIPATE IN THE SALE OR SERVICE OF FERMENTED MALT BEVERAGES.
 - 2. FERMENTED MALT BEVERAGE LICENSEES FOR SALES FOR CONSUMPTION OFF THE LICENSED PREMISES SHALL NOT PERMIT A PERSON WHO IS LESS THAN TWENTY-ONE (21) YEARS OF AGE TO DELIVER FERMENTED MALT BEVERAGES PURSUANT TO REGULATION 47-426, 1 C.C.R. 203-2.
- CF. Except as provided in paragraph A of this regulation, retailers licensed for on-premises consumption pursuant to article 3 of title 44, C.R.S., and special-Special event permit holders:
 - Employees or agents of the licensee who are at least twenty-one (21) years of age may
 handle and otherwise act with respect to alcohol beverages in the same manner as that
 person does with other items sold at retail and may sell such alcohol beverages or check
 identification of the customers of the retail outlet.
 - 2. Employees or agents of the licensee who are at least eighteen (18) years of age may handle and otherwise act with respect to alcohol beverages in the same manner as such person would with other items sold at retail and may sell such alcohol beverages or check identification of the customers of the retail outlet, as long as they are under the direct supervision of a person who is at least 21 years of age.
 - 1. NO PERSON UNDER EIGHTEEN (18) YEARS OF AGE MAY SELL, SERVE, DISPENSE OR HANDLE ALCOHOL BEVERAGES.
 - 2. MALT, VINOUS, AND SPIRITUOUS LIQUORS SPECIAL EVENT PERMITTEES MAY PERMIT A PERSON WHO IS AT LEAST EIGHTEEN (18) YEARS OF AGE BUT LESS THAN TWENTY-ONE (21) YEARS OF AGE TO SELL, SERVE, DISPENSE, OR HANDLE ALCOHOL BEVERAGES WHEN SAID PERSON IS UNDER THE DIRECT SUPERVISION OF A PERSON WHO IS AT LEAST TWENTY-ONE (21) YEARS OF AGE.

- 3. FERMENTED MALT BEVERAGE SPECIAL EVENT PERMITTEES MAY PERMIT A PERSON WHO IS AT LEAST EIGHTEEN (18) YEARS OF AGE TO SELL, SERVE, DISPENSE, OR HANDLE FERMENTED MALT BEVERAGES.
- PG. Wholesalers and manufacturers licensed pursuant to article 3, of title 44, C.R.S.
 - 1. Employees or agents of the licensee who are at least twenty-one (21) years of age may handle and otherwise act with respect to alcohol beverages liquors in the same manner as that person does with other items sold at wholesale and may sell and/or deliver such alcohol beverages to retail outlets.
 - 2. Employees or agents of the licensee who are at least eighteen (18) years of age may handle and otherwise act with respect to alcohol beverages in the same manner as such person would with other items sold at wholesale, as long as they are under the direct supervision of a person who is at least TWENTY-ONE (21) years of age. However, persons under the age of TWENTY-ONE (21) shall not sell malt, vinous, or spirituous liquors or check identification of the customers of the retail outlet PERMITTED SALES ROOM.

Regulation 47-914. Unlicensed Possession of Beverages.

EXCEPT AS PROVIDED BY SUBSECTION 44-3-107(2), C.R.S., No No licensee shall possess, maintain or permit the possession, on the licensed premises, of any alcohol beverage which it is not licensed to sell or possess for sale.

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

- A. Other than those licensees described in section 44-3-423(2)(a), C.R.S. who may permit a patron to reseal a partially consumed bottle of vinous liquor (not to exceed 750 ml) which was originally sold for on-premises consumption; EXCEPT AS PROVIDED BY SECTION 44-3-423, C.R.S., OR SUBSECTION 44-3-107(2), C.R.S., no licensee, manager or agent of any establishment licensed for on-premises consumption shall knowingly or recklessly permit the removal from the licensed premises of any alcohol beverages in sealed or unsealed containers.
 - 1. Licensees that post signs as specified in Section SUBSECTION 44-3-901(10)(a)(II)(A), C.R.S., must post the signs at all exits in a location that can be easily identified and read by patrons using those exits.
 - 2. Regardless of whether a licensee posts a sign as specified in Section SUBSECTION 44-3 901(10)(a)(II)(A), C.R.S., the licensee may be charged with knowingly permitting the removal of an alcohol beverage from the licensed premises if the licensee shows reckless disregard for the prohibition against alcohol beverage removal from the licensed premises, which may include permitting the removal of an alcohol beverage from the licensed premises three times within a twelve-month period, regardless of whether the three incidents occur on the same day or separate days. A licensee may be charged with knowingly permitting the removal of an alcohol beverage from the

licensed premises upon the third occurrence of alcohol beverage removal from the licensed premises.

- B. Licensees described in paragraph A of this regulation who MAY permit a patron to remove a partially consumed bottle of vinous liquor PURSUANT TO SECTION 44-3-423, C.R.S., shall reseal the bottle with a cork or other commercially manufactured stopper.
- C. Patrons transporting a partially consumed bottle of vinous liquor in a motor vehicle shall comply with the requirements of SECTION 42-4-1305, C.R.S.

Regulation 47-924. Importation and Sole Source of Supply/Brand Registration.

В. At least thirty (30) days prior PRIOR to the sale or shipment of any alcohol beverages into the State of Colorado, each licensed manufacturer, non-resident manufacturer or importer shall submit to the state licensing authority a complete AND APPROVED report, on forms prepared and furnished by the state licensing authority, which shall detail: the licensee's name and license number; the designated Colorado licensed wholesaler(s); the name of the United States primary source of supply; the products to be imported, including the brand name, class or type, and fanciful name; and evidence of compliance with federal labeling requirements found in the "Federal Alcohol Administration Act" 27 CFR Subchapter A-Liquors Part 4, Subpart D; Part 5, subpart D; and Part 7, Subpart C. The import licensee, if not the product manufacturer, shall also include with said form a separate letter from the primary source of supply designating such import licensee as the primary source in the United States or the sole source of supply in Colorado. A separate form is required for each primary source. Each non-resident manufacturer, manufacturer and importer shall also remit with said form the appropriate brand registration and/or sole source fee(s). A separate sole source fee is required for each primary source that an importer represents.

The Material incorporated by reference shall be those effective as of January 1, 2019. Material incorporated by reference in this rule does not include later amendments to or editions of the incorporated material. Copies of the material incorporated by reference may be obtained by contacting the Director of the Colorado Liquor Enforcement Division of the Department of Revenue, 1881 Pierce Street, Suite 108A, Lakewood, Colorado Tel: 303-205-2300 1697 Cole Boulevard, Suite 200, Golden, Colorado, 80401, and copies of the material may be examined at any state publication depository library.

Regulation 47-926. Interference with Officers.

No licensee or person shall by force or threat of force, including any letter or other communication threatening such force, endeavor to intimidate, obstruct or impede inspectors of the Liquor Enforcement Division, their supervisors or peace officers from exercising their duties under the provisions of this article. The term "threat of force" includes the threat of bodily harm to the officer or to a member of his/her family.

Regulation 47-930. Testing of Alcohol Content – Malt Liquor and Fermented Malt Beverage. REPEALED.

<u>Basis and Purpose</u>. The statutory authority for this regulation is located at subsections 12-47-202(1)(b), 12-47-202(2)(a)(I)(M), and 12-47-202(2)(a)(I)(S), C.R.S. The purpose of this regulation is to require licensees to make malt liquor and fermented malt beverage available for sampling and analysis to the Department of Revenue, Liquor Enforcement Division upon its request to assist with compliance and enforcement of alcohol content limits on fermented malt beverages.

All licensees for the sale of malt liquor and fermented malt beverage shall, upon request of the Department of Revenue, Liquor Enforcement Division, make available a sufficient quantity of such malt liquor or fermented malt beverage to enable sampling or analysis thereof. The licensee shall be notified of the results of the sampling or analysis without delay.

Regulation 47-1000. Qualifications for Special Event Permit.

Organizations qualifying for special events permit are described as follows:

- A. Organizations that are incorporated under the laws of this state for nonprofit purposes, including but not limited to, for social, fraternal, patriotic, political, educational, or athletic purposes, and not for pecuniary gain.
- B. Local governmental entities, including MUNICIPALITIES, COUNTIES, OR special districts.
- C. Any non-profit 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 such SOCIAL, FRATERNAL, PATRIOTIC, POLITICAL, EDUCATIONAL, OR ATHLETIC purposes and being is nonprofit in nature.
- I. Any municipality owning arts facilities at which productions or performances of an artistic or cultural nature are presented for use at such facilities. REPEALED.

Regulation 47-1002. Application for Special Event Permit.

- B. A local 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 special event permit. Any local authority electing not to notify the state licensing authority shall promptly act upon each application for special event permit.
 - 1. The local licensing authority acting as the sole reviewer of the application shall report to the Liquor Enforcement Division, within ten (10) days from issuance of a permit, the

- name of the permitted organization, the address of the permitted location, and the permitted dates of alcohol beverage service.
- The Liquor Enforcement 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.

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

- A. No special event permittee shall allow the sale, possession, or consumption of any Alcohol beverages on the licensed premises when OR WHERE the sale, possession or consumption of such Alcohol beverages is prohibited by the permit.
- B. EXCEPT AS PROVIDED BY SUBSECTION 44-3-107(2), C.R.S., No No person shall possess or consume on the licensed premises any beverage other than that allowed by the type of special events permit as issued.
- C. Permittees may Special event permittees shall only sell licensed beverages by the drink only to persons for consumption on the licensed premises only.

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

<u>Basis and Purpose</u>. The statutory authority for this regulation 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 establish age requirements for alcohol beverage <u>servers</u> EMPLOYEES, AGENTS, OR VOLUNTEERS under a special event permit.

- A. No person under eighteen (18) years of age may sell, serve, dispense or distribute HANDLE alcohol beverages.
- B. Except as provided by Regulation 47-913(B), 1 C.C.R. 203-2, a MALT, VINOUS, AND SPIRITUOUS LIQUORS SPECIAL EVENT PERMITTEES MAY PERMIT A person who is between AT LEAST eighteen (18) YEARS OF AGE and twenty (20) BUT LESS THAN TWENTY-ONE (21) years of age may TO sell, SERVE, and dispense, OR HANDLE alcohol beverages when said person is under the direct supervision of a person who is at least twenty-one (21) years of age.
- C. Fermented malt beverage special event permittees may permit a person who is at least eighteen (18) years of age to sell, serve, dispense, or handle fermented malt beverages.

Regulation 47-1014. Special Event Permit - Complaint against Permittee- Cancellation-Revocation of Permit.

Whenever a written complaint is filed with the state or local licensing authority or shall otherwise come to the attention of the licensing authority, that a violation of the provisions of article 5 occurred, and the special event permittee, its agents, employees, or its members, violated the provisions of articles 3, 4, or 5, of title 44, C.R.S., upon proper investigation of such charges UPON INSPECTION, NOTICE, AND HEARING, the STATE OR LOCAL licensing authority may upon notice and hearing, suspend or revoke such a special event permit and may further order the denial of future applications for another special event permit to be submitted by the same organization.

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

- A. Special event permittees may purchase the kinds of alcohol beverages they are authorized by such permits to sell from a licensed wholesaler, brewpub BREW PUB, distillery pub, limited winery, vintner's restaurant, retail liquor store, or liquor-licensed drugstore.
- B. Permit holders Special event permittees may store alcohol beverage stock in areas outside the designated event area approved by the respective licensing authorities STATE OR LOCAL LICENSING AUTHORITY under the following conditions:
 - A1. The application included the address of proposed storage locations and a diagram of said premises.
 - B2. The application included evidence of the permit holder's 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.
 - D4. The applicant acknowledges that state STATE and local law enforcement authorities have the right of inspection of TO INSPECT each storage area that is used for permitted events.
 - E5. The applicant acknowledges that storage 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.
 - F6. A licensed wholesaler may deliver alcohol beverages purchased by a special event permittee to the storage location in accordance to paragraphs A, B, C and D, SUBSECTIONS (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 paragraphs

A, B, C and D SUBSECTIONS (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.

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

- A. Licensed suppliers may furnish financial support and/or services to organizations, as defined by article 5 of title 44, C.R.S that qualify for a special events permit. Support ANY FURNISHED FINANCIAL SUPPORT AND/OR SERVICES shall be in connection with public service or non-profit fund raising FUNDRAISING activities including, but not limited to, events such as:
 - 1. fairs FAIRS,
 - 2. sporting Sporting events,
 - 3. agricultural AGRICULTURAL exhibitions,
 - 4. educational EDUCATIONAL clinics,
 - 5. concerts CONCERTS, and
 - 6. other Other similar events.
- B. A supplier may furnish or share the cost of advertisements, signs, promotional materials and items of a similar nature used in connection with a non-profit special events permit.
- C. Support shall not be conditioned, directly or indirectly, upon the present or future purchase of an alcohol beverage or fermented malt beverage or the exclusive sale of a supplier's product at such events.

Regulation 47-1020. Alcohol Beverage Donations.

- A. For purposes of this regulation, "wholesaler" means an entity licensed to sell alcohol beverages at wholesale to special event permit holders, including wholesalers of malt liquor and fermented malt beverages, wholesalers of vinous and spirituous liquors, limited wineries, brewpubs BREW PUBS, distillery pubs and vintner's restaurants.
- B. A wholesaler may donate alcohol beverages to a special event permittee at no cost if such ALCOHOL beverages are used for hospitality or fund raising FUNDRAISING purposes, including resale by the drink. The wholesaler shall provide an invoice documenting the donation of such products ALCOHOL BEVERAGES to the permittee and shall ensure that all applicable state excise taxes are paid pursuant to section 44-3-503, C.R.S.
- C. Nothing herein shall prohibit a retailer licensed for off-premises consumption to make a donation of alcohol beverage to a special event permit holder PERMITTEE, as long as such donation is taken from the retailer's existing inventory.

- D. Wholesalers and retailers licensed for off-premises consumption may make a donation of alcohol beverages to organizations that would otherwise qualify for a special events permit but are exempted under section 44-5-108, C.R.S. The wholesaler shall provide an invoice documenting the donation of such products ALCOHOL BEVERAGES to the organization and shall ensure that all applicable state excise taxes are paid pursuant to section 44-3-503, C.R.S. However, nothing herein shall authorize a wholesale licensee to deliver such alcohol beverages to premises that are not licensed pursuant to articles 3 or 4 of title 44, C.R.S.
- E. When an event, for which the alcohol donations are solicited, is held at a retail location licensed for on-premises consumption pursuant to article 3 or 4 of title 44;
 - the The wholesaler shall invoice the retailer at no cost for alcohol beverage products
 BEVERAGES intended for the event, if the retail licensee consents to such an arrangement.
 - 2. Any such donated product ALCOHOL BEVERAGES which is ARE unused must be returned by the retailer to the wholesaler as soon as practicable after the event.
 - 3. If the unused product is ALCOHOL BEVERAGES ARE not returned, then the wholesaler must charge the retailer at least the minimum of LAID-IN cost for those products ALCOHOL BEVERAGES.
 - 4. The retail value of any donation OF ALCOHOL BEVERAGES from a retailer licensed for offpremises consumption to a non-profit event held at a retail location licensed for onpremises consumption will count against the on-premises licensee's statutory dollar limit of alcohol BEVERAGES purchased from an off-premises retailer.

REGULATION 47-1022. DONATED ALCOHOL BEVERAGES IN SEALED CONTAINERS FOR AUCTION FOR FUNDRAISING PURPOSES.

- A. FOR PURPOSES OF SUBSECTION 44-3-107(2), C.R.S., "DONATED" OR "OTHERWISE LAWFULLY OBTAINED" ALCOHOL BEVERAGES MEAN:
 - ALCOHOL BEVERAGES DONATED PURSUANT TO REGULATION 47-1020, 1 C.C.R. 203-2; OR
 - 2. ALCOHOL BEVERAGES DONATED BY A PRIVATE INDIVIDUAL WHO IS AT LEAST TWENTY-ONE (21) YEARS OF AGE AND LAWFULLY OBTAINED THE ALCOHOL BEVERAGES SHE OR HE IS DONATING; OR
 - 3. ALCOHOL BEVERAGES DONATED BY AN ENTITY THAT DOES NOT HOLD A LIQUOR LICENSE PURSUANT TO ARTICLES 3 OR 4 OF TITLE 44, C.R.S. AND LAWFULLY OBTAINED THE ALCOHOL BEVERAGES IT IS DONATING. THE AGENT OR REPRESENTATIVE OF THE DONATING ENTITY MUST BE A PRIVATE INDIVIDUAL WHO IS AT LEAST TWENTY-ONE (21) YEARS OF AGE AND LAWFULLY OBTAINED THE ALCOHOL BEVERAGES SHE OR HE IS DONATING.