

DEPARTMENT OF REVENUE

Liquor Enforcement Division

COLORADO LIQUOR RULES

1 CCR 203-2

Regulation 47-313. Tastings.

Basis and Purpose. The statutory authority for this regulation ~~is located at subsections~~ INCLUDES, BUT IS NOT LIMITED TO, SUBSECTIONS 44-3-103, 44-3-202(1)(b) and 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), AND 44-3-301(10), 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:

- 1. A designated area, including, but not limited to, a closet, cabinet, or safe;
- 2. That is upon the licensed premises and not accessible to consumers; and
- 3. Is secured by a locking mechanism at all times while any open containers of unconsumed alcohol beverages are stored for use at a future tasting.

C. A LICENSEE SHALL PROVIDE ALL TASTINGS FREE OF CHARGE AND SHALL NOT CHARGE OR ACCEPT ANY MONEY FOR A TASTING, DIRECTLY OR INDIRECTLY, INCLUDING FOR ANY EDUCATION PROVIDED IN

CONNECTION WITH A TASTING, OR TO RESERVE A SPOT AT A TASTING, REGARDLESS OF WHETHER THE MONEY CHARGED IS DONATED TO A CHARITY OR IS REFUNDABLE.

- D. A LICENSEE SHALL NOT SERVE MORE THAN FOUR INDIVIDUAL SAMPLES TO A PATRON DURING A TASTING. THE LICENSEE SHALL IMPLEMENT A MEANS OF TRACKING HOW MANY INDIVIDUAL SAMPLES ARE SERVED TO EACH PATRON. THIS MAY INCLUDE THE USE OF A WRISTBAND, HANDSTAMP, OR OTHER MEANS OF ACCURATELY TRACKING THE NUMBER OF INDIVIDUAL SAMPLES SERVED TO EACH PATRON.
- E. A LICENSEE SHALL NOT SERVE TO A PATRON ANY INDIVIDUAL SAMPLE EXCEEDING ONE OUNCE OF MALT OR VINOUS LIQUOR OR ONE-HALF OF ONE OUNCE OF SPIRITUOUS LIQUOR.
 - 1. TO ENSURE COMPLIANCE WITH PARAGRAPH (E), A LICENSEE SERVING INDIVIDUAL SAMPLES OF ALCOHOL BEVERAGES MIXED WITH NON-ALCOHOL BEVERAGE PRODUCTS SHALL:
 - A. FOR EACH INDIVIDUAL SAMPLE, MIX THE NON-ALCOHOL BEVERAGE WITH THE ALLOWABLE AMOUNT OF ALCOHOL BEVERAGE SPECIFIED IN PARAGRAPH (E) IN PUBLIC VIEW DURING THE TASTING; OR
 - B. SERVE INDIVIDUAL SAMPLES OF MIXED ALCOHOL AND NON-ALCOHOL BEVERAGES THAT DO NOT EXCEED THE RELEVANT MAXIMUM ALLOWED VOLUME SPECIFIED IN PARAGRAPH (E).

Regulation 47-316. Advertising Practices

Basis and Purpose. The statutory authority for this regulation is located at subsections INCLUDES, BUT IS NOT LIMITED TO, SUBSECTIONS 44-3-103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), and 44-3-202(2)(a)(I)(G), 44-3-202(2)(a)(I)(O), AND 44-3-308, C.R.S. The purpose of this regulation is to establish certain permitted and prohibited advertising practices between suppliers and retailers.

A. Consumer Advertising Specialties

1. “Consumer advertising specialties” shall mean those items PRIMARILY designed to advertise or promote a specific alcohol beverage brand or supplier, ~~that have a utilitarian function to the consumer in addition to product promotion and~~ that are intended and designed to be carried away by the consumer, AND THAT HAVE NEGLIGIBLE VALUE. CONSUMER ADVERTISING SPECIALTIES ARE CONSIDERED TO BE OF NEGLIGIBLE VALUE IF THE SUPPLIERS’ COST TO PURCHASE THE CONSUMER ADVERTISING SPECIALTIES IS LESS THAN TEN (10) DOLLARS PER ITEM. ~~that have a utilitarian function to the consumer in addition to product promotion and that are intended and designed to be carried away by the consumer. Consumer advertising specialties shall include: t-shirts, caps, visors, bottle or can openers, cork screws, printed recipes, pencils, pens, pins, buttons, matches, computer flash and jump drives (not to exceed 8 GB), computer mouse pads, shopping bags, key chains, paper or plastic cups and plates, and similar items of negligible value, as approved by the Division. For purposes of this regulation, glassware and plates do not qualify as consumer advertising specialties.~~ APPAREL ITEMS ARE CONSIDERED TO BE OF NEGLIGIBLE VALUE IF THE SUPPLIERS’ COST TO PURCHASE A SINGLE APPAREL ITEM IS LESS THAN TWENTY-FIVE (25) DOLLARS PER ITEM. For purposes of this regulation, glassware and plates do not qualify as consumer advertising specialties.
2. Suppliers may provide consumer advertising specialties OF NEGLIGIBLE VALUE free of charge to a licensed retailer, so long as ~~they~~ THE CONSUMER ADVERTISING SPECIALTIES contain an advertising message that promotes the supplier or their products, and do not contain any information, markings, or logos that are specific to a retailer.
3. Consumer advertising specialties that contain any information, markings, or logos specific to a licensed retailer may not be provided free of charge, but must be purchased by a retailer at a minimum of the supplier’s cost.
4. Licensees must have available for inspection those customary business records that verify these transactions, in accordance WITH SECTION 44-3-701, C.R.S., and for the time frame specified in Regulation 47-700.

B. Point-of-Sale Advertising

1. “Point-of-sale advertising” shall mean alcohol beverage brand-specific or supplier-specific promotional materials, within a retailer’s licensed premises. Such items may also include a retailer’s name and address.
2. Suppliers may provide the following point-of-sale advertising materials OF NEGLIGIBLE VALUE to licensed retailers free of charge for use within retail premises: display decorations of negligible value, table tents, table tent holders, sports schedules and brackets, case cards, serving trays, condiment trays, bar utensil caddies, stir rods, strainers, presses, check and credit card holders, shakers, pitchers, table mats, bar mats, alcohol beverage lists or menus, menu cards, menu holders, calendars, napkins, napkin holders, coasters, stir sticks, and similar items of negligible value, as approved by the Division.

3. A supplier may advertise, within retail premises, alcohol beverage products, consumer mail-in rebate offers, consumer giveaways, sweepstakes, contests, and cross promotions with non-alcohol beverage products. Suppliers may also provide contest and sweepstakes information and consumer entry forms.

4. Supplier Rebates for Consumers and Supplier Coupons

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

- a. A supplier's "consumer rebate" provides a consumer with cash back after the consumer has purchased a supplier's product and has provided proof of product purchase upon redemption.

- i. A supplier may provide consumer rebate certificates to consumers through point-of-sale advertising (such as tear pads, shelf talkers, case cards, or other point-of-sales materials), package inserts, or other printed or electronic media.

- ii. A supplier's consumer rebate certificate may not be redeemed through a licensed retailer.

- b. A supplier's "instant redeemable coupon" provides a consumer with a discount off of the retailer's selling price of an alcohol beverage product, at the time it is redeemed through a licensed retailer.

- i. Licensed retailers may redeem suppliers' instant redeemable coupons only after they have been made available to consumers through general print or electronic media directed at the consumer; package inserts; or, a supplier's representative or agent, who is not the retailer or their agent, who is providing coupons to consumers at the retail premises for the purpose of product promotion.

- ii. Licensed retailers are prohibited from accepting and redeeming any supplier-issued instant redeemable coupons unless redemption included presentation of the coupon by a consumer with the purchase of the product advertised therein, or in accordance with other applicable redemption rules specified by the supplier or their marketing agents.

- iii. Suppliers are prohibited from providing their instant redeemable coupons directly to licensed retailers, except when said coupons are packaged with, or attached to, each individual product package before such products are delivered to a licensed retailer.

- iv. Suppliers may never reimburse licensed retailers for suppliers' instant redeemable coupons. Redemption must be through a third party that is independent from the supplier and the retailer.

- v. Retailers must have available for inspection, applicable business and banking records that verify these transactions, in accordance with 44-3-701, C.R.S., and for the time frame specified in Regulation 47-700.

Verification may include the retailer's reconciliation of coupons redeemed to related products sold to consumers.

5. Supplier ~~Give-A-Ways~~ SPONSORED CONSUMER CONTESTS and RELATED Displays

A supplier may advertise, within retail premises, alcohol beverage products, via consumer mail-in rebate offers, consumer give-a-ways, sweepstakes, contests, and cross promotions with non-alcohol beverage products. Suppliers may also provide contest and sweepstakes information and consumer entry forms. Further, suppliers may provide items, subject to the regulations below, to be given away in a consumer give-a-way, sweepstake or contest.

For consumer give-a-ways, sweepstake or contests, (collectively "Consumer Contest") the following regulations shall apply:

- a. No item provided as part of a Consumer Contest may be awarded to, received by or otherwise kept by the licensee or any of the licensee's employees or an employee's immediate or extended family members.
- b. No item provided as part of a Consumer Contest may be awarded to, received by or otherwise kept by a supplier licensee that is providing alcohol beverage products to the retail licensee or any of the supplier licensee's employees or any supplier licensee's employee's immediate or extended family members.
- c. Any item(s) to be given away in a Consumer Contest must be awarded and given to the winning consumer within the time afforded by this regulation. Otherwise the item(s) must be returned to the supplier who will be responsible for awarding the item(s) to the winner.
- d. ~~IF THE~~ The actual item(s) that is(are) part of the Consumer Contest ~~shall be~~ ARE delivered to the retail license premises, THE ITEM(S) SHALL BE DELIVERED together with an invoice made out to the retail licensee for not less than the actual cost of the item(s). The retail licensee shall be responsible for and required to pay the invoice cost for the item unless the retail licensee can establish to the satisfaction of the Division that the item(s) was (were) in fact presented to the winning consumer in accordance with the rules of the Consumer Contest. Both the retail licensee and the supplier of the item shall each maintain in their respective records proof establishing that the item(s) was(were) delivered to the winning consumer. Such records shall include but not be limited to a signed acknowledgement of receipt of the item(s) by the winning consumer which acknowledgment shall include a valid form of identification proving the identity of the consumer, the consumer's name, address, phone number, e-mail address (if available) and the date on which the item was presented to the consumer. In addition, the records shall include the name and position of the person or persons presenting the item to the consumer sufficient so that the Division can verify that the item was presented to the Consumer Contest winner.
- e. The Consumer Contest, including the drawing period, shall not last longer than 60 days.
- f. In the event that the supplier does not have the signed acknowledgement of receipt from the consumer within 30 days of the end of the Consumer Contest, it is the responsibility of both the retail licensee and the supplier, that payment in full of the invoice by the retail licensee is made to the supplier for the item(s). Absent payment within 24 hours of the expiration of the 30 day period, no

supplier representing the brand advertised in the Consumer Contest shall be permitted to sell or otherwise provide any product to the retail licensee until the invoice is paid in full.

- g. Entrance into the Consumer Contest is not contingent on any purchases.
- h. The actual item(s) that is (are) part of the Consumer Contest may be on display in the licensed premises only during the period of the Consumer Contest. At the end of the contest period, the item(s) may be stored at the retailer location for no more than 30 days following the end of the Consumer Contest period.
- i. The item(s) must be properly identified in signage as a prize that is part of the Consumer Contest, e.g. "Win this Umbrella."
- j. Signage shall display the starting date and ending date of the Consumer Contest, the name of the company providing the item(s), and all other relevant terms and conditions of the Consumer Contest.
- ~~k. Failure to comply with this Regulation shall be considered a violation of the Regulation.~~

C. Media Advertising

- 1. Except as provided in Regulations 47-322(B) and 47-322(C), and subsection (C)(3) of this regulation, no supplier shall directly or indirectly furnish or pay for any advertising for or with respect to any one or more retail licensee by means of the internet, device applications (apps), radio or television broadcast, magazines, newspapers, pamphlets, or similar media, or by means of any sign not located on or in the licensed premises of the retailer which is advertised.
- 2. Except as provided in Regulations 47-322(B) and 47-322(C), suppliers that purchase internet, device applications (apps), radio or television advertising packages from third party advertising agencies:
 - a. May not authorize the advertising agency to apply any value attributable to the supplier's advertising package toward the advertising or promotion of any licensed retailer or their location.
 - b. May not authorize the advertising agency to combine supplier-purchased advertising packages with those purchased by licensed retailers, for the purpose and benefit of cooperative advertising.
- 3. A supplier may directly or indirectly advertise for or with respect to any one (1) or more retailers that sell the supplier's alcohol beverages, via the supplier's internet websites (including forums such as a supplier's Facebook page, blog or device applications (apps)) and electronic advertising messages delivered directly to consumers' private electronic devices.
- 4. Closed-circuit television advertising networks, or similar advertising networks, that deliver advertising messages to consumers are permitted in retail licensed premises with the following conditions:
 - a. A supplier may not provide a licensed retailer with any electronic equipment necessary to deliver network advertising.

- b. A licensed retailer may not receive revenues, directly or indirectly, from licensed suppliers who advertise on the network. Revenue from non-alcohol beverage suppliers who advertise on the same network, which can be clearly distinguished by the network advertiser from supplier revenues, are permitted provided that the retailer can document that the source of the revenue is not a licensed supplier.
 - c. The advertising network and all related advertising receipts and distributions must be controlled by third party entities who are not licensed pursuant to article 3 or 4 of title 44, and who are wholly independent, in both form and substance, of any licensed supplier or retailer.
- D. Nothing in this regulation shall apply to non-profit, charitable, or other qualifying organizations, when such organization conducts licensed events pursuant to the requirements contained in article 5 of title 44, and related regulations, and such organization does not otherwise hold a retail license pursuant to articles 3 or 4 of title 44. However, nothing herein shall authorize any financial assistance for the purpose of altering or influencing an organization's product selection for said events.
- E. Except as otherwise provided for in this regulation, no supplier shall directly or indirectly pay to any retailer, and no retailer shall accept, any value or consideration in connection with or for the right or privilege of posting or maintaining any advertising message, on or in, or relating to a retailer's licensed premises.

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

Basis and Purpose. The statutory authority for this regulation is found at ~~subsections~~ INCLUDES, BUT IS NOT LIMITED TO, 44-3-202(1)(b), 44-3-202(2)(a)(I)(B), 44-3-202(2)(a)(I)(R), 44-3-410(6), and 44-3-427, C.R.S. The purpose of this regulation is to provide guidance and clarity to licensees regarding statutory requirements found in sections 44-3-410(6) and 44-3-427, C.R.S. involving manager's permits and when a permitted manager is required.

- A. A liquor-licensed drugstore permitted manager is a person who has been designated by the licensee as a person who is in actual control of the liquor-licensed drugstore's alcohol beverage operations, including purchases of alcohol beverages from a licensed wholesaler in accordance with sections 44-3-410(6) and 44-3-427(1), C.R.S.
- B. A liquor-licensed drugstore ~~that receives a license after January 1, 2017~~ shall have a permitted manager on duty and working on the licensed premises during all hours of operation.
- C. A liquor-licensed drugstore licensee must submit an application for each permitted manager with the Division on forms approved by the State Licensing Authority. The manager permit is an annual permit that is renewed every year.
- D. All liquor-licensed drugstore alcohol orders shall only be made by a person who has a valid manager permit pursuant to section 44-3-427, C.R.S.

Regulation 47-320. Signs and Interior Displays.

Basis and Purpose. The statutory authority for this regulation is located at subsections INCLUDES, BUT IS NOT LIMITED TO, 44-3-202(1)(b), 44-3-202(2)(a)(I)(G), 44-3-202(2)(a)(I)(H), 44-3-202(2)(a)(I)(R), and section 44-3-308, C.R.S. The purpose of this regulation is to establish certain permitted and prohibited sign and display practices between suppliers and retailers in order to clarify and prevent statutorily prohibited financial assistance between tiers.

- A. For purposes of this regulation, "signs" shall mean any visual message intended for the consumer that is located within, or on the exterior of, licensed premises for the purpose of displaying advertising messages or other information related to alcohol beverage suppliers or their products.
- B. A supplier's signs, illuminated or otherwise, that may be provided free of charge to a licensed retailer, shall be composed of any standard, pre-manufactured material such as paper, plastic, glass (including mirrored glass), cloth, metal, or programmable electronic components, and shall have no other utilitarian value. MURALS AND OTHER PERMANENTLY INSTALLED WORKS OF ART THAT ARE NOT COMPRISED OF PRE-MANUFACTURED MATERIALS MAY NOT BE PROVIDED TO A LICENSED RETAILER FREE OF CHARGE, BUT MUST BE PAID FOR BY THE RETAILER AT A PRICE NOT LESS THAN THE SUPPLIER'S ACTUAL COST.
- C. The term "displays within such premises," hereinafter referred to as "interior displays," shall mean all non-refrigerated racks, bins, barrels, casks, shelving, or similar items, the primary function of which is to hold, shelve, or display alcohol beverages within retail premises.
- D. A supplier's standard interior display that may be provided free of charge to a licensed retailer, shall have no other utilitarian value other than that of being purely for display purposes. Any interior display containing any property other than that authorized in paragraph C above, may not be given or loaned to a licensed retailer, but must be sold at a price not less than the supplier's actual cost.
- E. Advertising statements on signs and interior displays that are permitted to be provided free of charge to a retailer, shall primarily consist of a supplier's name, brand name, trade name, or trademarks; words or phrases, such as "on tap," "on draft," "in bottles," "in cans," "beverages," "beverage department," "ice cold," "take home," and similar copy; and words or phrases such as "delicious with (specifically named food or food products or food generally)" and similar statements relating alcohol beverages to food and constituting a part of the supplier's standard advertising. Permitted language may also include a retailer's name and address, the retailer-established selling price of alcohol beverages, and retailer-specific promotional announcements, provided that the sign or interior display, in its totality, primarily advertises the supplier or its products.
- F. No supplier shall directly or indirectly pay to any retailer, and no retailer shall accept, any value or consideration in connection with, or for the right or privilege of, installing or maintaining any sign or interior display on, or in, or relating to, a retailer's licensed premises.
- G. Nothing in this regulation shall apply to non-profit, charitable, or other qualifying organizations, when such organization conducts licensed events pursuant to the requirements contained in article 5 of title 44, and related regulations, and such organization does not otherwise hold a retail license pursuant to articles 3 or 4 of title 44. However, nothing herein shall authorize any financial assistance for the purpose of altering or influencing an organization's product selection for said events.

Regulation 47-324. Concurrent Application Review.

Basis and Purpose. The statutory authority for this regulation INCLUDES, BUT IS NOT LIMITED TO, ~~is located~~ at subsections 44-3-103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(C), and 44-3-202(2)(A)(I)(R), C.R.S. The purpose of this regulation is to establish procedural requirements in the event an applicant with local authority approval or a local licensing authority requests the state licensing authority to conduct a concurrent application review.

- A. A local licensing authority, or a license applicant with local authority approval, can request that the state licensing authority conduct a concurrent review of a new license application prior to the local licensing authority's final approval of the license application. Local licensing authorities who permit a concurrent review will continue to independently review the applicant's license application for the purpose of establishing the reasonable requirements of the neighborhood, the suitability of the character, record and reputation of the applicant and its principals, the fitness of the applicant's premises for occupancy in compliance with the provisions of Articles 3 and Article 4 of Title 44 C.R.S., and any other provisions required for local authority determination as provided for in these articles.
- B. When conducting a concurrent application review, the state licensing authority will advise the local licensing authority of any items that it finds that could result in the denial of the license application. Upon correction of the noted discrepancies, the state licensing authority will notify the local licensing authority of its conditional approval of the license application subject to the final approval by the local licensing authority. The state licensing authority will then issue the applicant's state liquor license upon receiving evidence of final approval by the local licensing authority.
- C. All applications submitted for concurrent review must be accompanied by all applicable state license and application fees. Any applications that are later denied or withdrawn will allow for a refund of license fees only. All application fees provided by an applicant shall be retained by the respective licensing authority.

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

Basis and Purpose. The statutory authority for this regulation INCLUDES, BUT IS NOT LIMITED TO, ~~is located at~~ subsections 44-3-103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(A)(I)(F), 44-3-202(2)(A)(I)(R), and 44-3-313(1)(d), C.R.S. The purpose of this regulation is to prohibit, with limited exceptions, the location of the licensed premises within range of a defined school in accordance with subsection 44-3-313(1)(d), C.R.S.

- A. Except as provided for in this regulation, no retail license shall be issued to or held by any person where 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 distance 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 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:
1. The renewal or reissuance of a license once granted, as long as the original license has not been expired for a period greater than two (2) years. However, nothing herein shall authorize the renewal of a license beyond ninety (90) days from the date of expiration. Reissuance shall mean the issuance of a new license pursuant to the requirements of section 44-3-311 and 44-3-313, C.R.S.
 2. Proposed licensed premises located on land owned by a municipality.
 3. Proposed licensed premises on land owned by the state.
 4. Any liquor license in effect and actively doing business before any principal campus has been constructed within the prohibited area. "Actively doing business" shall mean that the licensee is engaged in the regular sale of alcohol beverages and otherwise meeting the requirements of articles 3 or 4 of title 44, C.R.S.
 5. Any club-licensed premises located within the principal campus of any college, university, or seminary that limits its membership to the faculty or staff of the institution.
 6. A campus liquor complex.
 7. A retailer licensed pursuant to subsection 44-4-107(1)(b), C.R.S.

Regulation 47-400. Licensed Breweries, Distilleries and Wineries.

Basis and Purpose. The statutory authority for this regulation INCLUDES, BUT IS NOT LIMITED TO, ~~is located at subsections 44-3-103,, 44-3-202(1)(b), and 44-3-202(2)(a)(I)(A), and 44-3-202(2)(A)(I)(R),~~ C.R.S. The purpose of this regulation is to clarify that a brewery, distillery, or a winery must hold a wholesaler's license in order to sell its product directly to consumers.

- A. All brewers who are licensed pursuant to 44-3-402, C.R.S. and who sell their manufactured product directly to consumers for consumption of the product for either on-premises or off-premises consumption must also obtain a wholesale license, pursuant to 44-3-407, C.R.S.
- B. All manufacturers who are licensed pursuant to section 44-3-402, C.R.S, who sell their product to licensed retailers must also obtain a wholesale license pursuant to section 44-3-407, C.R.S.

Regulation 47-402. Confiscated Shipments.

Basis and Purpose. The statutory authority for this regulation INCLUDES, BUT IS NOT LIMITED TO, ~~is located at~~ ~~subsections~~ 44-3-103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(E), and 44-3-202(2)(A)(I)(R), C.R.S. The purpose of this regulation is to define the Department of Revenue's Executive Director's authority with respect to a prohibited delivery of alcohol beverages into the state of Colorado.

All shipments or cargoes of alcohol beverages received into the state of Colorado, except those shipments or cargoes originating from a Colorado licensed supplier as shipper, or delivered to a Colorado licensed in-state supplier as consignee and subject to its order, shall be subject to confiscation, impounding or other disposal as may be determined by the ~~Executive Director of the Department of Revenue as ex-officio~~ State Licensing Authority.

Regulation 47-406. Wholesale Dealer - Importation.

Basis and Purpose. The statutory authority for this regulation INCLUDES, BUT IS NOT LIMITED TO, ~~is located at~~ subsections 44-3-103, 44-3-202(1)(b) ~~and~~ 44-3-202(2)(a)(I)(K), AND 44-3-202(2)(A)(I)(R), C.R.S. The purpose of this regulation is to define importation requirements and define responsible parties participating in importation.

- A. AT THE TIME ALCOHOL BEVERAGES CROSS THE COLORADO STATE LINE AND ARE IMPORTED INTO THIS STATE FOR THE PURPOSE OF BEING SOLD, OFFERED FOR SALE OR USED IN THIS STATE, ALL SUCH alcohol beverages shall be the sole and exclusive property of, and subject to the unrestricted power of disposal of, a duly licensed Colorado wholesale dealer.
- B. All shipments or importations of alcohol beverages into this state originating from a winery, distillery, brewery, or wholesaler are prohibited unless the originating shipper is duly licensed as required by the laws of Colorado relating to alcohol beverages.
- C. A licensed Colorado manufacturer or wholesaler may import, for laboratory analysis or sampling only, up to twelve (12) liters per year of vinous or spirituous liquors of any one brand, or up to five (5) cases of malt liquor and fermented malt beverage per year of any one brand. Importation of alcohol beverages as provided in this subpart C need not originate from a licensed shipper or importer. All applicable excise taxes on any alcohol beverages imported into Colorado pursuant to this subpart C shall be reported and paid by the Colorado licensed manufacturer or wholesaler first receiving said alcohol beverages.
 1. "Sampling" as used in this subpart C shall mean that only the employees of anyone licensed pursuant to this article shall taste or test the alcohol beverages which may be sampled as provided herein. The sale or distribution by anyone of any alcohol beverages imported pursuant to this subpart C, except as provided in this subpart C, is prohibited

2. _____

Regulation 47-407. Liquor-Licensed Drugstore

Basis and Purpose. The statutory authority for this regulation INCLUDES, BUT IS NOT LIMITED TO, ~~is located at subsections 44-3-103, 44-3-202(1)(b) and 44-3-202(2)(a)(I)(A), 44-3-202(2)(A)(I)(R), and 44-3-410, C.R.S.~~ The purpose of this regulation is to clarify and establish requirements to qualify for the liquor-licensed drugstore license.

- A. In addition to the requirements of Title 44, Articles 3 and Article 4 C.R.S., liquor-licensed drugstore licensees shall also comply with the requirements as set forth by Article 42.5 of Title 12, C.R.S., and the Rules and Regulations of the State Board of Pharmacy.
- B. It is the intent of this regulation to require liquor-licensed drugstore licensees to maintain a bona fide pharmacy and drugstore and not a mere pretext of such for obtaining a liquor-licensed drugstore license. Liquor-licensed drugstore licensees shall conduct and maintain a bona fide drugstore operation at all times as a condition for this class of license. Bona fide pharmacy conditions shall include:
 - 1. The prescription compounding area must be operational and staffed by a licensed pharmacist, fifty percent of the time, each day, during which alcohol beverages are sold or dispensed in sealed containers.
 - 2. Prescription drugs and controlled substances are sold or dispensed pursuant to lawful prescription orders in conformance with applicable laws and rules, during all times of operation as described in B. 1. of this regulation.
- C. A licensed pharmacist shall be an owner, an employee, or contract company within the premises of the licensee and all records and documents regarding the ownership and/or employment shall be made available to the State Licensing Authority or its duly authorized representatives upon demand. If utilizing a contract company to provide pharmacy services, the licensee maintains responsibility for all liquor laws and regulations.
- D. Pursuant to section 44-3-410(2)(a)(II), C.R.S. a liquor-licensed drugstore may not sell malt, vinous, or spirituous liquors to consumers at a price that is below the liquor-licensed drugstore's cost to purchase the malt, vinous, or spirituous liquors. The term "a price that is below the liquor-licensed drugstore's cost" as used in this paragraph is defined as the actual proportionate invoice price charged by the wholesaler (per item), plus applicable state and federal taxes. All invoices must clearly designate a price paid for each product, which shall not be less than the wholesaler's laid-in cost for each product. At no point may a liquor-licensed drugstore receive any products from a wholesaler at less than laid-in cost.
- E. Additional liquor-licensed drugstore locations:
 - 1. After January 1, 2017, a liquor-licensed drugstore licensee may apply for additional liquor-licensed drugstore licenses as long as they meet the requirements of section 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 Division. The application process will include the transfer of ownership of at least two retail liquor stores, the change of location to the new licensed premises and the merger and conversion of a new liquor-licensed drugstore.
 - 2. In determining the distance measurements for liquor-licensed drugstores, the measurement of either 1500 feet or 3000 feet, as applicable, is defined as the straight-line distance measured from the midpoint of the principal doorway of the proposed licensed premises (as determined by the applicants/licensees).

3. In order for a liquor-licensed drugstore to obtain additional licenses pursuant to section 44-3-410(1)(b) et al, C.R.S., the liquor-licensed drugstore must transfer ownership of at least two retail liquor stores within the same jurisdiction where the applicant premises is located and change the location of one of the retail liquor stores to the new liquor- licensed drugstore location. If there are fewer than two retail liquor stores within the jurisdiction of the applicant premises, the applicant may transfer ownership of one retail liquor store located within the same local licensing jurisdiction, if applicable, and transfer ownership of one or two other liquor stores, as applicable, both of which are located in a jurisdiction adjacent to the jurisdiction where the applicant premises is located.
 4. In order to qualify to apply for an additional liquor-licensed drugstore license pursuant to section 44-3-410(1)(b) et al, C.R.S. the licensee shall provide evidence to the state and local licensing authorities that at least twenty percent of the licensee's gross annual income derived from total sales during the prior twelve months at the drugstore premises for which a new or renewal license is sought is from the sale of food items as defined by the State Licensing Authority by rule.
 - a. "Evidence" as used in paragraph 4 is defined, at a minimum, as an affidavit from the licensee that the requirements of paragraph 4 are met. The licensee shall produce documents in support of the affidavit, if requested by the state and local licensing authorities.
 - b. "Food items" as used in paragraph 4 is defined as any raw, cooked, or processed edible substance, ice and beverage, other than any beverage containing alcohol, intended for use or for sale in whole or in part for human consumption.
 5. Pursuant to section 44-3-410(1)(b)(IV)(B), C.R.S., a licensee of a new or renewed additional liquor-licensed drugstores must be open to the public. "Open to the public" as used in this paragraph means that the licensed premises must be open to the general public and that alcohol beverages may be purchased without any membership requirement or added cost.
- F. On or after January 1, 2017, a liquor-licensed drugstore licensee shall not purchase malt, vinous or spirituous liquors from a wholesaler on credit and shall effect payment upon delivery of the alcohol beverages. Allowed payments include cash, credit/debit cards, check, money orders, certified check, EFT transfer and any other method of payment approved by the Division.
- G. A liquor-licensed drugstore must obtain and maintain certification as a responsible vendor in accordance with section 44-3-1001, C.R.S. In order to comply with this regulation, the liquor- licensed drugstore licensee shall complete an on-line registration with the Liquor Enforcement Division which shall contain the following information:
1. The name of each employee who is subject to seller-server training and the date of last training class.
 2. An electronic image of the certificate or card issued to each employee by a certified responsible vendor trainer evidencing completion of such training.
- If the on-line registration process is not available, the liquor-licensed drugstore licensee is responsible for maintaining such information until the on-line registration process is available and shall provide such information to the state or local licensing authorities upon request.

- H. Wholesalers, including brew pubs, 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.

Regulation 47-912. Identification.

Basis and Purpose. The statutory authority for this regulation is located at ~~INCLUDES, BUT IS NOT LIMITED TO,~~ subsections 44-3-202(1)(b), 44- 3-202(2)(a)(I)(A), and 44-3-901(11)(a), C.R.S. The purpose of this regulation is to define adequate identification criteria for purposes of demonstrating age, and establish the factors of an affirmative defense available to a licensee for an alleged sale to a minor.

- A. Licensees may refuse to sell alcohol beverages to any person unable to produce adequate, ~~currently valid~~ identification of age THAT IS VALID AND UNEXPIRED. IDENTIFICATION OF AGE IS ADEQUATE IF ~~As long as it contains a picture and date of birth, and is the kind and type of identification deemed adequate shall be~~ AND IS limited to ONE OF the following:
1. Any ~~operator's, chauffeur's or similar~~ type OF driver's license OR IDENTIFICATION CARD issued by any state within the United States, THE DISTRICT OF COLUMBIA, any U.S. Territory, or any foreign country including Canada or Mexico.
 2. ~~An identification card, INCLUDING A TEMPORARY IDENTIFICATION CARD, issued by any state for the purpose of proof of age as in accordance with sections 42-2-302 and 42-2-303, C.R.S. REPEALED.~~
 3. A UNITED STATES military identification card OR ANY OTHER IDENTIFICATION CARD ISSUED BY THE UNITED STATES GOVERNMENT INCLUDING, BUT NOT LIMITED TO, A PERMANENT RESIDENT CARD, ALIEN REGISTRATION CARD, OR CONSULAR CARD.
 4. A passport, or passport identification card.
 5. ~~An alien registration card. REPEALED.~~
 6. ~~A valid employment authorization document issued by the U.S. Department of Homeland Security. REPEALED.~~
 7. ~~A valid consular identification card from any foreign country. REPEALED.~~
 8. AN ENROLLMENT CARD ISSUED BY THE GOVERNING AUTHORITY OF A FEDERALLY RECOGNIZED INDIAN TRIBE.
- B. It shall be an affirmative defense to any administrative action brought against a licensee for alleged sale to a minor if the minor presented fraudulent identification of the type established in paragraph A above and the licensee possessed an identification book issued within the past three years, which contained a sample of the specific kind of identification presented for compliance purposes. As an affirmative defense, the burden of proof is on the licensee to establish by a preponderance of the evidence that the minor presented fraudulent identification.
- C. The identification types defined in paragraph (A) of this regulation fulfill the requirements of a valid identification stated in section 44-3-901(11)(a), C.R.S.