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

Regulation 47-900. Conduct of Establishment.

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)(L), 44-3-202(2)(a)(I)(M), 44-3-202(2)(a)(I)(P), and 44-3-202(2)(a)(I)(R), C.R.S. In accordance with the legislative declaration of section 44-3-102, C.R.S., the Colorado Liquor Code is deemed an exercise of the police powers of the State of Colorado for the protection of the economic and social welfare and the health, peace, and morals of the people of the State of Colorado. Regulation of the manufacture, distribution, and sale of alcohol beverages is regulated by the Colorado Liquor Code as a matter of statewide concern. The purpose of this regulation is to exercise proper regulation and control over the sale of alcohol beverages, promoting the social welfare, the health, peace and morals of the people of the State, and to establish uniform standards of decency, orderliness, and service within the licensed industry. Additionally, Sections 14 and 16 of Article XVIII of the Constitution of Colorado do not permit open and public consumption of marijuana and the State Licensing Authority deems liquor licensed premises to be public places.

A. Orderliness, loitering, serving of intoxicated persons.

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

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 hair, anus, cleft of the buttocks, vulva or genitals.
- 2. Employment or use of the services of any hostess or other person to mingle with the patrons while such hostess or other person is unclothed or in such attire, costume or clothing as described in paragraph number (1) above.

- 3. Any person on the licensed premises touching, caressing or fondling the breasts, buttocks, anus, or genitals of any other person.
- Any employee or person on the licensed premises wearing or using any device or covering of any kind, which exposes or simulates the breasts, genitals, anus, pubic hair or any other portion thereof.
- C. Entertainment.

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

- 1. 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 any person to perform acts of or acts which simulate:
 - a. Sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation or any sexual acts which are prohibited by law.
 - b. The touching, caressing or fondling of the breasts, buttocks, anus or genitals.
 - c. The displaying of pubic hair, anus, vulva or genitals.
- 2. No licensee nor any employee or agent of such licensee shall engage in or permit any person to use artificial devices or inanimate objects to depict any of the prohibited activities described above.
- No licensee nor any employee or agent of such licensee shall engage in or permit any person to remain in or upon the licensed premises who exposes to public view any portion of his or her THEIR genitals or anus.
- 4. No licensee nor any employee or agent of such licensee shall wear or use any device or covering of any kind that exposes or simulates the breasts, genitals, anus, pubic hair or other portion thereof.
- D. Visual displays.

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 on the licensed premises the showing of film, still pictures, electronic reproduction, or other visual reproductions depicting:

- 1. Acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation or any sexual acts which are prohibited by law.
- 2. Any person being touched, caressed or fondled on the breasts, buttocks, anus or genitals.
- 3. Scenes wherein a person displays the vulva or the anus or the genitals.
- 4. Scenes wherein artificial devices or inanimate objects are employed to depict, or drawings are employed to portray, any of the prohibited activities described above.
- E. Marijuana consumption.

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

F. Local ordinances.

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

Regulation 47-901. Public Consumption of Alcohol Beverages.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-103, 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(D), and 44-3-202(2)(a)(I)(R), C.R.S. The purpose of this regulation is TO 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.
- B. NOTIFICATION SHOULD BE MADE TO THE DIVISION BY EMAILING <u>DOR_LED@STATE.CO.US</u> WITHIN THIRTY (30) DAYS OF ADOPTION OF THE ORDINANCE, RESOLUTION, OR RULE ESTABLISHING, AMENDING, OR REPEALING PUBLIC CONSUMPTION AUTHORIZATIONS.

Regulation 47-902. Sanitary Requirements.

<u>Basis and Purpose</u>. The statutory authority for this regulation is located at INCLUDES, BUT IS NOT LIMITED TO, subsections 44-3-202(1)(b) and 44-3-202(2)(a)(I)(L), C.R.S. The purpose of this regulation is to require clean and sanitary conditions for on-premises consumption licensees.

- A. Each licensee selling alcohol beverages for consumption on the premises, shall maintain its establishment in clean and sanitary condition.
- B. If the licensee is also required to be licensed by the Colorado Department of Public Health and Environment or ANY APPLICABLE LOCAL PUBLIC HEALTH AGENCIES the Denver Department of Excise and Licenses, it shall maintain the Colorado Department of Public Health and Environment or the LOCAL PUBLIC HEALTH Denver Department of Excise and Licenses license(S) in full force and effect at all times while selling such alcohol beverages for consumption therein.

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

<u>Basis and Purpose</u>. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b) and 44-3-202(2)(a)(I)(M), and 44-3-202(2)(a)(I)(N), C.R.S. The purpose of this regulation is to establish filling, labeling, and sampling and analyzing standards for alcohol beverages.

A. No licensee, for the sale of alcohol beverages for consumption on the premises where sold, shall maintain thereon any container of alcohol beverage which contains any such substance other than that contained at the time such container was received by or delivered to the licensee. Nothing herein shall prohibit a licensee from using emptied alcohol beverage bottles with labels removed by filling them with non-alcohol items (e.g. marbles, sand, salt, pepper) for the purpose

of decorations or display. Nothing herein shall prohibit a licensee from using emptied, cleaned alcohol beverage bottles with labels removed by filling them with water for patrons to consume on premises.

- B. No licensee, for the sale of alcohol beverages for consumption on the premises where sold, shall substitute one brand, type, or alcohol content of alcohol beverages for that which has been specifically requested by a customer, unless the customer expressly consents to the substitution.
- C. Except manufacturers or malt liquor manufacturers with an onsite wholesale sales room, no licensee shall refill or permit the refilling of any alcohol beverage container with alcohol beverage or reuse any such container by adding distilled spirits or any substance, including water, to the original contents or any portion of such original contents. There shall be no prohibition against the use of carafes, pitchers or similar serving containers for alcohol beverages.
- D. If sampling, analysis or other means shall establish that any such licensee has upon the licensed premises any bottle or other container which contains alcohol beverage of a different brand, type, or alcohol content than that which appears on the label thereof, such licensee shall be deemed to have violated this regulation.
- E. All licensees for the sale of alcohol beverages for consumption on the premises where sold shall, upon request of the 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 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").
- G. The manufacturer or importer of alcohol beverage products that have obtained a TTB "Certificate of Exemption" are required upon request to certify that their product's label will comply with TTB labeling criteria as found in the "Federal Alcohol Administration Act" 27 CFR Subchapter A Liquor Part 4, Subpart D; Part 5, Subpart D; and Part 7, Subpart C.
 - 1 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 at; dor_led@state.co.us, or at the Division's office located at 1707 Cole Boulevard, Suite 300, Lakewood, Colorado, 80401, and copies of the material may be examined at any state publication depository library.

Regulation 47-905. Colorado Wineries – Labeling and Records

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)(N), 44-3-202(2)(a)(I)(O), and 44-3-403(3), C.R.S. The purpose of this regulation is to establish labeling and record keeping standards for Colorado wineries.

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

- B. A Colorado winery using the words "Colorado grown" on a label shall use only 100% Colorado grown grapes, fruit or other agricultural products in the manufacture of that labeled vinous liquor.
- C. Honey wine, mead or any vinous liquor the alcoholic content of which is primarily obtained from fermented honey shall not be subject to paragraph A of this regulation, 47-905, except that the use of the phrase "Colorado grown" shall require that all honey and any other agricultural products used to manufacture or flavor the wine must be grown, gathered or harvested within Colorado.
- 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 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.
- E. Any stock of printed labels in the possession of a winery prior to this regulation taking effect shall be exempt from these regulations until such time as that stock of printed labels is depleted. Neither this paragraph nor any other provision in this regulation shall be construed to supersede any more stringent statute or regulation. More specifically, labels exempted from this regulation under this paragraph are in no way exempt from complying with any and all applicable federal wine labeling requirements. ALL LABELS SHALL COMPLY WITH ALL APPLICABLE FEDERAL WINE LABELING REQUIREMENTS, AND NOTHING IN THIS REGULATION SHALL BE CONSTRUED TO SUPERSEDE ANY MORE STRINGENT STATUTE OR REGULATION.
- F. A Colorado limited winery shall, on or before February 28, annually declare on a form (DR 4639 Colorado Limited Winery Annual Production Certification) provided by the Division that it did not manufacture more than 100,000 gallons of vinous liquor in the preceding calendar year.

Regulation 47-906. Container Size

Basis and Purpose. The statutory authority for this regulation is located at subsections INCLUDES, BUT IS NOT LIMITED TO 44-3-202(1)(b) and 44-3-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to establish container size standards for vinous or spirituous liquors, available for sale in different licensed establishments.

- A. No manufacturer or wholesaler shall sell or deliver any vinous or spirituous liquors to any Colorado licensed retailer licensed for the sale of alcohol beverages for consumption on the premises in any container prohibited by this regulation.
- B. No Colorado licensed retailer licensed under Article 3 for the sale of alcohol beverages for the consumption on the premises shall purchase or have in its possession upon or about the licensed premises spirituous liquor of over fourteen (14) percent alcohol by volume in any container of less than 375 milliliters, or vinous liquors of over fourteen (14) percent SIXTEEN (16) PERCENTalcohol by volume in any container of less than 375 milliliters, and no vinous or spirituous liquors, regardless of alcohol content, shall be purchased or possessed on the licensed premises in any flat or flask-shaped container of less than twenty-four (24) ounce capacity. The provisions of this subsection B, shall not apply to an aggregate package of alcohol beverages that are, upon manufactured packaging and sale to a retailer, at least 375 milliliters in aggregate, and provided that the individual containers within the aggregate package are opened by the licensee prior to serving consumers, and that neither the seal nor any other device that can be used to seal the container is provided by the licensee to the consumer.
- C. The provisions of subsection B, herein above, shall not apply to any retailer licensed as a public transportation system pursuant to Article 3. However, no person licensed as a public transportation system shall purchase or possess on the licensed premises any vinous or

spirituous liquors in any flat or flask-shaped container less than twenty-four (24) ounce capacity. In addition, no person licensed as a public transportation system shall sell or serve any vinous or spirituous liquor to any person except in an open container, or in a container which has had the lid, top, cork, or seal broken open or removed.

- D. The provisions of subsection B, herein above, shall not apply to containers of any size in hotel guest rooms nor shall it prohibit any hotel and restaurant licensee including an optional premise licensee, from purchasing or possessing for sale to customers, for on-premise consumption only, any container which is not less than 1.7 fluid ounce capacity; provided, however, the licensee must open the lid, top or cork, break and remove the seal, and pour the contents of the container into a serving glass or other serving container. The customer may retain the empty container as a souvenir.
- E. The alcohol beverage containers referred to in paragraphs B, C, and D of this regulation shall include all alcohol beverages marketed in the nearest metric equivalent measure container.

Regulation 47-908. Automatic and Electronic Dispensing Systems.

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)(A), 44-3-202(2)(a)(I)(B), 44-3-202(2)(a)(I)(E), 44-3-202(2)(a)(I)(L), 44-3-202(2)(a)(I)(M), and 44-3-202(2)(a)(I)(N), C.R.S. The purpose of this regulation is to establish requirements for an on-premises consumption licensee's self-dispensing system and its operation if a licensee has a self-dispensing system on the licensed premises.

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

- A. Such equipment must avoid an in-series hook-up which would permit the contents of vinous and spirituous liquor bottles or containers to flow from bottle to bottle before reaching the dispensing spigot or nozzle. Such equipment shall not permit intermixing of different brands, or differently labeled types, of the same kind of alcohol beverages within the dispensing systems.
- B. Where any part of such installation is within a locked area, upon demand to the licensee, such area shall be made available for inspection without delay; and upon request by an authorized representative of the licensing authority, or peace officers, such licensees shall open said area for inspection.
- C. Such equipment shall not be coin operated nor be able to accept other payment methods and shall be operated personally and directly only by the licensee or employees thereof. Provided, however, this subsection (C) does not apply to a dispensing system that is located at a licensed premises where the regular consumption of malt liquors, fermented malt beverages, vinous liquor or spirituous liquor by persons over the age of twenty-one is authorized under the following conditions:
 - 1. Prior to activation of such device, the licensee or their employee has determined the patron is (1) twenty-one (21) years of age or older, and (2) is otherwise legally able to be served an alcohol beverage; and
 - 2. Such activation of the device is conducted by the licensee or employee thereof; and
 - Such activation provides the ability to dispense no more than thirty-two (32) ounces of malt liquor or fermented malt beverage; or fourteen (14) ounces of vinous liquor; or two (2) ounces of spirituous liquor, per person, before reactivation is allowed; and

- 4. The licensee or their employees shall monitor the sale, service, and consumption of any alcohol beverages from the dispensing system to ensure compliance with the Colorado Liquor Code and Rules.
- 5. No alcohol shall be dispensed outside the times allowed pursuant to sections 44-3-901(6) or 44-3-301(10)(c)(V), C.R.S. and any un-dispensed alcohol after such time will be forfeited and not be able to be dispensed at a later time. This paragraph (5) does not prohibit a refund of unused credit to a consumer.

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

- D. No alcohol beverage shall be sold, served or dispensed from such system equipment unless the brand names of the manufacturer's product, corresponding to the container from which the alcohol beverage is drawn, are conspicuously posted and visible to the customer; or are imprinted on a card, sign or plate, and are visible to the public.
- E. The installation of such equipment without compliance with any of the foregoing requirements shall constitute good and sufficient cause for the suspension, cancellation or revocation of the license.

Regulation 47-910. Consumption Prohibited.

Basis and Purpose. The statutory authority for this regulation is located at subsections INCLUDES, BUT IS NOT LIMITED TO 44-3-202(1)(b) and 44-3-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to prohibit on-premises consumption of alcohol beverages during any time prohibited by law.

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