

DEPARTMENT OF REVENUE

Liquor Enforcement Division

COLORADO LIQUOR RULES

1 CCR 203-2

[Editor's Notes follow the text of the rules at the end of this CCR Document.]

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

Basis and Purpose. The statutory authority for this regulation is ~~located at~~ INCLUDES, BUT IS NOT LIMITED TO, subsections 44-3-103, 44-3-107(1), 44-3-202(1)(b), 44-3-202(2)(a)(I)(J), 44-3-202(2)(A)(I)(R), 44-3-301(7), 44-3-303(3)(B), 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.

A. Corporations and Limited Liability Companies

1. If the applicant for any license under Articles 3 or Article 4 of Title 44 is a corporation or limited liability company, it shall submit with the application, the names, addresses, and individual history records of all of its principal officers, directors, or managers, and a copy of its articles of incorporation or articles of organization; and if a foreign entity, evidence of its qualification to do business within this state. In addition, each applicant shall submit the names, addresses, and individual history records of all persons owning 10% or more of the outstanding or issued capital stock, or persons holding a 10% or more membership interest.
2. Any transfer of capital stock or any change in principal officers or directors of any corporation holding a license under the provisions of the Colorado Liquor or Beer Code and which is not subject to the reporting requirements of the Securities and Exchange Act of 1934, as amended, shall be reported to the respective licensing authorities within thirty (30) days after such transfer or change. With the report, the licensee shall submit the names, addresses, and individual history records for any new officer, director, or stockholder acquiring 10% or more outstanding capital stock, as well as the corporate minutes verifying the transactions. Licensees that are subject to the Securities and Exchange Act of 1934, as amended, shall be required to do the same, except that they shall not be required to report any single transfer of outstanding capital stock of less than 10%.
3. Any transfer of membership interest or any change in managers of any limited liability company holding a license shall be reported to the respective licensing authorities within thirty (30) days after such transfer or change. With the report, the licensee shall submit the names, addresses, and individual history records for any new manager, or member acquiring 10% or more membership interest.

B. Partnerships

1. If the applicant for any license under articles 3 or 4 of title 44 is a general partnership, limited partnership, limited liability partnership, or limited liability limited partnership it shall submit with the application, the names, addresses, and individual history records of

all of its general or managing partners, and a copy of its partnership agreement; and, if a foreign entity, evidence of its qualification to do business within this state. In addition, each applicant shall submit the names, addresses, and individual history records of any other partner holding a 10% or more partnership interest.

2. Any transfer of partnership interest or any change in general or managing partners of any partnership holding a license shall be reported to the respective licensing authorities within thirty (30) days after such transfer or change. With the report, the licensee shall submit the names, addresses, and individual history records for any new general or managing partner, or any other partner acquiring 10% or more partnership interest.

C. MUNICIPALITIES AND OTHER GOVERNMENTAL ENTITIES

1. IF THE APPLICANT FOR ANY LICENSE UNDER ARTICLES 3 OR 4 OF TITLE 44 IS A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY, IT SHALL SUBMIT WITH THE APPLICATION, THE NAME, ADDRESS AND INDIVIDUAL HISTORY RECORD OF AT LEAST ONE MEMBER OF ITS GOVERNING BODY, OR AT LEAST ONE PERSON HIRED OR APPOINTED BY ITS GOVERNING BODY, TO SERVE AS AN OFFICER OR DIRECTOR; EXCEPT THAT, PURSUANT TO SECTION 44-3-107(1), C.R.S., A PERSON WHO HAS AN INTEREST IN A LIQUOR LICENSE MAY NOT BE LISTED AS AN OFFICER OR DIRECTOR ON A LICENSE OWNED, OR TO BE OWNED, BY A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY IF THAT PERSON INDIVIDUALLY MANAGES OR RECEIVES ANY DIRECT FINANCIAL BENEFIT FROM THE OPERATION OF SUCH LICENSE. IF THE GOVERNING BODY OF A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY HIRES OR APPOINTS MORE THAN ONE OFFICER OR DIRECTOR, THE NAME, ADDRESS AND INDIVIDUAL HISTORY RECORD OF EACH SUCH OFFICER OR DIRECTOR SHALL BE SUBMITTED WITH THE APPLICATION.
2. ANY CHANGE IN THE OFFICERS OR DIRECTORS OF A LICENSE HELD BY A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY SHALL BE REPORTED TO THE RESPECTIVE LICENSING AUTHORITIES WITHIN THIRTY (30) DAYS AFTER SUCH CHANGE. WITH THE REPORT, THE LICENSEE SHALL SUBMIT THE NAMES, ADDRESSES, AND INDIVIDUAL HISTORY RECORDS FOR ANY NEW OFFICERS OR DIRECTORS.

GD. Entity Conversions

1. Any licensee that qualifies for an entity conversion pursuant to section 7-90-201, C.R.S., et. seq., or similar law enacted by other states, shall not be required to file a transfer of ownership application pursuant to section 44-3-303, C.R.S. upon statutory conversion, but shall submit a report containing suitable evidence of conversion within thirty (30) days of such conversion. Such evidence shall include, but not be limited to, recognition of conversion by the Colorado Secretary of State. In addition, within thirty (30) days of the conversion, the licensee shall submit the names, addresses, and individual history records of any new officers, directors, managers, general or managing partners, and all persons having an ownership interest of 10% or more.

DE. All reports required by this regulation shall be made on forms supplied by the Division.

EF. For all applicants for the issuance of a license by reason of a transfer of possession of the licensed premises by methods to include operation of law, a petition in bankruptcy pursuant to federal bankruptcy law, the appointment of a receiver, a foreclosure action by a secured party, or a court order dispossessing the prior licensee of all rights of possession pursuant to article 40 of title 13, C.R.S., the licensing authorities shall consider only the requirements of section 44-3-307, C.R.S. The loss of possession of the licensed premises by the licensee does not in itself automatically invalidate, cancel or terminate the underlying license. An applicant who otherwise comes into possession of the licensed premises by operation of law, may apply for a transfer of the underlying license as provided by law pursuant to section 44-3-303, C.R.S. This provision

does not prohibit a licensing authority from initiating any action as provided by law to suspend or revoke a license for loss of possession of the licensed premises.

- FG. No application for a transfer of ownership may be received or acted upon by either the state or local licensing authority if the previous licensee has surrendered its license and had it canceled by either authority prior to submission of the transfer application. In cases where cancellation has occurred prior to the submission of a transfer of ownership application, the license applicant shall follow the procedures for a new license application pursuant to section 44-3-311, C.R.S.

Regulation 47-307. Master Files.

Basis and Purpose. The statutory authority for this regulation is located at 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)(R), and 44-3-304(1)(d), C.R.S. The purpose of this regulation is to establish rules governing master files, and the minimum number of locations required for master file privileges.

- A. Any person or entity seeking the issuance of a state master file pursuant to section 44-3-304(1)(b), C.R.S. shall have an interest in a minimum of five (5) APPROVED state licenses issued, or five (5) license applications filed within a year of the master file application, pursuant to articles 3 and/or 4 of title 44, C.R.S.
- B. A MASTER FILE applicant for master file can meet the minimum requirements of this regulation by having an interest in separate licensed locations, as long as there are a minimum of five (5) total licenses APPROVED issued and/or applications pending.
- C. To maintain a state master file, once approved and established, the licensee shall comply with section 44-3-301(7), C.R.S. and Regulation 47-304 as it relates to the timely disclosure of any change in structure. Repeated failure to comply with timely advisement to the state licensing authority shall be grounds for the state licensing authority to suspend or revoke a licensee's master file privileges.
- D. Licensees that originally qualified for a state master file, but who subsequently fall below the required five license minimum due to business closures may maintain their master file and continue to renew the remaining licenses as master file licensees. ANY LICENSED PREMISES INCLUDED IN A MASTER FILE MUST BE CONSTRUCTED AND PLACED IN OPERATION WITHIN TWO (2) YEARS OF APPROVAL OF THE LICENSE IN ORDER TO BE CONSIDERED PART OF THE MASTER FILE.
- E. No local licensing authority shall require applicants with an approved master file to file additional fingerprints or background investigation forms. Nothing in this section shall prohibit a local licensing authority from conducting its own investigation, or from verifying any of the information provided by the applicant, or from denying the application of the applicant pursuant to the provisions set forth in section 44-3-307, C.R.S.

Regulation 47-309. Sports and Entertainment Venues.

Basis and Purpose. The statutory authority for this regulation is located at 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)(R), and 44-3-301(6), C.R.S. The purpose of this regulation is to establish guidelines for the sale of alcohol beverages in sports and entertainment venues with at least one thousand five hundred (1,500) seats.

- A. This regulation shall apply to licensees at facilities owned by a municipality, county, or special district, or at publicly or privately owned sports and entertainment venue with a minimum seating capacity of one thousand five hundred (1,500) seats.

- B. Licensees authorized to sell alcohol beverages in these venues may sell or provide alcohol beverages in sealed containers to adult occupants of areas within the licensed premises that have limited public access.
- C. Licensees are otherwise responsible for any violations of the Colorado Liquor Code within such limited public access areas and shall not prevent inspection of the premises by any law enforcement official.
- D. The licensee shall not allow any person to bring alcohol beverages onto the licensed premises that were not purchased from the licensee, or allow any person to leave the licensed premises with a container of alcohol beverage that was ~~purchased from~~ PROVIDED BY the licensee.

Regulation 47-310. Application - General Provisions.

Basis and Purpose. The statutory authority for this regulation is ~~located at~~ 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)(R), 44-3-304(1), and 44-3-307, C.R.S. The purpose of this regulation is to establish requirements for a license application, and provide factors the licensing authority must consider when evaluating an application for approval or rejection.

***[subsections (A) – (G) are to remain, unmodified, in the final rule].

- H. A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY THAT APPLIES FOR A LICENSE, OR TO RENEW A LICENSE, SHALL SUBMIT WITH THE APPLICATION THE NAME, ADDRESS, AND INDIVIDUAL HISTORY RECORD OF AT LEAST ONE MEMBER OF ITS GOVERNING BODY, OR AT LEAST ONE PERSON HIRED OR APPOINTED BY ITS GOVERNING BODY, TO SERVE AS AN OFFICER OR DIRECTOR; EXCEPT THAT, PURSUANT TO SECTION 44-3-107(1), C.R.S., A PERSON WHO HAS AN INTEREST IN A LIQUOR LICENSE MAY NOT BE LISTED AS AN OFFICER OR DIRECTOR ON A LICENSE OWNED, OR TO BE OWNED, BY A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY IF THAT PERSON INDIVIDUALLY MANAGES OR RECEIVES ANY DIRECT FINANCIAL BENEFIT FROM THE OPERATION OF SUCH LICENSE. IF THE GOVERNING BODY OF A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY HIRES OR APPOINTS MORE THAN ONE OFFICER OR DIRECTOR, THE NAME, ADDRESS AND INDIVIDUAL HISTORY RECORD OF EACH SUCH OFFICER OR DIRECTOR SHALL BE SUBMITTED WITH THE APPLICATION.

Regulation 47-311. Public Transportation System License.

Basis and Purpose. The statutory authority for this regulation is ~~found at~~ INCLUDES, BUT IS NOT LIMITED TO, 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 make clear that under the specified circumstances a commercial airline must apply for and receive a public transportation system license.

In addition to any public system transportation licenses issued for a permanent licensed premises, a commercial airline shall apply for and receive a public system transportation license for an airplane if any of the following conditions are met:

- A. Alcohol beverages are sold or served while the airplane is stationary anywhere in the State of Colorado; or
- B. Alcohol beverages are purchased from a Colorado Wholesaler; or
- C. Alcohol beverages are stored on the airplane for more than twenty-four (24) hours while in the State of Colorado.

Regulation 47-312. Change of Location.

Basis and Purpose. The statutory authority for this regulation is ~~located at~~ 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)(D), 44-3-202(2)(a)(I)(R), 44-3-301(9), 44-3-309, and 44-3-410, C.R.S. The purpose of this regulation is to establish procedures for a licensee requesting to change the location of the licensed premises, and provide factors the licensing authority must consider when evaluating a change for approval or rejection.

- A. When a licensee for the manufacture or sale of alcohol beverages desires to change the location of its licensed premises from ~~that~~ THE LOCATION named in an existing license, it shall make application to the applicable licensing authorities for permission to change location to the place where such license is to be exercised, except that an application for change of location shall not be required for the demolition and reconstruction of the building in which the original licensed premises was located.
- B. Applications to change location shall be made upon forms prepared by the state licensing authority and shall be complete in every detail. Each such application shall state the reason for such change, and in case of a retail license, shall be supported by evidence that the proposed change will not conflict with the desires of the adult inhabitants and the reasonable requirements of the neighborhood in the vicinity of the new location. An application to change the location of a retail license shall contain a report of the local licensing authority of the town, city, county, or city and county in which the license is to be exercised. Such report shall describe the findings of the local licensing authority concerning the reasonable requirements of the neighborhood and the desires of the adult inhabitants with respect to the new location, except that in the change of location for a club license, the needs of the neighborhood need not be considered. When a licensee is required by lease, lease renewal, condemnation, or reconstruction to move its licensed premises to a new address that is located within the same shopping center, campus, fairground, or similar retail center, the local or state licensing authority may, at its discretion, waive the neighborhood needs and desires assessment requirements should it determine that the new location remains within the same neighborhood as the old location.
- C. For retail licenses, no change of location shall be permitted until the state licensing authority has, after approval of the local licensing authority, considered the application and such additional information as it may require, and approved of such change. The licensee shall, within sixty (60) days of approval, change the location of its licensed premises to the place specified therein. Once at the new location, the licensee shall no longer conduct the manufacture or sale of alcohol beverages at the former location. A local licensing authority may, at its discretion, extend the time to change the location of the licensed premises, for good cause shown. However, no extension that is beyond twelve (12) months from the original date of approval shall be granted.
- D. For those licensees not subject to approval by the local licensing authority, no change of location shall be permitted until the state licensing authority has considered the application and such additional information as it may require, and approved of such change. The licensee shall, within sixty (60) days of approval, change the location of its licensed premises to the place specified therein. Once at the new location, the licensee shall no longer conduct the manufacture or sale of alcohol beverages at the former location. The state licensing authority may, at its discretion, extend the time to change the location, for good cause shown. However, no extension that is beyond twelve months from the original date of approval shall be granted.
- E. Once the licensee has changed its licensed location, the permit to change location shall be conspicuously displayed at the new location, immediately adjacent to the license to which it pertains UNTIL THE LICENSE IS RENEWED.
- F. For retail licenses no change of location shall be allowed except to another location within the same city, town, county, or city and county in which the license was originally issued. Except, a retail liquor store licensed on or before January 1, 2016, may apply to move its permanent location to another place within or outside the municipality or county in which the license was originally granted. ~~It is unlawful for the retail liquor store licensee to sell any alcohol beverages at~~

~~the new location until such application is approved by the state and local licensing authorities.~~
Once approved, the retail liquor store licensee shall change the location of its premises within three (3) years after such approval. ~~A change of location of a retail liquor store within the same jurisdiction is not subject to the distance requirement pursuant to section 44-3-301(12)(a), C.R.S.~~
A CHANGE OF LOCATION FOR A FERMENTED MALT BEVERAGE RETAILER OR RETAIL LIQUOR STORE WILL BE APPROVED ONLY IF THE NEW LOCATION SATISFIES THE DISTANCE REQUIREMENTS IN SECTION 44-3-301(9)(A)(I)(B)-(C), C.R.S. IT IS UNLAWFUL FOR A LICENSEE TO SELL ANY ALCOHOL BEVERAGE AT A NEW LOCATION UNTIL PERMISSION IS GRANTED BY THE STATE LICENSING AND LOCAL LICENSING AUTHORITIES.

- G. Upon application for change of location, public notice shall be required by the local licensing authority in accordance with Section 44-3-311, C.R.S.
- H. ~~Prohibited Area.~~ A licensee located within 500 feet from any public or parochial school or principal campus of any college, university or seminary may apply for a change of location within the same prohibited area in accordance with the requirements of section 44-3-301(9), C.R.S., but may not apply for a change of location within any other prohibited area as defined within section 44-3-313, C.R.S.

Regulation 47-313. Tastings.

Basis and Purpose. The statutory authority for this regulation ~~is found at~~ 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), 44-3-301(10), 44-3-409(1)(C)(III), AND 44-3-410(1)(A)(II)(B), 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. THIS REGULATION APPLIES ONLY TO TASTINGS CONDUCTED ON THE LICENSED PREMISES OF RETAIL LIQUOR STORES AND LIQUOR-LICENSED DRUGSTORES PURSUANT TO SECTION 44-3-301(10), 44-3-409(1)(C)(III), AND 44-3-410(1)(A)(II)(B), C.R.S.

- 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. TO ENSURE ALCOHOL SAMPLES ARE PROVIDED TO A PATRON FREE OF CHARGE, AS REQUIRED BY SECTION 44-3-301(10)(C)(X), C.R.S., THE LICENSEE SHALL NOT CHARGE OR ACCEPT ANY MONEY FOR A TASTING, DIRECTLY OR INDIRECTLY, INCLUDING FOR ANY EDUCATION PROVIDED IN CONNECTION WITH A TASTING, OR TO RESERVE A SPOT AT A TASTING EVENT, REGARDLESS OF WHETHER THE MONEY CHARGED IS DONATED TO A CHARITY OR IS REFUNDED. EDUCATION SHALL NOT BE CONSIDERED TO BE PROVIDED IN CONNECTION WITH A TASTING IF THE TASTING OCCURS AFTER THE EDUCATION EVENT HAS CONCLUDED AND IS AVAILABLE TO ANY ADULT PATRON OF THE LICENSEE, FREE OF CHARGE.
- D. TO COMPLY WITH THE OBLIGATION NOT TO SERVE MORE THAN FOUR INDIVIDUAL SAMPLES TO A PATRON DURING A TASTING, AS REQUIRED BY SECTION 44-3-301(10)(C)(IX), C.R.S., THE LICENSEE SHALL IMPLEMENT A MEANS OF TRACKING HOW MANY SAMPLES EACH PATRON IS PROVIDED, WHICH MAY INCLUDE THE USE OF A WRISTBAND, OR OTHER MEANS OF ACCURATELY TRACKING INDIVIDUAL PATRON CONSUMPTION.
- E. TO COMPLY WITH THE OBLIGATION NOT TO SERVE SAMPLES TO A PATRON OVER THE MAXIMUM ALLOWED VOLUME PER ALCOHOL TYPE, AS REQUIRED BY SECTION 44-3-301(10)(C)(I)(B)(III), C.R.S., A LICENSEE SERVING ALCOHOL BEVERAGES MIXED WITH NON-ALCOHOL BEVERAGE PRODUCT SHALL EITHER:
1. SERVE NO MORE THAN THE MAXIMUM ALLOWED VOLUME PER ALCOHOL TYPE, PER SAMPLE, OF A PRE-MIXED BEVERAGE, IF THE MIXING OF THE ALCOHOL IS NOT DONE IN PUBLIC VIEW DURING THE TASTING EVENT; OR
 2. MIX THE ALCOHOL BEVERAGE WITH THE NON-ALCOHOL BEVERAGE IN PUBLIC VIEW DURING THE TASTING EVENT, WHEREIN ONLY THE MAXIMUM ALLOWABLE AMOUNT OF ALCOHOL BEVERAGE IS INCORPORATED INTO EACH MIXED DRINK, PER SAMPLE.

Regulation 47-314. Limited Liability Company.

Basis and Purpose. The statutory authority for this regulation ~~is located at~~ 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)(J), 44-3-202(2)(A)(I)(R), AND 44-3-307(1), C.R.S. The purpose of this regulation is to establish reporting and disclosure requirements for the identification of a limited liability company's managers, and applicable members and their relevant financial interests in order to promote transparency and avoid violations of statutorily prohibited overlapping financial interests.

- A. A Limited Liability Company may conduct any business that a partnership with limited partners may lawfully conduct and may not conduct any business that is prohibited by law to such partnership. Such limited liability company shall be in full conformity with 7-80-101, C.R.S.
- B. Each Limited Liability Company licensed pursuant to this Article or Article 4, of Title 44, shall report changes of any of its managers, OR MEMBERS HAVING A 10% OR MORE INTEREST IN THE LICENSE, EXCEPT THAT ANY TRANSFER OF A CONTROLLING INTEREST SHALL BE REPORTED REGARDLESS OF ITS SIZE, 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 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 INCLUDES, BUT IS NOT LIMITED TO, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(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.

***[subsections (A) – (D) are to remain, unmodified, in the final rule].

Regulation 47-316. Advertising Practices

Basis and Purpose. The statutory authority for this regulation is located at 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), 44-3-202(2)(A)(I)(R), 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. ~~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.~~ 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, PLATES, and BARWARE SUCH AS JIGGERS, BAR TINS, AND UTENSILS ~~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 TO BE GIVEN AWAY IN A CONSUMER GIVE-A-WAY, SWEEPSTAKE, OR CONTEST, TO A RETAILER WITH THE PURPOSE OF THE ITEM BEING DISPLAYED IN THE RETAIL LICENSED PREMISES DURING THE CONTEST PERIOD, 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 or the Consumer Contest ~~shall be~~ ARE delivered to the retail license premises WITH THE INTENTION OF DISPLAYING THE ITEM DURING THE CONTEST PERIOD, 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.~~

***[subsections (C) – (E) are to remain, unmodified, in the final rule].

Regulation 47-317. Market Research – Non-Licensed Locations.

Basis and Purpose. The statutory authority for this regulation ~~is found at~~ INCLUDES, BUT IS NOT LIMITED TO, subsections 44-3-202(1)(b), and 44-3-202(2)(a)(I)(A), C.R.S. The purpose of 1 C.C.R. 203-2, Regulation 47-317 is to provide guidance regarding the circumstances and processes under which consumer market research may be conducted on non-licensed premises.

Market research alcohol beverage consumer taste tests on an unlicensed liquor premises are authorized subject to the following guidelines:

***[subsections (A) – (I) are to remain, unmodified, in the final rule].

Regulation 47-318. Owner-Manager.

Basis and Purpose. The statutory authority for this regulation ~~is located at~~ INCLUDES, BUT IS NOT LIMITED TO, subsections 44-3-103, 44-3-202(1)(b), 44-3-202(2)(A)(I)(B), ~~44-3-202(2)(a)(I)(G), and 44-3-202(2)(a)(I)(J), AND 44-3-202(A)(I)(R), C.R.S.~~ The purpose of this regulation is to define the difference between a licensee/owner and a manager, and TO CLARIFY the ALLOWABLE method of payment to the manager.

- A. Each license under the Colorado Liquor or Beer Codes must be held by the owner of the establishment, ~~which is licensed~~. "Owner" means the person or persons whose proprietary interest is such that they bear risk of loss other than as an insurer, and have opportunity to gain profit from operation or sale of the establishment.
- In determining who is the "owner", elements considered ~~beside~~ OTHER THAN risk of loss and opportunity for profit will include, BUT ARE NOT LIMITED TO: WHO HAS THE RIGHT OF POSSESSION OF THE LICENSED PREMISES, who controls the licensee, who guarantees its debts, who is beneficiary under its insurance policies, who acknowledges liability for federal, state or local taxes.
- 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 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.
- C. A spouse of a licensee may hold a license in their own right if they are the owner of the licensed establishment, regardless of whether they file separate or joint income tax returns.
- D. A partnership interest, limited or general, a joint venture interest, or ownership of a share or shares in a corporation which is licensed, constitutes ownership.

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

Basis and Purpose. The statutory authority for this regulation ~~is found at~~ INCLUDES, BUT IS NOT LIMITED TO, subsections 44-3-103, 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~~ INCLUDES, BUT IS NOT LIMITED TO, subsections 44-3-103, 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 SUPPLIERS' ACTUAL COST.

***[subsections (C) – (G) are to remain, unmodified, in the final rule].

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~~ 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), 44-3-202(2)(A)(I)(G), and 44-3-202(2)(a)(I)(O), AND 44-3-202(2)(a)(I)(R), C.R.S. The purpose of this regulation is to clarify how applicable licensees may sell alcohol beverages below cost under limited statutory exceptions.

***[subsections (A) – (C) are to remain, unmodified, in the final rule].

Regulation 47-322. Unfair Trade Practices and Competition.

Basis and Purpose. The statutory authority for this regulation is ~~located at~~ INCLUDES, BUT IS NOT LIMITED TO, subsections 44-3-102, 44-3-103, 44-3-201(1), 44-3-202(1)(b), 44-3-202(2)(a), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(C), 44-3-202(2)(a)(I)(G), 44-3-202(2)(a)(I)(R), 44-3-308, and 44-4-102, C.R.S. The purpose of this regulation is to establish certain permitted and prohibited trade practices between suppliers and retailers in order to clarify and prevent statutorily prohibited financial assistance between tiers.

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

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 article 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.

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

***[subsections (A) – (M) are to remain, unmodified, in the final rule].

Regulation 47-323. Lawful Extension of Credit.

Basis and Purpose. The statutory authority for this regulation is ~~located at~~ 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)(O), 44-3-202(2)(A)(I)(R), and 44-3-202(2)(b), C.R.S. The purpose of this regulation is to reinforce federal regulations and establish certain permitted and prohibited credit extension practices between suppliers and retailers.

***[subsections (A) – (H) are to remain, unmodified, in the final rule].

Regulation 47-324. Concurrent Application Review.

Basis and Purpose. The statutory authority for this regulation is ~~located at~~ INCLUDES, BUT IS NOT LIMITED TO, subsections 44-3-103, 44-3-202(1)(b), and 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.

***[subsections (A) – (C) are to remain, unmodified, in the final rule].

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

Basis and Purpose. The statutory authority for this regulation is ~~located at~~ 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(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.

***[subsections (A) – (B) are to remain, unmodified, in the final rule].

Regulation 47-328. Entertainment Districts.

Basis and Purpose. The statutory authority for this regulation is ~~located at~~ INCLUDES, BUT IS NOT LIMITED TO, subsections 44-3-103, 44-3-202(1)(b) and 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 a mechanism for a local licensing authority to notify the state licensing authority when an entertainment district is created or modified within the local licensing authority's jurisdiction so that the state licensing authority is aware of the entertainment district and the varying local ordinances governing entertainment districts in accordance with the provisions of subsection 44-3-301(11), C.R.S.

Within fifteen (15) days of the creation of an entertainment district pursuant to section 44-3-301(11), C.R.S., a local licensing authority shall notify the state licensing authority of the entertainment district, and provide (1) a map of the entertainment district and any common consumption areas, (2) a list of licensed premises attached to any common consumption area, and (3) the hours of operation for any common consumption area and attached licensed premises. Changes to an existing entertainment district shall be reported to the state licensing authority by the local licensing authority within fifteen (15) days of such changes.

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

Basis and Purpose. The statutory authority for this regulation is ~~located at~~ INCLUDES, BUT IS NOT LIMITED TO, 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 is located at ~~INCLUDES, BUT IS NOT LIMITED TO, subsections 44-3-103, 44-3-202(1)(b), and 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 is located at ~~INCLUDES, BUT IS NOT LIMITED TO, 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. ~~It is hereby required that~~ 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. ~~at the time such 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.~~
- B. All shipments or importations of alcohol beverages into this state which have originated from a winery, distillery, brewery or wholesaler and which originating shipper is not duly licensed as required by the laws of Colorado relating to alcohol beverages are hereby prohibited.
- 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. ~~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.~~
 2. ~~"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.~~

Regulation 47-407. Liquor-Licensed Drugstore

Basis and Purpose. The statutory authority for this regulation is ~~located at~~ 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 44-3-410, 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 PHARMACY AND drugstore operation at all times as a condition for this class of license. Bona fide conditions shall include:
 1. The prescription compounding area must be operational and staffed by a licensed pharmacist, fifty percent of the time, each ~~day~~ MONTH, 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.

***[subsections (C) – (H) are to remain, unmodified, in the final rule].

Regulation 47-901. Public Consumption of Alcohol Beverages.

Basis and Purpose. The statutory authority for this regulation is ~~found at~~ 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)(D), AND 44-3-202(2)(A)(I)(R), 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 47-912. Identification.

Basis and Purpose. The statutory authority for this regulation is ~~located at~~ 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)(R), 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, ~~the kind and type of identification deemed adequate shall be~~ AND IS limited to ONE OF the following:

1. ~~An operator's, chauffeur's or similar~~ ANY 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 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.
- 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.