



COLORADO
Department of Revenue
Specialized Business Group—
Liquor & Tobacco

Physical Address:
1707 Cole Boulevard, Suite 300
Lakewood, CO 80401

Mailing Address:
P.O. Box 17087
Denver, Colorado 80217-087

DEPARTMENT OF REVENUE

Liquor and Tobacco Enforcement Division

COLORADO LIQUOR RULES

1 CCR 203-2

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

Regulation 47-004. Fermented Malt Beverages On or On/Off - Possession of Alcohol Liquors.

Basis and Purpose. The statutory authority for this regulation **INCLUDES, BUT IS NOT LIMITED TO, is located at** subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-4-104(1)(c)(I)(A), and 44-4-107(1), C.R.S. The purpose of this regulation is to prohibit possession and consumption of vinous or spirituous liquors on a fermented malt beverage on or on/off licensee's licensed premises.

- A. Except as provided by subsection 44-3-107(2), C.R.S., no Fermented Malt Beverage On or On/Off retailer licensed pursuant to **Article 4 of Title 44**, C.R.S., shall allow the sale, possession, or consumption of vinous or spirituous liquor on its licensed premises.
- B. Except as provided in subsection 44-3-107(2), C.R.S., no person shall possess or consume vinous or spirituous liquor on the licensed premises of a Fermented Malt Beverage On or On/Off retailer licensed pursuant to **Article 4 of Title 44**, C.R.S.
- C. Except as provided by subsection 44-3-107(2), C.R.S., no Fermented Malt Beverage and Wine Retailer licensed pursuant to **Article 4 of Title 44**, C.R.S., shall allow the sale, possession, or consumption of spirituous liquor on its licensed premises.
- D. Except as provided in subsection 44-3-107(2), C.R.S., no person shall possess or consume spirituous liquor on the licensed premises of a Fermented Malt Beverage and Wine Retailer licensed pursuant to **Article 4 of Title 44**, C.R.S.

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

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), 44-4-107(1), 44-3-901(6)(k), and 44-3-911(6)(a)(I), C.R.S. The purpose of this regulation is to differentiate fermented malt beverage on-premises retailers, fermented malt beverage and wine retailers, and fermented malt beverage on- and off- premises retailers and clarify what activities are permitted under each license type.

- A. Fermented Malt Beverage retailers licensed for on-premise consumption under **SUBSECTION 44-4-107(1)(b)**, C.R.S., shall not sell or permit the removal from the licensed premises of any fermented malt beverages in sealed containers unless:
 - 1. A special event is being conducted pursuant to subsection 44-3-107(2), C.R.S.; or
 - 2. A licensee is selling fermented malt beverages in sealed containers for take-out pursuant to

SUBSECTION 44-3-911(6)(a)(I), C.R.S.

- B. Fermented Malt Beverage and Wine Retailers licensed for off-premises consumption under **SUBSECTION 44-4-107(1)(a)(1), C.R.S.**, shall not allow open containers of fermented malt beverage or wine on their licensed premises unless:
1. A sampling for the fermented malt beverage and wine retailer is being provided pursuant to subsection 44-3-901(6)(k)(II)(B), C.R.S.;
 2. A tasting is being conducted by the fermented malt beverage and wine retailer pursuant to **SUBSECTION 44-3-901(6)(k)(IV), C.R.S.**; or
 3. A damaged or defective product is present in order to be returned and is stored outside the sales area of the licensed premises until such time that the product can be returned to the wholesaler.
- C. Fermented Malt Beverages retailers licensed for both on- and off-premises consumption under **SUBSECTION 44-7-107(1)(c)(I), C.R.S.**, when using the privileges for on-premises consumption shall not allow removal of fermented malt beverages from its licensed premises, unless:
1. The fermented malt beverage retailer licensed for both on- and off-premises consumption is providing the fermented malt beverage for take-out pursuant to **SUBsection 44-3-911(6)(a)(I), C.R.S.**

Regulation 47-100. Definitions.

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), and 44-3-202(2)(a)(I)(R), C.R.S. The purpose of this regulation is to ensure consistent application and interpretation of common terms within the relevant articles.

As used in these regulations, unless the context otherwise requires:

- A. Repealed.
- B. “Manufacturer” means a Colorado licensed brewery, winery, limited winery, distillery, vintner’s restaurant, distillery pub or brew pub as defined by section 44-3-103, C.R.S.
- C. “Nonresident manufacturer” means a Colorado licensee that manufactures malt liquor or fermented malt beverages outside the state of Colorado and has been issued a Brewer’s Notice by the Alcohol and Tobacco Tax and Trade Bureau.
- D. “On-site product sales promotion” means a sales promotion, featuring a particular brand of alcohol beverage, that is conducted on a retailer’s licensed premises by an alcohol beverage supplier. On-site product sales promotion may include drink specials, product sampling and the giveaway of consumer goods.
- E. “Sponsored event” means an event supported in whole or in part by a licensed supplier that is conducted at a retail licensed establishment.
- F. “Supplier” means a Colorado licensed brewery, winery, distillery, brew pub, distillery pub, vintner’s restaurant, limited winery, nonresident manufacturer, wholesaler or importer of alcohol beverages.
- G. “Retailer” or an entity “licensed to sell at retail” means those persons licensed pursuant to **SUBsections 44-3-401(1)(h) – (t), and (v – w), AND (y – z), C.R.S.**, and **SUBsection 44-4-104(1)(c), C.R.S.**, to sell alcohol beverages to the end consumer.

- H. “Unreasonable noise” means a level of noise that violates local noise ordinance standards, or where no local noise ordinance standard exists, a level of noise that would violate section 25-12-103, C.R.S.
- I. “Wholesaler” means those entities authorized to sell alcohol beverages at wholesale to licensed retailers, including wholesalers of fermented malt beverages, malt liquors, vinous and spirituous liquors, limited wineries, brew pubs, distillery pubs, and vintner’s restaurants.
- J. “Sandwiches” as used in ~~A~~articles 3 and 5 of Title 44, C.R.S. are defined as single-serving items such as hamburgers, hot dogs, frozen pizzas, burritos, chicken wings, or items of a similar nature. “Light snacks” as used in ~~A~~articles 3 and 5 of Title 44, C.R.S. are defined as popcorn, pretzels, nuts, chips, or items of a similar nature.
- K. “Colorado Liquor Code” or “Liquor Code” means ~~A~~article 3 of ~~T~~itle 44, C.R.S.
- L. “Colorado Beer and Wine Code” or “Beer and Wine Code” means ~~A~~article 4 of ~~T~~itle 44, C.R.S.
- M. “Special Event Code” means ~~A~~article 5 of ~~T~~itle 44, C.R.S.
- N. “Colorado Liquor Rules” means this regulatory article, 1 C.C.R. 203-2.
- O. “Division” means the State of Colorado Department of Revenue’s Liquor Enforcement Division, except as provided otherwise.
- P. “Communal Outdoor Dining Area” means an outdoor space that is used for food and alcohol beverage service by two or more licensees licensed under ~~A~~article 3 or ~~A~~article 4 of ~~T~~itle 44, C.R.S., as a:
1. Tavern;
 2. Hotel and Restaurant;
 3. Brew Pub;
 4. Distillery Pub;
 5. Vintner’s Restaurant;
 6. Beer and Wine Licensee;
 7. Manufacturer that operates a sales room authorized under ~~SUB~~section 44-3-402(2) or (7), C.R.S.;
 8. Beer wholesaler that operates a sales room under ~~SUB~~section 44-3-407(1)(b)(I), C.R.S.;
 9. Limited Winery;
 10. Lodging ~~FACILITY and Entertainment Facility~~;
 11. Optional Premises; ~~or~~
 12. Fermented Malt Beverage Retailer licensed for consumption on the premises; ~~OR~~;
 13. ENTERTAINMENT FACILITY

Regulation 47-303. License Renewal.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(C), 44-3-202(2)(a)(I)(D), 44-3-202(2)(a)(I)(R), 44-3-302, 44-3-501, and 44-4-105, C.R.S. The purpose of this regulation is to clarify and establish procedures and deadlines for a licensee that is applying to renew its license in accordance with section 44-3-302, C.R.S.

- A. No one other than the license holder, or their duly-authorized representative, may file an application to renew the license with local and state licensing authorities.
- B. At least ninety (90) days before the expiration date of an existing license, the State Licensing Authority shall notify the licensee of the expiration date by sending notice to the most recently provided email address and/or mailing address for the licensee.
- C. A complete renewal application shall include evidence that the licensee remains in possession of the licensed premises by ownership, lease, rental, or other arrangement at the time of application. An agreement that may lapse within the new license year neither automatically disqualifies the licensee from renewing, nor automatically invalidates the license. However, this provision does not preclude the state or local licensing authority from initiating any action as provided by law to suspend or revoke a license for loss of possession of the licensed premises.
- D. Nothing herein authorizes a licensee to purchase, sell, or serve alcohol beverages with an expired license, except as authorized in subparagraphs (E), (F)(2), and (G)(3) of this regulation. Licensed privileges are not restored until and unless the applicable requirements of subparagraph (F)(2) and/or (G)(3) of this regulation are met.
- E. Application for the renewal of an existing license shall be made to the local licensing authority not less than forty-five (45) days prior to the date of expiration and to the state licensing authority not less than thirty (30) days prior to the date of expiration. The state or local licensing authority may waive these requirements for good cause. Once an application for renewal has been filed with the local licensing authority, or the state licensing authority for state only licenses, the licensee may continue to operate until final agency action.
- F. License expired for not more than ninety (90) days.
 - 1. A licensee whose license has not been expired for more than ninety (90) days may file a late renewal application upon the payment of a non-refundable late application fee to the local licensing authority, and/or the state licensing authority.
 - 2. A licensee who files a late renewal application and pays the requisite fees may resume operation until the state and/or local licensing authorities have taken final agency action to approve or deny such licensee's late renewal application.
- G. License expired for more than ninety (90) days, but less than one hundred eighty (180) days.
 - 1. Any licensee whose license has been expired more than ninety (90) but less than one hundred eighty (180) days, may submit to the local licensing authority, or state licensing authority for state only licenses, an application:
 - a. For a new license, subject to section 44-3-301, C.R.S., or
 - b. For a reissued license, subject to subsection 44-3-302(2)(d), C.R.S.
 - 2. The local licensing authority, or state licensing authority for state-only licenses, shall have sole discretion to determine whether to allow a licensee to apply for a reissued license. If the local licensing authority, or state licensing authority for state-only licenses, does not allow the

licensee to apply for a reissued license, then the licensee must apply for a new license.

3. A licensee applying for a reissued license may resume operation pending final agency action by all of the relevant licensing authorities to approve or deny the licensee's application only if:
 - a. The local licensing authority, or state licensing authority for state-only licensee, allows the licensee to apply for a reissued license;
 - b. The licensee submits the application, along with payment for the required fees and fines, to the local licensing authority or the state licensing authority for state- only licensees; and
 - c. The local licensing authority, or the state licensing authority for state-only licenses, accepts the reissued license application and required fees and fines.
- H. Any licensee whose license has been expired for one hundred eighty (180) days or more must apply for a new license pursuant to section 44-3-311, C.R.S., and shall not purchase or sell any alcohol beverage until all required licenses have been obtained, unless otherwise authorized under these regulations.
- I. A licensee that is in lawful possession of its alcohol beverage inventory at the time it receives approval from the local licensing authorities for an application for the late license renewal pursuant to paragraph (F) of this regulation, or for an application for new license of reissued license pursuant to paragraph (G) of this regulation, may continue to possess its alcohol beverage inventory.
- J. For the purposes of biennial licensure, a licensee in good standing may apply to renew its state license on a two-year basis, only needing to file the license renewal paperwork in the first year. However, applicable fees required by subsections 44-3-501(1) and (3), 44-3-505(1), C.R.S., and Regulation 47-506, shall be paid annually as provided in **SUB**section 44-3-302(3)(b), C.R.S. The first payment must be submitted with the application to renew the license for a two-year period. To aid the licensee to remember the obligation to pay applicable fees annually, the division will send notice to the licensee that the license is set to expire in the following ninety (90) days, pursuant to subsection 44-3-302(1)(a), C.R.S., each year. The licensee must make the second payment in the following State of Colorado fiscal year, which runs from July 1 through June 30, but prior to the expiration of the license. Failure of the licensee to timely make the second payment may result in discipline of the license, which may include an administrative action, fine, suspension or revocation of the license, and the licensee will no longer be considered to be in good standing as defined in subparagraph (J)(1) of this regulation.
 1. For purposes of this regulation, the term "good standing" means a licensee that:
 - a. Has not been found, in a final agency action, to be in violation of **A**rticles 3, 4, or 5 of **T**itle 44 C.R.S., or any regulations promulgated pursuant thereto, in the 365 days period before applying to renew the license on a two **(2)** -year basis;
 - b. Maintains a license that has not expired;
 - c. Has paid all fines and fees owed to the state licensing authority and the local licensing authority;
 - d. Has paid their annual license fee for their biennial license in consecutive fiscal years (July 1- June 30); and
 - e. Has not been found to be currently delinquent in the payment of any state or local taxes related to a business.

2. A licensee that falls out of good standing automatically has its biennial renewal privilege revoked and must apply for a license renewal on an annual basis. A licensee that loses its good standing status may not be granted biennial renewal for two (2) calendar years.
3. An application for biennial renewal shall be completed on a form prescribed by the state licensing authority.
 - a. Once a licensee is granted biennial renewal, the licensee shall continue to renew biennially unless the licensee falls out of good standing.

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

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-103, 44-3-107(1), ~~44-3-202(2)(a)(I)(A)~~ 44-3-202(1)(a), 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), ~~44-3-202(1)(b)~~, 44-3-202(2)(a)(I)(J), ~~44-3-202(a)(I)(O)~~, 44-3-202(2)(a)(I)(R), ~~44-3-301(3)(a)(I)~~, 44-3-301(7), ~~44-3-303(1)(c)~~, 44-3-303(3)(b), 44-3-308, 44-3-409(6), and 44-3-409(7), 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

1. If the applicant for any license under Articles 3 or ~~Article~~ 4 of Title 44 is a corporation, 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 **TEN PERCENT (10%)** or more of the outstanding or issued capital stock, or persons holding a **TEN PERCENT (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 Liquor or Beer and Wine Codes 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 **TEN PERCENT (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 **TEN PERCENT (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 **TEN PERCENT (10%)** or more membership interest.

B. Partnerships

1. If the applicant for any license under ~~A~~articles 3 or 4 of ~~T~~itle 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 **TEN PERCENT (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 **HOLDING TEN PERCENT (10%)** or more partnership interest.

C. Municipalities and Other Governmental Entities

1. If the applicant for any license under ~~A~~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 **SUB**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.

D. 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 **TEN PERCENT (10%)** or more.

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

- F. 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 ~~a~~Article 40 of ~~t~~Title 13, C.R.S., the licensing authorities shall consider ~~only~~ the requirements of **SUB**section 44-3-303(1)(c)(I)~~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.

G. 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.

- H. Transfer of alcohol beverage inventory between retail liquor store licenses, when **A** selling licensee will surrender **OR TRANSFER ITS** license, pursuant to subsections 44-3-409(6) and (7), C.R.S.
1. As used in this paragraph (H), an “acquiring licensee” means a licensed retail liquor store purchasing or attempting to purchase the inventory of a selling licensee. A “selling licensee” means a licensed retail liquor store that is surrendering its license.
 2. Transfer of **A** retail liquor store license and **THE** alcohol beverage inventory to another retail liquor store pursuant to **SUBSECTIONS** 44-3-409(6) and (7), C.R.S.
 - a. An acquiring licensee that purchases the alcohol beverage inventory of a selling licensee, subject to approval from the state and local licensing authorities, may also apply for a transfer of ownership for the selling licensee’s retail liquor store license if the acquiring licensee is eligible to obtain additional retail liquor store licenses pursuant to subsection 44-3-409(4)(b)(iii), C.R.S.;
 - i. Upon approval of a transfer of ownership, a separate retail liquor store license will be issued to the acquiring licensee pursuant to subsections 44-3-301(3)(a)(i), and 44-3-409(6)(f)(ii), C.R.S.
 3. Transfer of **A** retail liquor store’s alcohol beverage inventory only:
 - a. For a selling licensee that only sells ~~all of~~ its **ENTIRE** alcohol beverage inventory to the acquiring licensee pursuant to subsection 44-3-409(6), C.R.S., but does not transfer ownership **OF ITS RETAIL LIQUOR STORE LICENSE** pursuant to subsection 44-3-409(7), C.R.S., the selling licensee’s retail liquor store license shall be considered canceled, invalid, and surrendered. Neither the state nor local licensing authorities shall issue a new retail liquor store license at the location or within 1,500 feet of the location of the canceled, invalidated, or surrendered retail liquor store license for the next five **(5)** years after the date the retail liquor store license is canceled, invalidated, or considered surrendered.

3.5 TRANSPORT OF THE ALCOHOL BEVERAGE INVENTORY

- a. The acquiring licensee must transport the alcohol beverage inventory from the selling licensee and may only transport the alcohol beverages to the acquiring licensee’s licensed premises or to one of the other licensed premises owned by the acquiring licensee.

3.6 COSTS ASSOCIATED WITH THE ALCOHOL BEVERAGE INVENTORY FOR PURPOSES OF BELOW COST SALES

- a. **FOR THE PURPOSES OF ENFORCING THE PROHIBITION ON BELOW-COST SALES AS SET FORTH IN REGULATION 47-321 AND REGULATION 47-322(A), THE ACQUIRING LICENSEE SHALL NOT SELL AN ALCOHOL BEVERAGE PRODUCT BELOW THE RETAILER’S COST. FOR PURPOSES OF THIS REGULATION, THE RETAILER’S COST IS DEFINED PURSUANT TO SUBSECTION 44-3-409(6)(b)(II), C.R.S**
 - i. **THE ACQUIRING LICENSEE SHALL RETAIN RECORDS, INCLUDING BUT**

NOT LIMITED TO INVOICES OR COPIES OF INVOICES, SHOWING THAT THE AMOUNT THE SELLING LICENSEE CHARGED AND THE ACQUIRING LICENSEE PAID COMPLIED WITH SUBSECTION 44-3-409(6)(b)(II), C.R.S.

4. Notice to state and local licensing authorities
 - a. BOTH THE SELLING LICENSEE AND THE ACQUIRING LICENSEE SHALL GIVE NOTICE TO THE STATE AND LOCAL LICENSING AUTHORITIES OF THE SALE OR TRANSFER OF THE INVENTORY NOT LESS THAN FIFTEEN (15) DAYS BEFORE THE SALE OCCURS.
 - b. For sales or transfers of alcohol beverage inventory pursuant to subparagraph (H)(2) or (H)(3) of this regulation, prior to or at the time of removing the acquired alcohol beverages from the selling licensee, the acquiring licensee shall provide notice to the ~~d~~Division and local licensing authority of the specific alcohol beverage inventory transported to the licensed premises of and/or to any other licensed premises owned by the acquiring licensee, specifying which alcohol beverages were transported to each such licensed premises.
5. Notice to wholesalers and satisfaction of debt.
 - a. The notification to every wholesaler that sold alcohol beverages to the selling licensee within the prior four (4) months from the sale of the alcohol beverage inventory, as required under subsection 44-3-409(6)(d)(I), C.R.S., must occur at least THIRTY (30) days prior to the alcohol beverage inventory sale. A copy of the notification provided to the wholesaler must be submitted to the state and local licensing authorities with the notice set forth in subsection 44-3-406(6)(c), C.R.S.
 - i. The notice to the wholesaler shall be made by certified mail, electronic mail, or by another method agreed to in writing between the wholesaler and selling licensee.
 - b. Within fifteen (15) business days after receiving the notice sent pursuant to subparagraph (H)(5)(a) of this rule, a wholesaler shall notify the acquiring licensee and the selling licensee of any outstanding debt owed by the selling licensee to the wholesaler for the products being sold or transferred.
 - c. If an acquiring licensee receives notice of an outstanding debt owed by the selling licensee pursuant to subparagraph (H)(5)(b) of this rule, the acquiring licensee shall first satisfy the selling licensee's debt with the wholesaler. The acquiring licensee shall pay any remaining money owed for the purchased inventory after payment has been made to any wholesalers that notified the acquiring licensee in a manner consistent with the agreement between the selling licensee and the acquiring licensee.
 - d. If agreed to by the selling licensee and wholesaler, the selling licensee may return all or a portion of the selling licensee's inventory to the wholesaler from which it purchased the selling licensee's inventory in lieu of a monetary payment to satisfy outstanding debt owed to the wholesaler pursuant to Regulation 47--322(G)(3)(h).
 - i. Should the wholesaler accept a return of all or a portion of the inventory of the selling licensee, the selling licensee must report this transfer of product to the state and local licensing authority in writing prior to or at the time that the inventory is removed from the selling licensee.

Regulation 47-305. Transfers – Wholesaler Confirmation.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(C), and 44-3-303(1)(d), C.R.S. The purpose this regulation is to provide guidance to applicants and licensing authorities regarding statutory requirements for transfers under subsection 44-3-303(1)(d), C.R.S., and what is satisfactory to demonstrate fulfillment of the requirement that all wholesalers have been paid in full prior to approval of a transfer application.

- A. In accordance with **SUB**section 44-3-303(1)(d), C.R.S., the applicant shall deliver a confirmation to each wholesaler licensed under this article, including brew pubs, distillery pubs, vintner's restaurants, and limited wineries, who has sold alcohol beverages to the transferor-licensee within the preceding one hundred eighty (180) calendar days, in the form and substance approved by the Division.
- B. The confirmation may be delivered via email, so long as the applicant can prove receipt of the email by the wholesaler. If the applicant cannot prove receipt ~~be~~**BY** email, the confirmation shall be delivered via United States mail or other common carrier with a minimum of a return receipt to the last known business address of the wholesaler, attention: credit department. The confirmation shall be deemed received by a wholesaler upon the third (3rd) day following the date on which the confirmation is deposited in the United States mail or common carrier or the date on the return receipt.
- C. Upon delivery of a confirmation to a wholesaler, the transferor-licensee shall not purchase alcohol beverage on credit or accept an offer or extension of credit from the wholesaler and shall effect payment upon delivery of the alcohol beverage from the wholesaler. Allowed payments include cash, credit or debit cards, check, money orders, certified check, EFT transfer, and any other method of payment approved by the Division.
- D. A wholesaler shall have fifteen (15) business days upon receipt of a confirmation to complete and return the confirmation to the applicant, in the same manner and extent as specified in **PARAGRAPH section (B)** of this regulation. If a wholesaler does not complete and return the confirmation within the fifteen (15) business day period of time, the wholesaler shall be deemed paid in full solely for purposes of transferring the license.
- E. Nothing within this regulation shall prohibit or restrict a local licensing authority from issuing a temporary permit or from processing the transfer application. However, a transfer shall not be approved unless the transferor-licensee is in compliance with this regulation.
- F. The applicant, transferor-licensee, and/or its agent and assign, and each wholesaler shall act in good faith and fair dealing with each other.

Regulation 47-307. Master Files.

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)(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 **SUB**section 44-3-304(1)(b), C.R.S., shall have an interest in a minimum of five (5) approved state licenses, pursuant to **A**rticles 3 and/or 4 of **T**itle 44, C.R.S.
- B. A master file applicant 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.
- C. To maintain a state master file, once approved and established, the licensee shall comply with

SUBsection 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. 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 47-310. Application - General Provisions.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-103, 44-3-202(1)(a), 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), 44-3-303(1)(b), 44-3-304(1), 44-3-307, and 24-5-101 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.

- A. All applications for state licenses for the manufacture or sale of alcohol beverages shall be made upon forms prescribed by the Division. No application will be considered which is not complete in every material detail, or which is not accompanied by a remittance in full for the whole amount of the annual state license fee, and eighty five percent (85%) of the local license fee. Each application for a new retail license shall contain a report from the local licensing authority of the town, city, county, or city and county, in which the applicant proposes to conduct its business, which report shall show the opinion of the local licensing authority concerning the reasonable requirements of the neighborhood and the desires of the adult inhabitants with respect to the issuance of the license applied for and the character of a new applicant.
- B. If the applicant for a license is a partnership, except as between spouses or partners in a civil union, it shall submit with the application a certificate of co-partnership.
- C. Upon request of any licensing authority, each applicant and licensee shall provide suitable additional evidence of its good character and reputation, and if otherwise required by law or regulation, the applicant shall provide evidence of the reasonable requirements of the neighborhood and the desires of the adult inhabitants. Applicants and licensees shall also submit upon request of any licensing authority all required information concerning financial and management associations and interests of other persons in the business, and the deed, lease, contract, or other document governing the terms and conditions of occupancy of the premises licensed or proposed to be licensed.
- D. All information submitted to any licensing authority, by application for license or otherwise, shall be given fully, faithfully, truthfully, and fairly. Willful or deliberate misrepresentation may result in a denial or revocation of a license.
- E. When a licensing authority is required to make a determination as to the character, record, and reputation of existing licensees or applicants for new licenses, including transfers of ownership of existing licenses, the authority may consider the following factors, which may include but are not to be limited to the following:
 - 1. Subject to **SECTION** 24-5-101, C.R.S., the applicant or licensee has knowingly submitted false applications, made willful misrepresentations, and/or knowingly committed fraudulent acts;

2. The applicant or licensee has a criminal history of crimes of moral turpitude. By way of example, crimes of moral turpitude shall include but not be limited to, fraud, forgery, murder, burglary, robbery, arson, kidnapping, sexual assault, illegal drugs, or narcotics convictions;
 3. The applicant or licensee has had previous alcohol beverage licenses denied or revoked as a result of violations of law, resulting in a finding of bad moral character by any licensing authority;
 4. The applicant or licensee has been found to be currently delinquent in the payment of any state or local taxes related to a business;
 5. The applicant or licensee has an established pattern of multiple statutory violations which resulted in the revocation or denial of any other professional license; and
 6. The finding of a person who is not of good moral character by any licensing authority.
- F. When making a determination as to the character or good moral character of a licensee or applicant as required by Title 44, Articles 3, 4 and 5, the licensing authority shall also consider the factors set forth in section 24-5-101, C.R.S.
- G. When a licensing authority is required to make a determination as to the character or good moral character of a licensee or applicant for license, in addition to the items listed in SUBsection 24-5-101(2)(b), C.R.S., the authority may not consider the following:
1. The applicant or licensee had a civil or criminal judgment, discipline, or other sanction threatened or imposed under the laws of another state regarding consumption, possession, cultivation, or processing of marijuana that is lawful and consistent with the professional conduct and standards of care within the State of Colorado.
- H. When considering whether the applicant for a special event permit is of good moral character and record, the state or local licensing authority shall determine, at a minimum, whether the applicant failed to conduct past special events in compliance with applicable liquor laws. Officers of the organization or of a political candidate making an application shall not be required to submit individual history applications and fingerprint cards unless the state or local licensing authority determines that such information is necessary to establish the good moral character of the applicant.
- I. 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 SUBsection 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 47-312. Change of Location.

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), 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 desires to change the location of its licensed premises from the location named in an existing license, it shall make application to the applicable licensing authorities for permission to change location of its licensed premises, 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.
 - 1. An application to change the location of a retail license shall contain a report of the ~~APPLICABLE~~ 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, pursuant to ~~SUB~~section 44-3-312(2)(a), C.R.S., the needs of the neighborhood shall not be considered for a change of location for a club license.
 - 2. 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 ~~FROM THE STATE LICENSING AUTHORITY~~, change the location of its licensed premises to the ~~place~~-LOCATION 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 (12) months from the original date of approval shall be granted.
- E. Once the licensee has changed the location of its licensed premises, 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. Once approved, the retail liquor store licensee shall change the location of its premises within three (3) years after such approval.

1. A change of location for a fermented malt beverage and wine retailer or retail liquor store will be approved only if the new location satisfies the distance requirements in ~~SUBSECTIONS section 44-3-301(9)(a)(I)(B)-(C)~~, C.R.S.
 2. 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 ~~S~~section 44-3-311, C.R.S.
- H. 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 ~~SUB~~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.
- I. A licensee that is in lawful possession of its alcohol beverage inventory at the time it receives approval from the local and/OR state licensing authorities to change the location of its licensed premises; may continue to possess its alcohol beverage inventory for sale at the new location.
- J. ~~PURSUANT TO SUBSECTION 44-3-410(8)(b)(I), C.R.S., THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT APPROVE THE CHANGE OF LOCATION FOR A LIQUOR LICENSED DRUGSTORE LICENSED PURSUANT TO SECTION 44-3-410, C.R.S., EXCEPT THAT, PURSUANT TO SUBSECTION 44-3-410(8)(B)(II), C.R.S., THE STATE AND LOCAL LICENSING AUTHORITIES MAY APPROVE A CHANGE OF LOCATION FOR A LIQUOR LICENSED DRUGSTORE LICENSE THAT WAS ISSUED TO AN INDEPENDENT PHARMACY, AS DEFINED IN SUBSECTION 44-3-103(21.3), C.R.S., BEFORE JANUARY 1, 2025.~~

Regulation 47-313. Tastings.

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)(R), 44-3-301(10), 44-3-409(1)(c)(III), ~~and 44-3-410(1)(a)(II)(B)~~, and 44-4-104(1)(c)(I)(A), C.R.S. The purpose of this regulation is to clarify who may conduct tastings and how open and unconsumed samples must be appropriately treated after a tasting. This regulation applies only to tastings conducted on the licensed premises of retail liquor stores, liquor-licensed drugstores, and fermented malt beverage and wine retailers pursuant to ~~SUB~~sectionS 44-3-301(10), 44-3-409(1)(c)(III), ~~44-3-410(1)(a)(II)(B)~~, and 44-4-104(1)(c)(I)(A), 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, liquor-licensed drugstore, or fermented malt beverage and wine retailer 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 **SUB**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 **SUB**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 **SUB**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 premixed 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 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)(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 Article S 3 or ~~Article~~ 4, of Title 44, shall report changes of any of its managers, or members having a **TEN PERCENT (10%)** or more interest in the license, except that any transfer of a controlling interest shall be reported regardless of its size, within **THIRTY (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.

Regulation 47-315. Entertainment Facility License.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-103(15.5), 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), 44-3-202(2)(a)(I)(R), and 44-3-428, 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 an entertainment facility.

- A. In addition to other statutory requirements, an entertainment facility license may be issued to a qualifying entertainment facility.
1. An “entertainment facility” means an establishment:
 - a. In which the primary business is to provide the public with sports or entertainment activities within its licensed premises; and
 - b. That, incidental to its primary business, sells and serves alcohol beverages at retail for consumption on the licensed premises and has sandwiches and light snacks available for consumption on the licensed premises.
- B. To qualify as an entertainment facility, the applicant or entertainment licensee must demonstrate that its primary business is to provide qualifying sports or entertainment activities within its licensed premises.
1. To qualify as a sports activity, the activity must provide the public with an opportunity to participate in, or to observe others who participate in, an activity such as a game, recreation, team or individual sport, or an activity of a similar nature. Examples of qualifying sports activities include, but are not limited to, the following:
 - a. Arcade games;
 - b. Billiards;
 - c. Bowling;
 - d. Golf; or
 - e. Laser tag.
 2. To qualify as an entertainment activity, the activity must provide the public with an opportunity to participate in or observe others who participate in an activity that is primarily artistic, cultural, educational, or entertaining, or an activity of a similar nature. Examples of qualifying entertainment activities include, but are not limited to, the following:
 - a. Artistic exhibitions, films, or performances;
 - b. Arts and crafts classes;

- c. Cooking classes;
 - d. Amusement rides; or
 - e. Spa experiences.
 - i. For purposes of this regulation, to qualify as a “spa experience” the facility must offer at least three (3) of the following treatments and experiences:
 - A. Facials;
 - B. Massage therapy;
 - C. Skin treatment;
 - D. Body wraps; or
 - E. Body waxing
3. The following activities shall not qualify as **SPORTS OR** entertainment activities for purposes of an entertainment facility:
- a. Any activity not described in subparagraphs (B)(1) or (B)(2) of this regulation; and
 - b. Shopping for or receiving goods or personal services, including but not limited to hair care or nail care services.
- C. An activity that would otherwise qualify under subparagraphs (B)(1) and (B)(2) of this regulation, shall not qualify if the activity involves the use of a deadly weapon as defined by subsection 18-1-901(3)(e), C.R.S., or creates a substantial health and safety risk to any person.
- D. Determining the primary business of an entertainment facility.
- 1. To satisfy the requirement that the primary business of an entertainment facility is to provide the public with sports or entertainment activities, and that serving and selling alcohol beverages is incidental thereto, the entertainment facility’s annual gross revenues from the sale of sports or entertainment activities must exceed fifty (50) percent of the entertainment facility’s total annual gross sales revenues.

Regulation 47-316. Advertising Practices.

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)(G), 44-3-202(2)(a)(I)(O), 44-3-202(2)(a)(I)(R), ~~and 44-3-308, 44-3-409(2)(a)(II)(B), 44-3-410(2)(a)(II)(B), AND 44-4-107(4)(a)(II),~~ 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 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. 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 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 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 **A retailer's LICENSED** 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 **TO THE SUPPLIER. THE RETAILER MAY NOT ACT AS AN INTERMEDIARY FOR THE SUPPLIER OR THE CONSUMER.**
 - 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. **SUPPLIERS ARE PROHIBITED FROM PROVIDING THEIR CONSUMER REBATE CERTIFICATES DIRECTLY TO LICENSED**

RETAILERS INCLUDING, BUT NOT LIMITED TO, THROUGH THE USE OF A RETAILER'S BONA FIDE LOYALTY OR REWARD PROGRAM OR ON THE RETAILER'S WEBSITE OR MOBILE APPLICATION.

- 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 **BY SUPPLIERS** 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. **LICENSED RETAILERS ARE ALSO PROHIBITED FROM PROVIDING A SUPPLIER'S INSTANT REDEEMABLE COUPON THROUGH THE RETAILER'S BONA FIDE LOYALTY OR REWARD PROGRAM, OR ON THE RETAILER'S MOBILE APPLICATION OR WEBSITE.**
 - iii. Suppliers are prohibited from providing their instant redeemable coupons directly to licensed retailers, **INCLUDING, BUT NOT LIMITED TO, THROUGH THE USE OF A RETAILER'S BONA FIDE LOYALTY OR REWARD PROGRAM OR ON THE RETAILER'S MOBILE APPLICATION OR WEBSITE.** ~~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 **SHALL NOT DIRECTLY** ~~may never~~ reimburse licensed retailers for suppliers' instant redeemable coupons. ~~Redemption~~ **REIMBURSEMENT FOR THE AMOUNT OF THE REDEEMED COUPONS** must be **PAID TO THE RETAILER** 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 **SECTION 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.
 - vi. **SUPPLIERS MAY PROVIDE SUPPLIERS' INSTANT REDEEMABLE COUPONS AVAILABLE TO THE PUBLIC THROUGH GENERAL PRINT OR ELECTRONIC MEDIA DIRECTED AT THE CONSUMER; PACKAGE INSERTS; OR THROUGH A SUPPLIER'S REPRESENTATIVE OR AGENT, WHO IS PROVIDING COUPONS TO THE CONSUMERS AT THE RETAIL PREMISES FOR THE PURPOSE OF PRODUCT PROMOTION. SUPPLIERS MAY ALSO PROVIDE THEIR INSTANT REDEEMABLE COUPONS PACKAGED WITH, OR ATTACHED TO, EACH INDIVIDUAL**

**PRODUCT BEFORE SUCH PRODUCTS ARE DELIVERED TO A
LICENSED RETAILER.**

5. Supplier 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-away, 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 actual item(s) that is(are) part ~~of~~ OF the Consumer Contest 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 **SIXTY (60)** days.
- f. In the event that the supplier does not have the signed acknowledgement of receipt from the consumer within **THIRTY (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 **TWENTY-FOUR (24)** hours of the expiration of the **THIRTY (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 **OF THE RETAILER** 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 **THIRTY (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.

C. Media Advertising

1. Except as provided in Regulations 47-322(B) and 47-322(C), and **subsection SUBPARAGRAPH (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 ~~A~~rticle S 3 or 4 of ~~T~~itle 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 ~~A~~rticle 5 of ~~T~~itle 44, and related regulations, and such organization does not otherwise hold a retail license pursuant to ~~A~~rticles 3 or 4 of ~~T~~itle 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 47-317. Market Research - Non-Licensed Locations.

Basis and Purpose. 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)(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:

- A. The research company may contact people and conduct taste tests at shopping malls or other public meeting places, but the taste tests must take place in a non-public area.
- B. All participants must be **TWENTY-ONE (21)** years of age or older and not exhibit visible signs of intoxication.
- C. There shall be no charge or fee to participate in the taste test, however, the participant may be paid for participating in the market research.
- D. The product tasted must come through the 3-tier system to a Colorado wholesaler and the excise tax on the product has been paid.
- E. The product must be purchased from a liquor licensee authorized to sell alcohol beverages for off-premises consumption.
- F. The research company must notify the Division in writing of the date, time and location of the tasting prior to the taste tests **BY EMAIL AT DOR_LED@STATE.CO.US.**
- G. Taste tests will be limited to two days per week between the hours of 2:00 PM and 8:00 PM at each location and to a maximum of **ONE HUNDRED (100)** participants.
- H. Results of market research where competitors' products are being used may not be used in advertising.
- I. Failure to follow this regulation could result in the loss of the ability to conduct marketing research pursuant to this regulation.

Regulation 47-320. Signs and Interior Displays.

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)(G), 44-3-202(2)(a)(I)(H), 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 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, **THE RETAILER’S** 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.
- 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, shelf, 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 **[INSERT A (specifically named food or food products or food generally)]**” **OR A and** similar statements **SUGGESTING PAIRING OF relating- AN alcohol beverages-WITH to A TYPE OF** 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 advertise 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 **A**rticle 5 of **T**itle 44, and related regulations, and such organization does not otherwise hold a retail license pursuant to **A**rticles 3 or 4 of **T**itle 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 47-321. Bona Fide Loyalty or Rewards Programs – Discontinued Sales – Close-Out Sales.

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), 44-3-202(2)(a)(I)(G), 44-3-202(2)(a)(I)(O), ~~and~~ 44-3-202(2)(a)(I)(R), 44-3-409(2)(a), 44-3-410(2)(a)(II), ~~AND~~ 44-4-107(4)(a), C.R.S. The purpose of this regulation is to clarify how applicable licensees may sell alcohol beverages below cost under limited statutory exceptions.

- A. A retailer licensed pursuant to section ~~S~~ 44-3-409 or 44-3-410, or subsection 44-4-107(1)(a), C.R.S., shall not sell alcohol beverages to consumers at a **CONSUMER** price that is below the retailer's cost, as listed on the invoice, unless the sale is of discontinued or close-out alcohol beverages. For purposes of this ~~PARAGRAPH~~**subsection**:
1. "Discontinued" means when a manufacturer or importer discontinues the production, importation, or market availability of a specific alcohol beverage product. A retailer's decision to stop making available the alcohol beverage product for purchase by a consumer does not qualify as a discontinued product.
 2. To qualify as a "close-out" sale, the following conditions must be satisfied:
 - a. The close-out sale must include and liquidate, by sale or destruction, all of the retailer's current inventory of a specific alcohol beverage product as of the date the close-out sale begins.
 - b. The retailer is prohibited from selling the specific alcohol beverage product that was involved in the close-out sale at a price below ~~the retailer's~~ **the retailer's** cost for a period of two (2) years commencing on the date the last item included in the close-out sale is liquidated.
- B. A retailer licensed pursuant to section 44-3-409 or 44-3-410, or subsection 44-4-107(1)(a), C.R.S., shall not be prohibited from operating a bona fide loyalty or rewards program for alcohol beverages the retailer is licensed to sell so long as the **CONSUMER** price for the product is not below the retailer's costs as listed on the invoice. For purposes of ~~PARAGRAPH~~**subsections (AB) THROUGH and (C)** of this regulation:
1. "Bona fide loyalty program" means a structured program used by a retailer licensed pursuant to section ~~S~~ 44-3-409 or 44-3-410, or subsection 44-4-107(1)(a), C.R.S., to encourage participants to continue to shop at the retailer's licensed business by allowing participants access to special pricing on products by virtue of being a member of the bona fide loyalty program.
 2. "Bona fide rewards program" means a structured program used by a retailer licensed pursuant to section 44-3-409 or 44-3-410, or subsection 44-4-107(1)(a), C.R.S., to encourage participants to continue to shop at the retailer's licensed business by allowing participants to accrue program benefits, in the form of points or other accrual-based methods of reward, through the purchase of alcohol beverages, to be redeemed in the form of a discount upon a subsequent sales transaction on alcohol beverage products only.
 3. "Retailer's cost" means: ~~the actual proportionate invoice price charged by the wholesaler, per item, including applicable state and federal taxes. All invoices must clearly designate a price paid for each product, which shall not be less than the wholesaler's laid-in cost for each product.~~
 - a. **IF PURCHASED FROM A WHOLESALER, THE ACTUAL PROPORTIONATE INVOICE PRICE CHARGED BY THE WHOLESALER, PER ITEM, INCLUDING APPLICABLE STATE AND FEDERAL TAXES. ALL INVOICES MUST CLEARLY DESIGNATE A PRICE PAID FOR EACH PRODUCT, WHICH SHALL NOT BE LESS THAN THE WHOLESALER'S LAID-IN COST FOR EACH PRODUCT.**

- b. IF PURCHASED FROM A SELLING LICENSEE PURSUANT TO SUBSECTION 44-3-409(6), C.R.S., AND REGULATION 47-304(H)(3), THE COST PAID BY THE ACQUIRING LICENSEE, AS DEFINED IN SUBSECTION 44-3-409(6)(b)(II), C.R.S.
4. “CONSUMER Price” means the amount PAID BY A CONSUMER TO A RETAILER FOR an alcohol beverage product ~~is listed for sale to consumers by the retailer~~, WHICH INCLUDES ANY BONA FIDE LOYALTY OR REWARDS PROGRAM BENEFITS IN THE FORM OF A DISCOUNT. THE CONSUMER PRICE DOES NOT INCLUDE ~~before~~ applicable SALES taxes PAID BY THE CONSUMER, ~~and before application of bona fide loyalty or rewards program benefits in the form of a discount.~~
5. A supplier shall not provide to a retailer, and a retailer shall not accept from a supplier, any financial assistance in connection with a bona fide loyalty or rewards program.
6. Bona fide rewards program benefits shall be structured so that both the accrual and redemption of benefits is applied without discrimination across all brands and labels of alcohol beverages. However, bona fide rewards program benefits may differentiate in accrual and redemption rate for classes of alcohol products (beer, wine, spirits).
- C. A retailer described in ~~SUBPARAGRAPH subsection~~ (B) of this regulation shall maintain and make available those business records regarding all bona fide loyalty or rewards program transactions consistent with Regulation 47-700, 1 C.C.R. 203-2. A retailer described in ~~SUBPARAGRAPH subsection~~ (B) of this regulation must maintain, at a minimum, the following records regarding its bona fide loyalty or rewards program:
1. Documentation regarding the value of loyalty or rewards program benefits and how those benefits may be accrued and redeemed by participants;
 2. Documentation showing the loyalty or rewards program benefits actually accrued and redeemed by each participant, organized by a unique customer identification number assigned to each participant;
 3. Invoices showing the retailer’s cost of the individual alcohol beverage product to which any consumer loyalty or rewards benefit was applied or redeemed; and
 4. Receipts for every alcohol beverage sale to which loyalty or rewards program benefits are redeemed, showing the ~~consumer~~ price for every alcohol beverage and the amount of such benefits.

Regulation 47-322. Unfair Trade Practices and Competition.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-102, 44-3-103, 44-3-201(1), 44-3-202(1)(b), 44-3-202(2)(a), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(C), 44-3-202(2)(a)(I)(G), 44-3-202(2)(a)(I)(R), 44-3-308, 44-3-407(1.5), 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:

A. Sales of alcohol beverages.

1. No vinous or spirituous liquor may be sold by a vinous or spirituous liquor manufacturer or wholesaler to a retail licensee below the laid-in cost of said vinous and spirituous liquor products.
2. No malt liquors or fermented malt beverages may be sold by a malt liquor/beverage manufacturer or wholesaler to a retail licensee below the laid-in cost of said malt liquor/beverage products.
3. Product cost per case will be determined utilizing a “Last In/First Out” basis unless a supplier has adequate records to verify that the actual cost of said products was less than the most recent shipment received.
4. A wholesaler's laid-in cost is defined as the actual proportionate invoice price and freight charge to that wholesaler or distributor, plus applicable state and federal taxes of any given product. An in-state manufacturer's laid-in cost is defined as the actual costs of the manufacturer, plus applicable state and federal taxes.
5. Certain sales of alcohol beverages below cost are not designed or intended to influence or control a retailer's product selection. The following exceptions to below cost product sales are therefore permitted:
 - a. Product lines that will be discontinued by a supplier for a minimum of at least one year may be sold below cost at market value.
 - b. A wholesaler's aged inventory of vinous and spirituous liquors for which the current market value has fallen substantially below the wholesaler's original purchase cost, after a period of twelve (12) months, and for which a recovery of the original cost through an increase in market value is unlikely. For aged inventories sold to retailers below their cost due to market-below-cost conditions, wholesalers shall maintain the following records for a minimum of three (3) years:
 - i. Original purchase invoice.
 - ii. Aged inventory schedule verifying slow sales and drop in market value.
 - iii. Other factors that had an effect on a decrease in market value (e.g. overproduction, poor media critique).
 - c. Products for use, but not for resale by the drink, by a non-profit organization or similar group, as defined in section 44-5-102, C.R.S., on a retailer's licensed premises, may be invoiced to a retailer at no cost. The invoice for said products must detail the products provided and the group for whose benefit it is provided. At the conclusion of the organization's event any unused product must be returned to the wholesaler, brew pub, distillery pub, or vintner's restaurant, or invoiced at a minimum of laid in cost to the retailer.
6. Suppliers authorized to sell alcohol beverages to licensed retailers pursuant to ~~A~~rticles 3 or 4 of ~~T~~itle 44, may offer product discounts to licensed retailers that meet the requirements of paragraph (A), and the following additional conditions:
 - a. “Product Discount” shall mean a price reduction negotiated between supplier and

retailer before the sale and delivery of alcohol beverage products, and where a description of the products subject to discount, and the dollar amount of the discount, is finalized and recorded in the supplier's sales records.

- b. Discount programs are not subject to time limitations, and any discount program that will affect more than a single sales transaction and sales invoice are permitted, provided that no invoice, by itself, reflects a zero cost or below-cost sale.
 - c. Product discounts that are conditioned upon a retailer's commitment to prominently display the supplier's products are prohibited.
 - 7. Any rebate, whereby a monetary value is returned by a supplier to a retailer, in cash, account credit, or free goods, as a reward or compensation for meeting a pre-specified purchase goal, is prohibited.
 - 8. Suppliers authorized to sell alcohol beverages to licensed retailers pursuant to **Articles 3 or 4 of Title 44**, may offer account credits to licensed retailers under the following conditions:
 - a. Any account credit offered on previously issued sales invoices must be in direct relation to previous product purchases, lawful returns pursuant to this regulation or other legitimate commercial transactions as authorized under **Articles 3 or 4 of Title 44, C.R.S.** and related regulations.
 - b. Credits that cannot be connected with authorized business transactions, as described herein, will be considered unlawful financial assistance, and are therefore prohibited.
 - c. Both the seller and retail licensee shall maintain copies of sales invoices and evidence of payment related to the transactions described in this section, in accordance with **SECTION 44-3-701, C.R.S.**, and for the time frame specified in Regulation 47-700.
 - 9. Wholesaler invoices provided to retail liquor store, fermented malt beverage and wine retailer, and liquor licensed drugstore licensees must clearly designate a price paid for each product, which shall not be less than the wholesaler's laid-in cost of each product. At no point may a retail liquor store, fermented malt beverage and wine retailer, or liquor licensed drugstore licensee receive any products from a wholesaler at less than laid-in cost.
- B. On-site sales promotions
- 1. Suppliers may conduct an on-site product sales promotion at a retailer's licensed premises subject to the following conditions:
 - a. Free goods of any value may be provided to the public, provided that a supplier's representative or authorized agent, who is not the retailer or a retail employee/agent, is physically present to award free goods to the public. Suppliers shall not require a customer purchase in order for the customer to receive the free goods.
 - b. If only consumer advertising specialties, as described in Regulation 47-316(A), are to be provided at the promotion, neither suppliers or their agents need be present for their distribution.
 - c. Suppliers are prohibited from providing anything other than the items specified in Regulation 47-316(A) to retailers or their employees at on-site product sales promotions.
 - d. Suppliers may provide or pay for any media announcement of an on-site product

sales promotion that primarily advertises the product, the location, and the date and time of the promotion. The name of the retail outlet may also be mentioned.

- e. Retailers may at their own cost advertise in advance a supplier's product sales promotion.
 - f. No supplier may require that a retailer change its product selection as a condition of conducting a product sales promotion. Retailers may at their option change their product selection in support of a product sales promotion.
 - g. Competitors' products may not be excluded during a product sales promotion.
2. On-Premises Sampling. A supplier-sponsored consumer sampling of alcohol beverages may be held at a retailer's premises licensed for on-premises consumption for the purpose of product sales promotion under the following conditions:
- a. A supplier-sponsored consumer sampling held at the licensed premises of a retailer licensed for on-premises consumption shall include only the alcohol beverages the retailer is licensed to sell.
 - b. The supplier shall only offer its alcohol beverage product to consumers during a supplier-sponsored consumer sampling.
 - c. A retailer or supplier shall not impose any charge to the consumer to enter or participate in the sampling.
 - d. Product used for sampling must be invoiced by the supplier, who is authorized to sell the alcohol beverages to licensed retailers pursuant to ~~A~~articleS 3 or 4 of ~~T~~itle 44, as if sold to the retailer.
 - e. If all product listed in the sales invoice is consumed as permitted herein, the supplier may issue the retailer a credit against the entire amount of the original invoice.
 - f. Any remaining product must be returned to the wholesaler, or sold to the retailer at a minimum of the wholesaler's cost.
 - g. The supplier must be present and shall be the person who provides the sample to a consumer who is twenty-one (21) years of age or older.
 - h. Suppliers may provide or pay for any media announcement of a supplier-sponsored consumer sampling that primarily advertises the product, the location, and the date and time of the sampling. The name of the retail~~ER outlet~~ may also be mentioned.
3. Off-Premises Giveaway. A supplier-sponsored consumer giveaway of sealed malt liquor or fermented malt beverages may be held at a retailer's premises licensed for off-premises consumption for the purpose of product sales promotion under the following conditions:
- a. A supplier-sponsored consumer giveaway held at the licensed premises of a retailer licensed for off-premises consumption is limited to either sealed malt liquor or fermented malt beverages, whichever the retailer is licensed to sell.
 - b. The supplier shall only offer its malt liquor or fermented malt beverages product to consumers during a supplier-sponsored consumer giveaway.
 - c. A retailer or supplier shall not impose any charge to the consumer to enter or participate in the giveaway.

- d. Product used for the giveaway must be invoiced by a supplier, who is authorized to sell malt liquor or fermented malt beverage to licensed retailers pursuant to ~~A~~rticle S 3 or 4 of ~~T~~itle 44, as if sold to the retailer.
- e. If all product listed in the sales invoice is given away as permitted herein, the supplier may issue the retailer a credit against the entire amount of the original invoice.
- f. Any remaining product must be returned to the wholesaler, or sold to the retailer at a minimum of the wholesaler's cost.
- g. The supplier must be present and shall be the person who gives the sealed container to consumers. The supplier must verify that each consumer is of lawful age prior to giving away the sealed container.
- h. Suppliers may provide or pay for any media announcement of a supplier-sponsored consumer giveaway that primarily advertises the product, the location, and the date and time of the giveaway. The name of the retail ~~ER outlet~~ may also be mentioned.
- i. The maximum amount of malt liquor or fermented malt beverages given to each consumer shall not exceed twenty-six (26) ounces.

C. Sponsored events: Lawful Advertising

- 1. Suppliers may provide sponsorship fees to advertise at charitable or civic events that are temporary in nature, where the supplier's sponsorship fee affords the supplier exclusive signage rights at the retail premises, and where sponsorship proceeds are received directly by the charity or civic endeavor, and not by a licensed retailer.
- 2. Suppliers may provide a sponsorship fee to advertise in ballparks, resorts, racetracks, stadiums, concert venues or entertainment districts as long as such sponsorship fee is not paid to a person or entity holding a retail license at such venue, directly or indirectly, and is not intended to influence the product selection of such retailer. The retailer's product selection for the event may not change as a condition of the event sponsorship and the products of the supplier's competitors may not be excluded.
- 3. Suppliers may provide or pay for any media announcement of a sponsored event that primarily advertises the product, the location, and the date and time of the event. The name of the retail outlet may also be mentioned.
- 4. Suppliers providing sponsorship fees to advertise at the aforementioned venues may also provide those items and services authorized under ~~r~~Regulations 47-316, 47-320, and 47- 322 to the licensed retailers at, or in conjunction with, the sponsored event.

D. Retailer entertainment

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

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

3. Recreation may include fees associated with participation in athletic or sports-related activities.
4. For any supplier-provided retailer entertainment, the supplier is prohibited from providing the costs associated with lodging and travel, other than nominal ground transportation.
5. Suppliers must maintain records sufficient to verify those entertainment expenses associated with retailers and their employees. Failure to maintain such records shall not be a per se violation of this regulation, but could constitute a violation of section 44-3-701, C.R.S. or Regulation 47-700.

E. Alcohol Beverage Samples for Retailers

1. Wholesalers, or those licensed to sell at wholesale pursuant to ~~A~~article 3 and 4 of ~~T~~itle 44, may furnish or give a limited amount of alcohol beverage samples to retailers licensed solely for on-premises or to fermented malt beverage on/off premises retailers under the following conditions:
 - a. The retailer's class of liquor license permits the sale of the type of beverage offered as a sample.
 - b. The providing of samples is not conditioned upon future purchases of alcohol beverages, or as compensation for any previous alcohol beverage purchase.
 - c. The wholesaler provides not more than 3.0 liters per brand of spirituous liquor, not more than 3.0 liters per brand of vinous liquor, and not more than one (1) sixpack, or 72-ounce equivalent, per brand of malt liquor or fermented malt beverage so packaged. If a particular brand is not available in a size meeting the quantity limitations stated herein, a wholesaler may furnish the next available larger size.
 - d. Only the ~~retailer and its~~ OWNER(S) OR employees OF THE RETAILER are authorized to taste or test those alcohol beverages given as samples, as provided herein. Nothing shall authorize a retailer to sell any samples provided or to use such SAMPLES ~~the same~~ for consumer tastings.
 - e. Neither manufacturers that do not hold a wholesaler license, nor retail licensees that do not have the privilege to sell at wholesale associated with their licenses, may provide alcohol beverage samples to retailers under subparagraph (E)(1).
2. Wholesalers, or those licensed to sell at wholesale pursuant to ~~A~~article~~S~~ 3 and 4 of ~~T~~itle 44, may furnish or give a limited amount of alcohol beverage samples to retailers licensed solely for off-premises under the following conditions:
 - a. The retailer's class of liquor license permits the sale of the type of beverage offered as a sample.
 - b. The providing of samples is not conditioned upon future purchases of alcohol beverages, or as compensation for any previous alcohol beverage purchase.
 - c. The wholesaler provides not more than 3.0 liters per brand of spirituous liquor, not more than 3.0 liters per brand of vinous liquor, and not more than one (1) six-pack per brand of malt liquor or fermented malt beverage so packaged. If a particular brand is not available in a size meeting the quantity limitations stated herein, a wholesaler may furnish the next available larger size.
 - d. The wholesaler is present at the time of consumption and maintains sole possession

of the container after sampling. Samples, in the quantities described herein, may be left in the retailer's possession if the container seal is left intact, but must be removed from the licensed premises at the end of the day.

F. Wholesaler Trade Shows and Trade Events

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

- a. "Trade show" means an event to which more than fourteen (14) authorized attendees are invited and which is organized and conducted by or on behalf of one or more wholesalers, as defined in Regulation 47-100(I), for the purpose of exhibiting and providing information regarding alcohol beverage products and services offered by the participating wholesaler(s), to retailers licensed to buy such alcohol beverage products from the wholesaler(s), and to provide samples of such alcohol beverage products for consumption during the event.
- b. "Trade event" means an event to which fourteen (14) or fewer authorized attendees are invited and which is organized and conducted by or on behalf of one or more wholesalers, as defined in Regulation 47-100(I), for the purpose of exhibiting and providing information regarding alcohol beverage products and services offered by the participating wholesaler(s), to retailers licensed to buy such alcohol beverage products from the wholesaler(s), and to provide samples of such alcohol beverage products for consumption during the event.
- c. "Hosting on-premises retailer" means a retailer licensed for on- premises consumption on whose licensed premises a trade show or trade event is held.
- d. "Authorized attendees" means, and shall be limited to:
 - i. Officers, directors, and employees of a retail licensee that is licensed to sell the type of alcohol beverages to be exhibited and sampled during the trade show or trade event;
 - ii. Other individuals affiliated with one or more retail licensees as independent consultants or experts; and
 - iii. No more than one adult guest of each individual authorized to attend the trade show or trade event under subparagraphs (F)(1)(d)(i)-(ii).

2. Trade shows or trade events are subject to the following requirements and limitations:

- a. A trade show or trade event shall take place only with the permission of, and on the licensed premises of, a hosting on-premises retailer that is licensed to sell the type of alcohol beverages to be exhibited and sampled during the trade show or trade event.
 - i. A wholesaler may hold a trade show or a trade show event on its licensed premises in a designated area. The wholesaler shall not open trade show events to the general public.
- b. A trade show or trade event shall not be open to the general public, and shall be limited to authorized attendees registered (either in advance or at the door). The wholesaler(s) participating in the trade show or trade event shall maintain registration records containing, at a minimum, the date of the trade show or trade event, the name of the hosting on-premises retailer, the name of each authorized attendee who attended the trade show or trade event, and the name of the licensed retailer(s) with which each authorized attendee is associated. The registration records from the trade

show or trade event shall be available for inspection by the Division during the trade show or trade event and shall be provided to the Division within ten (10) days of the conclusion of the trade show or trade event.

- c. By agreement, the participating wholesaler(s), the hosting on-premises retailer or both (including such entities' agents and employees) may serve samples of alcohol beverage product(s) to authorized attendees during a trade show or trade event. Such samples shall be provided to authorized attendees free of charge.
 - i. The entity or entities responsible for the serving of the alcohol beverage products during a trade show or trade event shall be responsible for any violations of the Liquor Code, Beer and Wine Code, or Special Event Code, and/or any regulation promulgated pursuant thereto, related to the serving of alcohol beverage products during a trade show or trade event, including, but not limited to, violations related to service of alcohol beverages to a visibly intoxicated person or to a person under twenty-one years of age.
- d. Alcohol beverage products used for a trade show or trade event must comply with all applicable product registration and labeling requirements, including those set forth in Regulation 47-904(F) and (G).
- e. All taxes, fees and surcharges required by section 44-3-503, C.R.S., must be paid for all alcohol beverage products used in a trade show or trade event.
- f. Invoices for alcohol beverage products used for a trade show or trade event must be clearly labeled as a "No-Cost Trade Show/Event Inventory Record" and shall be subject to the following requirements:
 - i. Any wholesaler participating in a trade show or trade event must invoice any alcohol beverage products to be used in the trade show or trade event to the hosting on-premises retailer. Notwithstanding any other rule or regulation to the contrary contained in 1 CCR 203-2, the wholesaler shall invoice the hosting on-premises retailer for alcohol beverage products to be used in a trade show or trade event at no cost.
 - ii. The hosting on-premises retailer must receive all wholesalers' invoice(s) for alcohol beverage products to be used in the trade show or trade event prior to the commencement of the trade show or trade event, and shall retain such invoice(s) for their records.
 - iii. Any wholesaler(s) participating in a trade show or trade event shall provide the Division with copies of all invoice(s) to be issued in accordance with this **SUB**paragraph (F)(2)(f) as an accounting for all the alcohol beverage products intended to be used during the trade show, and the anticipated drop-off and pick-up dates for such alcohol product, at least three (3) days prior to the commencement of the trade show.
 - iv. In order to account for unanticipated changes in the alcohol beverage products to be used during a trade show or trade event, any Wholesaler(s) participating in a trade show or trade event may provide the Division with an "Amended No-cost Trade Show/Event Inventory Record" before the commencement of the scheduled trade show or trade event, provided the wholesaler(s) complied with the provisions of **SUB**paragraph (F)(2)(f)(iii) of this regulation in the first instance.
 - v. At the conclusion of the trade show or trade event, any alcohol beverage

product(s) invoiced for use during the trade show or trade event (whether opened or unopened) shall be removed from the hosting on-premises retailer's licensed premises by the wholesaler(s), or destroyed.

A. Any alcohol beverage product(s) invoiced for use during the trade show or trade event remaining on the hosting on-premises retailer's licensed premises at the conclusion of the trade show or trade event, and awaiting wholesaler pick-up, must be held in a secure area of the hosting on-premises retailer's licensed premises, kept separate from, and clearly labeled to distinguish such alcohol beverage product(s) from, the host on-premises retailer's stock, by affixing a copy of the most current invoice issued pursuant to **SUB**paragraph (F)(2)(f)(iii), or (F)(2)(f)(iv) of this regulation, and marking such invoice with the anticipated pick-up date of the alcohol beverage product(s), which shall be no more than thirty (30) days after the conclusion of the Trade Show or Trade Event.

B. Allowing any alcohol beverage product(s) invoiced for use during the trade show or trade event (whether opened or unopened) to remain on the hosting on-premises retailer's licensed premises after the conclusion of the thirty (30) day pick-up window allowed for in **SUB**paragraph (F)(2)(f)(v)(A) above, shall be deemed a violation of this Regulation, for which both the wholesaler(s), and hosting on-premises retail licensee shall be responsible.

g. No delivery or exchange of alcohol beverage product(s) between a participating wholesaler and authorized buyer of **THE** same shall take place during the trade show or trade event.

h. A hosting on-premises retailer shall not be deemed to be receiving unlawful financial assistance from the wholesaler(s) participating in the trade show or trade event, so long as the hosting on-premises retailer does not directly benefit from the sale of any alcohol beverage product exhibited to or sampled by authorized attendees during the trade show or trade event.

i. All documents and information required to be provided to the Division pursuant to **SUB**paragraphs (F)(2)(b) and (F)(2)(F) of this regulation, shall be provided using a method authorized by the Division (which, at the Division's discretion, may be through uploading the records to an online location specified by the Division or through electronic mail).

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

a. Events similar to those addressed in this Regulation that are organized and conducted as special events pursuant to, and in compliance with **A**article 5 of **T**itle 44, the exemption set forth in section 44-5-108, C.R.S., provisions of **A**article 3 of **T**itle 44 applicable to special events, and Regulations 47-1000 through 47-1022, 1 CCR 203-2.

b. Tastings conducted by a licensed winery pursuant to **SUB**section 44-3-402(2), C.R.S.; by a limited winery, pursuant to **SUB**section 44-3-403(2)(e), C.R.S.; by a distillery, pursuant to **SUB**section 44-3-402(7), C.R.S.; by a beer wholesaler, pursuant to **SUB**section 44-3-407(1)(b), C.R.S.; or as part of a festival permit, pursuant to section 44-3-404, C.R.S.

G. Consignment Sales and Lawful Product Returns

1. Wholesalers are prohibited from making consignment sales to retailers.
2. A consignment sale is an arrangement whereby a wholesaler invoices and delivers alcohol beverages to a retailer who is under no obligation to pay for such beverages until they are resold. Consignment sales also afford the retailer the right to return product to the wholesaler for any reason.
3. Wholesalers are permitted to accept a return of alcohol beverages previously sold to retailers for ordinary and usual commercial reasons and to provide account credit or product exchange. Such commercial reasons for return shall be limited to the following:
 - a. Defective products: Products qualifying under this exception are those that are upon delivery, or later become, unmarketable due to contamination or deterioration of product ingredients, leaking containers, damaged labels, or missing, damaged or compromised container seals.
 - b. Broken containers or short-filled containers/cases: Nothing shall prevent a retailer from making a claim for the replacement of alcohol beverages that were delivered by a wholesaler in a damaged or incomplete condition, and nothing shall prevent a wholesaler from granting credible claims.
 - c. Error in products delivered: Any discrepancy between a retailer's product order and the products delivered may be corrected by the wholesaler within a reasonable period after delivery.
 - d. Discontinued products: When a manufacturer or importer discontinues the production, importation, or market availability of a product, a retailer may return any remaining product to the original wholesaler. A retailer's decision to discontinue a product does not qualify.
 - e. Manufacturer's product change: When a manufacturer has changed the formula, proof, label or container of an alcohol beverage, wholesalers may withdraw the product from the retailer's inventory and replace it with the newly-manufactured product.
 - f. Manufacturer's quality standards: To ensure freshness standards for malt liquor and fermented malt beverages, wholesalers, with retailer consent, may withdraw product from the retailer's inventory and replace it with new product, without additional charge, under the following conditions:
 - i. Out of freshness standard is defined as: a product that has a pre-printed freshness date on the alcohol beverage container that is no more than thirty (30) days away from the current date.
 - ii. The product to be withdrawn is undamaged and in its original packaging.
 - iii. The retailer purchased the original product from the wholesaler providing the replacement, or the current wholesaler is acting as an authorized successor wholesaler.
 - iv. The wholesaler replaces the product with the identical product SKU, the identical quantity, and the identical package, or with a product from the same manufacturer's portfolio that is equal to or lesser in value to the original purchase.

- v. A wholesaler may sell a product to another retailer that was picked up because it was within thirty (30) days prior to the freshness date. The sale of this replaced product to another retailer can only be done once.
 - g. Retailer's seasonal operation: For those retailers who are only open for business a portion of the year due solely to seasonal influences, or for venues that operate only during scheduled events, a wholesaler may remove and grant credit for those products that are likely to spoil or violate a manufacturer's freshness standards.
 - h. Wholesalers that have lawfully exercised their claim to a retailer's inventory as secured creditors.
 - i. Products in a retailer's inventory that may no longer be sold due to statutory or regulatory changes or disciplinary actions over which the wholesaler and retailer had no control.
 - j. Within thirty days of evidence of an expiration or a lawful surrender and cancellation of a retail liquor license by the state licensing authority.
 - k. Holders of special events permits that have unsold alcohol beverages after the licensed event.
4. A return of product for the following reasons does not qualify as a return for ordinary and usual commercial reasons:
- a. A retailer's overstocked inventory or slow-moving products.
 - b. Products for which there is only a limited-time or seasonal demand, such as holiday decanters or seasonal brands.

H. Warehousing of products for a retailer

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

I. Product resets

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

J. Equipment rentals

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

K. Other goods

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

When a supplier also deals in items of commerce that are not regulated by **A**rticles 3, 4, or 5 of **T**itle 44, only the following restrictions shall apply:

1. The unregulated item(s) may not be provided as an inducement, or require purchase of alcohol beverages.
2. Any equipment or other goods provided free of charge (e.g. energy drink refrigerated coolers) shall not be provided in conjunction with alcohol sales or promotions.

L. Indirect financial assistance through third party arrangements

1. A supplier's furnishing of any equipment, supplies, services, money, or other things of value to a third party that is not licensed pursuant to ~~A~~article 3 or 4 of ~~T~~itle 44, C.R.S. where the benefits resulting from such things of value flow to individual licensed retailers through written agreements or otherwise, is prohibited.
2. A supplier will not be in violation of this regulation when the unlicensed third party provides the prohibited item or service to a retailer without the supplier's knowledge, and the supplier could not have reasonably foreseen that the item or service would flow to a retailer.
3. Retailers that collude with unlicensed third parties to obtain prohibited financial assistance through a third-party arrangement between a third party and a licensed supplier shall be in violation of this regulation.
4. It shall not be a violation for a supplier to furnish items or services to a retailer that are otherwise specifically authorized by regulation or any provision within ~~A~~articles 3 or 4 of ~~T~~itle 44, C.R.S.

M. Value of Labor

1. Definitions for purposes of this ~~PARAGRAPH subsection (ML)~~:
 - a. "Deliver" or "delivering" is the act of a supplier bringing and unloading its alcohol beverage ~~S product~~ from its delivery vehicle onto the retailer's licensed premises or permitted retail warehouse storage location. "Deliver" or "delivering" does not include a supplier bringing and unloading its alcohol beverage ~~S product~~ from a permitted retail warehouse storage location to a retailer's licensed premises.
 - b. "Merchandise" or "merchandising" is the act of organizing, constructing, maintaining, or stocking a display of alcohol beverage ~~S product~~ or ~~alcohol beverage product~~ promotional materials, including ~~alcohol beverage product~~ signs, consumer advertising specialties, or point-of-sale advertising ~~FOR THE ALCOHOL BEVERAGES~~, within the retailer's licensed premises.
 - c. "Price stamp" or "price stamping" is the act of affixing the retail price of alcohol beverage ~~product~~ to its respective shelf, refrigerator, or any other similar location within the retailer's licensed premises.
 - d. "Rotate" or "rotating" is the act of moving alcohol beverage ~~S product~~ from the rear to the front of any shelf, refrigerator, or similar location within the retailer's licensed premises.
 - e. "Service" or "servicing" is the act of replacing, staging, and/or tapping kegs within a retail premises. "Service" or "servicing" also includes performing necessary cleaning of alcohol beverage dispensing equipment, to the extent necessary for the maintenance of reasonable standards of purity, cleanliness, and health.
 - f. "Stock" or "stocking" is the act of placing or replenishing alcohol beverage ~~S product~~

on any shelf, refrigerator, or similar location within the retailer's licensed premises.

2. In a supplier's sole discretion, and if allowed by the retailer, a supplier may deliver, merchandise, price stamp, rotate, service, and stock its alcohol beverage ~~S product~~ on the retailer's licensed premises at no cost to the retailer.
 - a. A supplier is prohibited from materially disturbing another supplier's alcohol beverage ~~S product~~ while delivering, merchandising, price stamping, rotating, servicing, or stocking its own alcohol beverage ~~S product~~.
 - b. A supplier may only service the portion of the retailer's alcohol beverage dispensing equipment used for dispensing its alcohol beverage ~~S product~~.
3. A retailer is prohibited from requiring a supplier to provide any labor to the retailer, including, but not limited to, merchandising, price stamping, rotating, servicing, or stocking activities, as an express or implied condition of the delivery, purchase, or future purchases between the supplier and retailer.
4. Unless otherwise permitted under this Regulation, the Liquor Code, or the Beer and Wine Code, or unless the retailer pays the supplier at the normal hourly rate of the employee performing the labor, a supplier is prohibited from providing to a retailer, and a retailer is prohibited from accepting from a supplier, any labor other than the kinds of labor described in ~~SUBPARAGRAPH~~ ~~subsection~~ (LM)(2) of this Regulation, including, but not limited to:
 - a. Cleaning, repairing, or otherwise maintaining the interior or exterior of a retailer's premises;
 - b. Operating the retailer's powered mechanical equipment, other than pallet jacks; or
 - c. Performing inventory for the retailer's records.
5. **A SUPPLIER SHALL NOT REQUIRE ANOTHER SUPPLIER TO PERFORM THE KINDS OF LABOR PROHIBITED IN SUBPARAGRAPHS (M)(2) OR (M)(4) OF THIS REGULATION.**

N. Prohibition.

1. Except as otherwise provided by the Liquor Code, Beer and Wine Code, or Colorado Liquor Rules, a supplier is prohibited from disturbing another supplier's alcohol beverage product.

O. SUPPLIERS INFLUENCE ON RETAILERS

1. **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.**

P. NON-PROFITS, CHARITABLE, OR OTHER QUALIFYING ORGANIZATIONS

1. **NOTHING IN THIS REGULATION SHALL APPLY TO NON-PROFITS, 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 47-323. Unlawful Extension of Credit.

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)(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.

A. Definitions: For purposes of this regulation, the following definitions are applicable:

1. "Supplying licensee" means those persons authorized pursuant to ~~A~~articles 3 and 4 of ~~T~~title 44, C.R.S. to sell fermented malt beverage, malt liquor, vinous liquor, and spirituous liquors to licensed retailers.
2. "Retailer" means those persons licensed pursuant to ~~SUB~~sections 44-3-401(1)(h) – (t), ~~and~~ (v) – (w), ~~(y) - (z)~~, and 44-4-104(1)(c), C.R.S. to sell alcohol beverages to the end consumer. Except the term "retailer" as used in this regulation shall not include a liquor-licensed drugstore that receives a license after January 1, 2017, which shall not purchase alcohol beverage on credit or accept an offer or extension of credit from a licensee and shall effect payment upon delivery of the alcohol beverage pursuant to ~~SUB~~section 44-3-410(2)(b), C.R.S.
3. "Cash" means United States currency.
4. "Cash equivalent" means a financial transaction or negotiable instrument other than cash, including: bank drafts (business or personal check, cashier's check, certified check) money order, any other type of completed electronic funds transfer, or a supplying licensee's lawfully-issued credit to a retailer's account. Nothing in this regulation shall require a supplying licensee to make available all of the aforementioned types of cash equivalent.
5. "Alcohol beverage purchase" means the date upon which the alcohol beverage is delivered to the retailer and the retailer takes possession.

B. Transaction Requirements and Restrictions:

1. Regarding retailers' alcohol beverage purchases on credit, supplying licensees are prohibited from extending credit to any retailer for a period in excess of thirty (30) days.
2. A supplying licensee's delivery of alcohol beverages to a retailer must be accompanied by a sales invoice that shows the name of the retailer, the place of delivery (address of the licensed location), the invoice date, the date of delivery, a full description of the alcohol beverages delivered and accepted, a full description of any items on backorder to be delivered on a different date, and the price and terms of sale.
3. If there are discrepancies between the product described in the original sales invoice and the actual delivery, handwritten amendments shall be made to the invoice to reflect any corrections and shall be initialed by an authorized representativeS of ~~BOTH~~ the retailer ~~AND THE or~~ supplying licensee. Invoiced product that will be delivered on another date must be reissued by the supplying licensee to reflect the date upon which the actual delivery took place.
4. Where there is lawful ownership of multiple, separately-licensed retail locations, each location must be considered separate and distinct with respect to alcohol beverage purchases. Therefore, a supplying licensee shall consider each location as separate and distinct for the purpose of extending credit. For retailers holding a resort complex or a campus liquor complex class of hotel and restaurant license, all related facilities within the resort complex or the campus liquor complex must be considered as a single location for the purpose of

extending credit.

C. Calculation of Lawful Credit Period:

1. The lawful credit period is thirty (30) calendar days.
2. For the purpose of determining compliance with this regulation, the credit period shall commence on the alcohol beverage purchase and conclude on the date of full legal discharge from all indebtedness arising from the sales transaction related to the delivery, except as otherwise provided in paragraph (G) of this regulation.
3. If the final day of the lawful credit period falls on a Saturday, Sunday, or legal holiday, the final day shall be the next business day.
4. For the purpose of calculating the lawful credit period only, a retailer's acceptance of an alcohol beverage delivery and sales invoice verifying the delivery is a per se acceptance of the delivery and sales terms.
5. Errors and refusals of delivered product must be noted on either licensee's copy of the sales invoice by an authorized representative of either licensee.

D. Required Payment During Lawful Credit Period:

1. A retailer's payment on a supplying licensee's credit sale shall be recognized as the earlier of:
 - a. The date the payment is deposited by the supplying licensee, or
 - b. The date the transaction is recorded in the licensee's accounting records, or
 - c. The date the supplying licensee or its authorized representative receives the retailer's payment in person, or
 - d. The date a retailer can reasonably verify, through its own books and records, tender of payment to a supplying licensee. In order to ensure compliance with this regulation, retailers must make available to the supplying licensee, upon their request, those records that verify the date of tender.
2. The following shall not be considered a lawful discharge of indebtedness for the purpose of advancing any additional credit to a retailer:
 - a. Business or personal checks that are returned to the supplying licensee as unpaid if replacement funds are not tendered within the lawful credit period.
 - b. Dispute claims filed by a retailer to a credit card provider for credit card advances it had previously authorized for product delivery, except as otherwise provided in paragraph (G) of this regulation.
 - c. A compromise of indebtedness between supplying licensee and retailer that is commercially unreasonable.
 - d. An assignment of a supplying licensee's accounts receivable for third party collection, when the discharge of indebtedness is dependent upon collection from the retailer.
 - e. The supplying licensee's temporary credit to a retailer's account, thereby providing the appearance that a retailer is eligible for additional credit.

E. Indebtedness Beyond the Lawful Credit Period:

1. Any supplying licensee that has not received full payment on a sales invoice on or before the conclusion of the **THIRTY (30)** day lawful credit period, as calculated pursuant to paragraph (D) of this regulation, has not engaged in a per se violation of this regulation, but is prohibited from extending additional credit to the indebted retailer.
2. A supplying licensee shall not advance any additional credit to the indebted retailer until the past due indebtedness is fully discharged.
3. A supplying licensee may continue to sell alcohol beverage products to the indebted retailer only if cash or cash equivalent is provided at the time of each additional delivery.
4. A supplying licensee's normal and customary business practice related to the assessment of finance charges on credit balances that exceed **THIRTY (30)** days is not a per se violation of this regulation.

F. Record Keeping Requirements for Supplying Licensees:

1. Pursuant to ~~S~~section 44-3-701, C.R.S., licensees shall keep and maintain business records necessary to fully show the business transactions of such licensee. The following additional minimum requirements shall be met in order to demonstrate compliance with this regulation.
 - a. Before a supplying licensee extends credit to a retailer, it shall review the credit status of the retailer's account to determine whether any unpaid balance remains on a credit sale that is beyond the lawful credit period for such sale. The supplying licensee shall develop a procedure that documents this credit verification process, and shall be obligated to demonstrate compliance upon any review by the state licensing authority.
 - b. The supplying licensee shall maintain sufficient records that verify the commencement of the lawful credit period.
 - c. A supplying licensee that extends credit to retailers shall develop a method of verifying and documenting the date(s) of payment, and the final discharge of indebtedness of each sales invoice if it recognizes a payment date sooner than the date of its final accounting entry. This may include the retention of postmarked envelopes, hand written receipt ledgers, hand written acknowledgement of receipt on the supplying licensee's copy of a sales invoice, or other accounting records developed by the supplying licensee.
 - d. A supplying licensee that extends credit to retailers shall keep a record of those retailers that did not discharge indebtedness within the lawful credit period, and evidence that subsequent sales were cash or cash equivalent on delivery until the indebtedness was discharged.
2. A retailer's records may supplement the supplying licensee's records in determining compliance with record keeping requirements, but shall not mitigate a supplying licensee's lack of compliance.

G. Dispute Resolution: The purpose of this **PARAGRAPH section** shall be solely for the purpose of determining if a supplying licensee may continue to extend credit to a retailer when transaction amounts in dispute cannot be resolved within the lawful credit period. Nothing herein shall restrict the licensees from exercising their contractual rights in civil disputes.

1. If there is a good faith dispute by a retailer as to the validity or reasonableness of the amount

owed or the payment made to the supplying licensee, then the retailer shall give written notice to the supplying licensee prior to the close of the lawful credit period. The retailer shall include the disputed amount due or payment tendered, the invoice number, and a detailed reason for the dispute.

2. Upon receipt of written notification, the supplying licensee shall determine its position and respond within **FIFTEEN (15)** days of the retailer's written notification. The supplying licensee may continue to extend **THIRTY (30)** days credit on new purchases pending the resolution of the dispute, so long as the retailer has provided written notice as described in **SUB**paragraph **(G)-(1)**, and has tendered payment for all amounts not in dispute.
3. For purposes of this regulation, the amount of a qualifying price dispute shall be calculated as the disputed price differential times the number of cases purchased. For example, if the supplying licensee invoices a case of alcohol beverage at \$11.00 per case, and the retailer's records reflect a negotiated case deal of \$10.00, then the amount in dispute for purposes of this regulation is calculated as \$1.00 times the number of cases purchased.
4. The supplying licensee is prohibited from extending **THIRTY (30)** days credit on new purchases if the retailer fails to claim disputes in the manner described in this section or fails to make full payment of undisputed amounts on or before the end of the lawful credit period. A retailer's action to stop or delay payment on any financial transaction does not qualify as proper written notice to a supplying licensee of a good faith dispute.
5. Once a dispute is resolved, a retailer will have **THIRTY (30)** days to pay any amount due and/or a supplying licensee will have the same period of time to adjust its records to reflect the outcome. If the dispute resolution process is unsuccessful after good faith efforts by both parties, and any amount due would otherwise be placed for collection, the supplying licensee must cease the extension of credit to the retailer and shall conduct any future sale of alcohol beverages for cash or cash equivalent on delivery.
6. Supplying licensees and retailers shall keep sufficient records to document those disputes that are used as justification for the continued extension of credit, which would otherwise be prohibited.

H. Unlawful Financial Assistance:

1. Except as provided for in paragraph **(G)** of this regulation, a supplying licensee who continues to extend credit to a retailer who has not fully discharged indebtedness through the lawful means described in this regulation, or who fails to exercise due diligence with the requirements of this regulation, may be sanctioned by the state licensing authority for providing unlawful financial assistance to a retailer, as provided for in **SSUB**section 44-3-308(1)(a), C.R.S., and related regulations.
2. Except as provided for in paragraph **(G)** of this regulation, a retailer who fails to pay the amounts due to the supplying licensee after the conclusion of the lawful credit period, and who receives further sales on credit from that supplying licensee, may be sanctioned by the state licensing authority for receipt of unlawful financial assistance from the supplying licensee, as provided for in **SSUB**section 44-3-308(3)(a), C.R.S., and related regulations. Unlawful financial assistance shall inure to the retailer after the supplying licensee has made final demand for payment through written correspondence or other means of commercial debt collection and has made subsequent sales on credit.

Regulation 47-324. Concurrent Application Review.

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)(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 ~~is~~ 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.

- 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 ~~T~~itle 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 47-404. Foreign Trade Zones.

Basis and Purpose. The statutory authority for this regulation **INCLUDES, BUT IS NOT LIMITED TO,** ~~is located at~~ subsections 44-3-202(1)(b) and 44-3-202(2)(a)(I)(K), C.R.S. The purpose of this regulation is to permit applicable stock storage in an established foreign trade zone within the state of Colorado.

Persons licensed as importers of vinous or spirituous liquors, or as importers of malt liquor or fermented malt beverages, or as non-resident manufacturers of malt liquor or fermented malt beverages, may maintain stocks of alcohol beverages in an established “foreign trade zone” in Colorado as defined in **SUB**section 7-49.5-103(4), C.R.S.

Regulation 47-405. Festival Permit.

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

A. Festival Permits.

1. The following license types are eligible to obtain a festival permit or participate in a festival for which a permit has been obtained:
 - a. A manufacturer license under section 44-3-402, C.R.S.;
 - b. A limited winery license under section 44-3-403, C.R.S.;
 - c. A wholesaler’s license under section 44-3-407, C.R.S.;
 - d. A beer and wine license under section 44-3-411, C.R.S.;
 - e. A hotel and restaurant license under section 44-3-413, C.R.S.;
 - f. A tavern license under **SECTION** 44-3-414, C.R.S.;
 - g. A brew pub license under **SECTION** 44-3-417, C.R.S.;
 - h. A vintner’s restaurant license under **SECTION** 44-3-422, C.R.S.; and
 - i. A distillery pub license under **SECTION** 44-3-426, C.R.S.

2. For purposes of this regulation, the term “permittee” means a licensee under Regulation 47-405(A)(1) that has received a festival permit under this Regulation 47-405.
3. A festival may be held on the following premises, subject to the approval of the state licensing authority and the local licensing authority, if applicable:
 - a. On the licensed premises of a licensee eligible to obtain a festival permit, so long as the licensed premises has been modified in accordance with Regulation 47-302 to exclude the area where the festival will be held; or
 - b. On an otherwise unlicensed premises with permission from the premises owner.

B. Initial Festival Permit Application

1. Only licensees listed in Regulation 47-405(A) may file a festival permit application with the state licensing authority. The initial festival permit application must be filed with the state licensing authority, and, if applicable the local licensing authority, at least thirty (30) calendar days before the date the first festival is to be held, and must include:
 - a. The eligible license type and license number of the festival permit applicant;
 - b. A description of the licensed premises for the first festival, including whether the licensed premises for the festival is located on an existing licensed premises that has been modified;
 - c. The date of the first festival;
 - d. Duration of the festival, which cannot exceed seventy-two (72) hours;
 - e. A processing fee of fifty dollars (\$50.00~~USD~~);
 - f. Contact information of a primary contact for each participating licensee including name, title, phone number and email address;
 - g. Any special event permit application that has been or will be filed in connection with the festival;
 - h. Confirmation that the applicant has provided notification to the local licensing authority of the location and date of the initial festival;
 - i. A security and control plan, which must be provided to and agreed to by each participating licensee, which specifies:
 - i. Hours of service of alcohol beverages;
 - ii. Entries and exits;
 - iii. How and where alcohol will be secured and stored when setting up for the festival, during the festival, and after conclusion of the festival;

- iv. How visibly intoxicated parties will be handled; and
 - v. How the licensee plans to prevent persons under twenty-one (21) years of age from consuming or purchasing alcohol beverages.
 - j. Active Colorado liquor license numbers not under suspension for the applicant and each participating licensee;
 - k. Identification of any violations at a festival committed by the applicant or any participating licensee during the preceding three years; and
 - l. Such other information as required on form approved by the state licensing authority.
2. The applicant must apply with the state licensing authority and, if applicable, the local licensing authority, at least thirty (30) calendar days before holding the initial festival under the festival permit. If the applicant does not provide the application to one or both of the applicable licensing authorities at least thirty (30) calendar days before holding the initial festival, the application will be denied by the state licensing authority.
 3. A festival permit must be approved by the state licensing authority before the first festival can be held.
 4. Once a permittee files an initial festival permit application, it may only add participating licensees for the initial festival set forth in **SUBPARAGRAPH subpart** (B)(1)(j) of this regulation by providing written notice to the state and local licensing authority, at least fifteen (15) calendar days prior to the first festival, as calculated pursuant to section 2-4-108, C.R.S.

C. Local festival permit from the Local Licensing Authority.

1. If required by the local licensing authority, the festival permit applicant must also obtain a local festival permit. The licensee must file the festival permit application with the Division at the same time they file with any local licensing authority.
2. If the licensee filing the festival permit application holds a limited winery license, or a winery license, then a festival permit from the local licensing authority is not required.
3. A festival permit from a local licensing authority is not required if the festival permit applicant also applies for a special event liquor permit issued under **A**article 5 of **T**itle 44.

D. Subsequent Festival Permit Application(s).

1. Festival Participation Limits

- a. Each permittee may hold up to but no more than a total of nine (9) festivals in a twelve (12) month period. This **SUBP**paragraph (1)(a) will expire on December 31, 2023.

- b. A licensee may participate in up to fifty-two festivals each calendar year, including up to nine festivals held under a festival permit issued to the licensee under subsection 44-3-404(1)(c), C.R.S.
 - c. Each permittee may hold up to but no more than a total of nine (9) festivals in a calendar year. This ~~SUBP~~paragraph (1)(c) will take effect on January 1, 2024.
2. The permittee must notify the state licensing authority, and the local licensing authority if required under ~~PARAGRAPH (C)~~ above, at least thirty (30) calendar days before holding any subsequent festivals under the festival permit, by filing a subsequent festival permit application. If the applicant does not provide the application to the applicable licensing authorities at least thirty (30) calendar days prior to the subsequent festival, the application will be denied by the state licensing authority. Each subsequent festival permit application must include:
- a. The festival permit number;
 - b. The festival permit expiration date;
 - c. The festival permittee license name;
 - d. A description of the licensed premises where the festival will be held, including whether the licensed premises for the festival is located on an existing licensed premises that has been modified;
 - e. The date of the festival;
 - f. Duration of the festival, which cannot exceed seventy-two (72) hours;
 - g. The dates of all prior festivals occurring under the festival permit;
 - h. The number of prior festivals that have previously occurred under the festival permit;
 - i. A processing fee of fifty dollars (\$50.~~00USD~~);
 - j. Contact information of a primary contact for each participating licensee including name, title, phone number and email address;
 - k. Any special event permit application that has been or will be filed in connection with the festival;
 - l. Confirmation that the applicant has provided notification to the local licensing authority of the location and dates of each festival;
 - m. A security and control plan, which must be provided to and agreed to by each participating licensee, which specifies:
 - i. Hours of service of alcohol beverages;

- ii. Entries and exits;
 - iii. How and where alcohol will be secured and stored when setting up for the festival, during the festival, and after conclusion of the festival;
 - iv. How visibly intoxicated parties will be handled; and
 - v. How the licensee plans to prevent persons under twenty-one (21) years of age from consuming or purchasing alcohol beverages.
- n. Active Colorado liquor license numbers not under suspension for the applicant and each participating licensee;
 - o. Identification of any violations at a festival committed by the applicant or any participating licensee during the preceding three years; and
 - p. Such other information as required on form approved by the state licensing authority.
3. If the subsequent festival permit application is being filed in a different jurisdiction than the initial festival permit application, the permittee must ensure that an original festival permit application is filed with the subsequent festival jurisdiction's local licensing authority, if applicable.
 4. A subsequent festival permit application is deemed approved if held in the same jurisdiction as the initial festival unless the state and, if applicable, the local licensing authority provides the permittee with a notice of denial at least seventy-two (72) hours prior to the date of the subsequent festival.
 5. The permittee must file the subsequent festival permit application, but other eligible licensees may jointly participate under the festival permit issued to the permittee, unless timely denied by the state or local licensing authority.
 6. Once a permittee files a subsequent festival permit application, it may only add participating licensees for that subsequent festival set forth in sub~~PARAGRAPH~~~~part~~ (D)(2)(n) of this regulation by providing written notice to the state and local licensing authority, at least fifteen (15) calendar days prior to that subsequent festival, as calculated pursuant to section 2-4-108, C.R.S.

E. Festival Tastings and Sales.

1. For purposes of this ~~r~~Regulation 47-405, "festival tastings" is defined as consumption on the premises of a festival permit.
2. The permittee and licensees participating in the festival may conduct festival tastings and sales of their respective alcohol beverages during the festival which the permittee or licensee could conduct at their respective licensed premises.

- a. Manufacturers of vinous and spirituous liquors may conduct festival tastings and sales of their products at a festival pursuant to the abilities granted to them under **SUBSECTIONS 44-3-402(2)(a) and/or 44-3-402(7)(a), C.R.S.**
- b. **Manufacturers of A WHOLESALER'S BEER LICENSEE THAT SELLS** malt liquors may conduct festival tastings and sales of their products at a festival **ONLY IF as long as** they possess a valid sales room license pursuant to **SUBSECTION 44-3-407(1)(b)(II)(A), C.R.S.**
 - i. **A WHOLESALER'S BEER LICENSEE THAT DOES NOT POSSESS A VALID SALES ROOM LICENSE PURSUANT TO SUBSECTION 44-3-407(1)(b)(II)(A) MAY NOT CONDUCT FESTIVAL TASTINGS AND SALES OF THEIR PRODUCTS AT A FESTIVAL.**
- 3. Regulation 47-313 on tastings applies to Retail Liquor Store, Liquor Licensed Drugstore, and fermented malt beverage and wine retailer licensees and does not apply to festival tastings.

F. Denials.

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

G. Violations.

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

vendor as defined in section 44-3-1002, C.R.S., and pursuant to the requirements of Regulation 47-605.

2. Violating Licensee Cannot be Identified

- a. If a violation occurs during a festival permitted under this regulation and the permittee or the jointly participating licensee(s) responsible for the violation cannot be identified, the state licensing authority may send a written notice to every licensee identified on the festival permit application or subsequent permit application, respectively, and may fine each the same dollar amount, which cannot exceed twenty-five (25) dollars per licensee or two hundred (200) dollars in the aggregate per violation.
 - b. A joint fine levied pursuant to this subsection does not apply to the revocation or suspension of the licensee's license under section 44-3-601, C.R.S., or Regulation 47-603.
 - c. A joint fine levied pursuant to this section need not be reported as a substantive violation on the underlying liquor license renewal application for any permittee or jointly participating licensee assessed such a fine.
3. If a violation occurs during a special event festival as defined in Regulation 47-1014(B), a single penalty shall be imposed for a violation under this regulation and Regulation 47-1014(B) to avoid a double penalty for the same conduct.

Regulation 47-406. Wholesaler Dealer - Importation.

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)(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 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 (1) 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~~ PARAGRAPH (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~~ PARAGRAPH (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-PARAGRAPH (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-PARAGRAPH (C)~~, except as provided in this ~~subpart-PARAGRAPH (C)~~, is prohibited.

Regulation 47-407. Liquor-Licensed Drugstore.

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)(R), ~~44-3-301(12)(a)~~, 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 (50%) of the time, each 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 ~~SUBPARAGRAPH (B)(1) B-4~~ 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 ~~SUB~~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 (D), 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:~~DEFINITIONS.
 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).~~
2. ~~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.~~
3. ~~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.~~

~~"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.~~

14. "Food items" as used in ~~paragraph 4~~ SUBSECTION 44-3-410(8)(a)(I), C.R.S., 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.
 25. ~~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~~ SUBSECTION 44-3-410(8)(a)(II), C.R.S., 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 ~~ONLINEon-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 ~~ONLINEon-line~~ registration process is not available, the liquor-licensed drugstore licensee is responsible for maintaining such information until the ~~ONLINEon-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~~~~liquor-licensed drugstore~~ who has a valid manager's permit under section 44-3-427, C.R.S.

Regulation 47-408. Purchases by Retailers

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(O), 44-3-202(2)(a)(I)(R), 44-3-409(6), 44-3-411, 44-3-413, 44-3-414, 44-3-416, 44-3-417, 44-3-418, 44-3-419, 44-3-420, 44-3-422, 44-3-426, 44-3-428, 44-3-432, and 44-3-901(6)(f), C.R.S. The purpose of this regulation is to establish purchase requirements for retailers.

- A. Every person or entity licensed under the Liquor or Beer and Wine Codes to sell at retail shall purchase all alcohol beverage inventory, for the operation of its business, from a person or entity licensed to sell at wholesale pursuant to ~~A~~articleS 3 or 4 of ~~T~~itle 44, C.R.S., except that:
1. To the extent authorized in subsections 44-3-411(2)(a), C.R.S. (Beer and Wine License), 44-3-413(7)(b)(I), C.R.S. (Hotel and Restaurant License), 4-3-414(2)(a), C.R.S. (Tavern License), 44-3-416(2)(a), C.R.S. (Retail Gaming Tavern License), 44-3-417(3)(a), C.R.S. (Brew Pub License), 44-3-418(2)(a), C.R.S. (Club License), 44-3-419(4)(a), C.R.S. (Arts License), 44-3-420(2)(a), C.R.S. (Racetrack License), 44-3-422(3)(a), C.R.S. (Vintner's Restaurant License), 44-3-426(4)(b)(I), C.R.S. (Distillery Pub License), 44-3-428(2)(a), C.R.S. (Entertainment Facility License), and 44-432(2)(a), C.R.S. (Lodging Facility License), retailers licensed under those sections may purchase not more than ~~seven thousand dollars' worth~~ **THE DOLLAR AMOUNT** of such alcohol beverages during a calendar year from a retail liquor store, fermented malt beverage and wine retailer, or a liquor-licensed drugstore, as **POSTED ON THE DIVISION'S WEBSITE** ~~adjusted for inflation as set forth therein~~; or
 2. A retail liquor store may purchase alcohol from another retail liquor store that is surrendering its license under the circumstances, and in compliance with the requirements and limitations, set forth in subsection 44-3-409(6), C.R.S., and Regulation 47-304(H).
- B. All alcohol beverages possessed or maintained on the retail-licensed premises shall be only such alcohol beverages acquired as set forth in this regulation, or as may have come into possession upon the issuance of a license or temporary permit pursuant to section 44-3-303, C.R.S.
- C. Nothing herein shall authorize a retailer to purchase alcohol beverage inventory for its licensed operations from any public or private auction.
- D. Records maintained by the licensee in compliance with sections 44-3-409 and 44-3-701, C.R.S., and ~~R~~egulation 47-700, 1 C.C.R. 203-2 shall include all records of purchases of alcohol beverages.
- E. Purchases of malt liquor and fermented malt beverages by retailers including a retailer's purchase at the wholesaler's licensed location(s) must be from the wholesaler designated within the territory rights pursuant to ~~S~~UBsection 44-3-407(1)(b)(I), C.R.S.

Regulation 47-410. Retail Warehouse Storage Permit.

Basis and Purpose. The statutory authority for this regulation includes, but it not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 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 establish parameters and clarify circumstances under which licensed retailers may keep or store alcohol beverages in permitted warehouses, except that a liquor licensed drugstore licensed under

section 44-3-410, C.R.S., is not eligible for a retail warehouse storage permit.

- A. No alcohol beverages shall be stored or kept in or upon any premises that is not duly licensed, however, the state licensing authority may issue a warehouse storage permit to retail licensees licensed pursuant to **A**rticle 3 of **T**itle 44, C.R.S., for the storage only of permitted alcohol beverages in one, but not more than three (3), locations other than the licensed premises. The application for such permit shall specify the address of the proposed storage location and shall include documentation that the licensee is in possession of said premises by way of ownership, lease, or other arrangement.
 - 1. For off-premises licensed retailers, except as set forth in subparagraph (4) of this paragraph (**A**), alcohol beverages permitted for storage within a storage warehouse shall include vinous and spirituous liquors only.
 - 2. For on-premises licensed retailers, alcohol beverages permitted for storage within a storage warehouse shall include fermented malt beverages and malt, vinous and spirituous liquors. However, fermented malt beverages or malt liquor stored in a permitted warehouse shall only be stored for a period not to exceed ten (**10**) days after date of delivery, so as not to interfere with manufacturers' freshness standards.
 - 3. Notwithstanding any provision of this regulation, a liquor-licensed drugstore shall not store alcohol beverages off the licensed premises, and is not eligible for a retail warehouse storage permit pursuant to **SUB**section 44-3-410(5)(a), C.R.S.
 - 4. For a Fermented Malt Beverage and Wine Retailer licensed for consumption off the licensed premises pursuant to subsection 44-4-104(1)(c)(**I**)(A), C.R.S., vinous liquors only may be permitted for storage within a storage warehouse.
- B. Title to all alcohol beverages, stored or kept pursuant to a warehouse storage permit shall be vested in such permit holder.
- C. Alcohol beverages may not be sold or delivered to consumers from the permitted warehouse premises, however, deliveries from wholesalers may be accepted at the permitted warehouse premises.
- D. Any retail licensee obtaining a warehouse storage permit, shall provide a copy of said permit to the local licensing authority and shall display such permit in a prominent place within their licensed premises and within the permitted warehouse premises.

Regulation 47-414. Purchases by Wholesalers.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(**I**)(A), and 44-3-202(2)(a)(**I**)(R), C.R.S. The purpose of this regulation is to establish purchasing requirements for a wholesaler license when purchasing alcohol beverages from a retailer.

- A. Each person or entity licensed under **A**rticle 3 of **T**itle 44, C.R.S., to sell at wholesale, shall purchase all alcohol beverage stock for the operation of its business from Colorado licensed suppliers, unless otherwise provided in these articles or related regulations.
- B. A person licensed to sell at wholesale, pursuant to **A**rticle 3 of **T**itle 44, C.R.S., may purchase sealed alcohol beverage stock from a licensed retailer within thirty (30) days after the expiration, or the surrender to, and cancellation by, the state or local licensing authority, of the retailer's alcohol beverage license. Any alcohol beverages purchased from a retailer pursuant to this regulation must be alcohol beverages that the wholesaler is authorized to sell and normally carries as part of its alcohol beverage stock.

Regulation 47-416. Items Approved for Sale in Retail Liquor Stores.

Basis and Purpose. The statutory authority for this regulation **INCLUDES, BUT IS NOT LIMITED TO, is found** at subsections 44-3-202(1)(b) and 44-3-202(2)(a)(I)(A), C.R.S. The purpose of this change to Regulation 47-416 is to bring the regulation into conformance with the statutory provisions of **SUB**section 44-3-409(1)(b), C.R.S., concerning items a retail liquor store may sell.

- A. Retail liquor stores may sell any non-alcohol products (unless prohibited by law or rule), but only if the annual gross revenues from the sale of non-alcohol products do not exceed twenty (20) percent of the retail liquor store's total annual gross revenues.
- B. For purposes of calculating the annual gross revenues from the sale of non-alcohol products, sales revenues from those non-alcohol products that are excluded by statute shall not be considered.

Regulation 47-418. Restaurants.

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)(L), 44-3-202(2)(a)(I)(M), 44-3-202(2)(a)(I)(R), and 44-3-413, C.R.S. The purpose of this regulation is to define certain food preparation and service requirements of a restaurant licensed under section 44-3-413, C.R.S., to sell alcohol beverages.

- A. Except as otherwise provided in Regulation 47-1101, restaurants may sell alcohol beverages only for consumption on the premises, and may, but are not required to, serve such alcohol beverages with meals.
- B. All restaurants shall at all times, when meals are required to be served, maintain on the premises adequate personnel, foodstuffs and other necessary facilities, equipment and supplies for the preparation and serving of meals as defined by **SUBSECTION** 44-3-103(31), C.R.S., as amended. The service or sale of alcohol beverages in restaurant establishments which are prepared to serve only such foods as pretzels, crackers, nuts, and other appetizers, or canned soups, packaged sandwiches or similar items which are normally only components of meals, shall be considered a violation of this regulation.
- C. The service or sale of alcohol beverages in restaurants obtaining prepared meals from sources other than facilities under the exclusive management and control of the licensee shall also be considered a violation of this regulation.
- D. Restaurants must be maintained in a clean and sanitary condition, and shall maintain such food service license issued by the Colorado Department of Public Health and Environment or the Denver Department of Excise and Licenses in full force and effect at all times while selling alcohol beverages for consumption therein.

Regulation 47-420. Minibar Container Size.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), and 44-3-413(5), C.R.S. The purpose of this regulation is to define the maximum size of an alcohol beverage product to be sold in a minibar.

No container of malt, vinous, or spirituous liquor which has a capacity of more than five hundred **(500)** milliliters may be available for sale in a minibar.

Regulation 47-428. Sales Rooms.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-103(49), 44-3-202(1)(b), 44-3-202(a)(I)(R), 44-3-202(2)(a)(I)(T), 44-3-402, 44-3-403, 44-3-407, and 44-3-911(6)(a)(I), C.R.S. The purpose of this regulation is to establish procedural requirements for sales room

applicants, and provide factors the licensing authority must consider when evaluating the application for approval or denial.

- A. Any manufacturer of vinous or spirituous liquor, licensed pursuant to **SECTION** 44-3-402, C.R.S., a limited winery license issued pursuant to section 44-3-403, C.R.S., or beer (malt liquor) wholesaler licensed pursuant to **SUB**section 44-3-407(1)(b), C.R.S., applying to operate a sales room as defined by **SUB**section 44-3-103(49), shall submit an application for a sales room to the state licensing authority.
- B. The applicant must send a copy of the application for the sales room concurrently to the state licensing authority and to the local licensing authority in the jurisdiction in which such sales room is proposed. All applications for vinous or spirituous liquor sales rooms to be operated for no more than three (3) consecutive days shall be filed with both the local and state licensing authorities not less than ten (10) business days prior to the proposed opening date.
- C. The sales room application submitted to the state licensing authority and copies of the sales room application submitted to the local licensing authority shall be done in a manner that provides proof of date of delivery. This includes, but is not limited to, email, facsimile, or certified mail.
- D. The local licensing authority may submit a response to the application to the state licensing authority including its determination whether or not the approval of the proposed sales room will impact traffic, noise, or other neighborhood concerns in a manner that is inconsistent with local regulations or ordinances, which may be determined by the local licensing authority without requiring a public hearing, or that the applicant cannot sufficiently mitigate any potential impacts identified by the local licensing authority. The local licensing authority submission to the state licensing authority shall be done in a manner that provides proof of date of delivery. This includes, but is not limited to, email, facsimile, or certified mail.
- E. For proposed sales rooms operating more than three (3) consecutive days, the local licensing authority must submit its response to the state licensing authority within forty-five (45) days from the date of application to the state licensing authority.
- F. For proposed sales rooms operating not more than three (3) consecutive days, the local licensing authority must submit its response to the state licensing authority within eight (8) business days from the date of application to the state licensing authority.
- G. If the state licensing authority does not receive a response from the local licensing authority within the time frame as stated in paragraph (E) or (F), the state licensing authority shall deem that the local licensing authority does not object to the sales room according to paragraph (D).
- H. For additional sales rooms for vinous or spirituous liquor, the applicant must affirm to the state licensing authority that the applicant has complied with local zoning restrictions.
- I. The local licensing authority can request the state licensing authority take action in accordance with section 44-3-601, C.R.S., against a licensee who operates an approved sales room if the local licensing authority:
 - 1. Demonstrates that the licensee has engaged in an unlawful action set forth in section 44-3-901, et seq, C.R.S.,
 - 2. Shows good cause as specified in subsections 44-3-103(19)(a), (19)(b), or (19)(d), C.R.S.
- J. Neither the state or local licensing authority shall impose any additional fees for the processing or review of an application for a sales room
- K. If a licensee that has a salesroom within its main licensed premises changes its location pursuant to

Regulation 47-312, 1 C.C.R. 203-2, the licensee must apply for a new sales room license at its new location in accordance with this Regulation.

- L. Sales rooms that do not sell and serve alcohol for consumption on the licensed premises are exempt from local licensing review in accordance with paragraphs (B), (D), (E), (F), and (G).
- M. A winery or distillery licensed pursuant to section 44-3-402, C.R.S., may operate a sales room on its primary licensed premises, and at one (1) other approved sales room location. If the licensed premises includes two (2) noncontiguous locations, the winery or distillery may operate a sales room on only one of those noncontiguous locations. Any sales room on a noncontiguous location of the licensed premises must be approved in accordance with the process outlined in subsection 44-3-402(2)(c) or subsection 44-3-402(7)(c), C.R.S., respectively.
- N. A limited winery licensed pursuant to section 44-3-403, C.R.S., whose licensed premises includes multiple noncontiguous locations may operate a sales room on its primary licensed premises and on no more than one of the noncontiguous locations.
 - 1. A limited winery may only operate a sales room on one of the noncontiguous locations of the licensed premises if the sales room is approved as one of the licensee's additional sales rooms allowed under **SUB**section 44-3-403(2)(e)(I)(A), C.R.S., in accordance with the process outlined in **SUB**section 44-3-403(2)(e)(II), C.R.S.
 - 2. A limited winery that operates a sales room on its primary licensed premises and one of the noncontiguous locations may only operate additional sales rooms at up to four other approved locations.
- O. A manufacturer of spirituous liquors in its sales room may use common alcohol modifiers (including but not limited to: amaros, liqueurs, and vermouths) to mix with spirituous liquors of its own manufacture to prepare cocktails for consumption on or off the sales room premises for patrons.
 - 1. For purposes of this paragraph (O), a "common alcohol modifier" means an ingredient added to spirituous liquor to enhance the flavor profile, aroma, color, or texture of a cocktail and that contains malt, vinous liquor, or spirituous liquor, including vermouth, amaros, and liqueurs.
 - 2. A manufacturer shall not sell common alcohol modifiers to customers if the modifier has not been combined with a spirituous liquor of its own manufacture.
 - 3. A manufacturer of spirituous liquors may purchase common alcohol modifiers for use under this **sub**paragraph (O) from a wholesaler or off-premises retailer.
 - 4. All required excise taxes must be paid pursuant to **SECTION** 44-3-503, C.R.S.

Regulation 47-436. Retail Establishment Permit, Including but not Limited to Art Galleries.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 2-4-107, 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), 44-3-424, 44-3-501(1)(t), 44-3-502, and 44-3-505, C.R.S. The purpose of this regulation is to address eligibility, requirements, restrictions, and fees for retail establishments, which includes art galleries, that wish to obtain a permit under **SECTION** 44-3-424, C.R.S.

- A. Application
 - 1. Eligible retail establishments may obtain a retail establishment permit by submitting an application and the required fees. The application must include:

- a. The name of the applicant;
- b. The physical address of the applicant where the service will occur;
- c. The state sales tax number of the applicant;
- d. A copy of a deed or lease in the exact name of the applicant reflecting possession of the premises for at least one (1) year after the date of the application;
- e. A diagram of the premises that reflects the area within the premises where alcohol beverages will be stored, served, possessed, and consumed;
- f. Each date and the start and end times that the applicant will provide complimentary beverages to its customers under the permit, if granted;
- g. The license number and license type of any liquor license(s) held by the applicant, if any;
- h. Fees
 - i. The annual state retail establishment permit fee is seventy-two dollars (\$72.00). This fee is allocated by statute as follows:
 - A. Fifty dollars (\$50.00) to the Liquor Enforcement Division and State Licensing Authority Cash Fund;
 - B. Eighteen dollars and seventy cents (\$18.70) to the Old Age Pension Fund, which is eighty-five percent (85%) of the remainder of the fee; and
 - C. Three dollars and thirty cents (\$3.30) to the General Fund.
 - ii. The annual local retail establishment permit fee is twenty-five dollars (\$25.00). This fee is allocated by statute as follows:
 - A. Twenty-one dollars and twenty-five cents (\$21.25) to the Old Age Pension Fund, which is eighty-five percent (85%) of the fee; and
 - B. Three dollars and seventy-five cents (\$3.75) to the local license authority.
 - iii. A local licensing authority may also charge a local application fee, in an amount determined by the local licensing authority to cover actual and necessary expenses, in an amount not to exceed two hundred dollars (\$200.00). The entire local application fee is retained by the local licensing authority.
- i. Notice or approval from the local licensing authority; and
- j. Affirmations that the applicant:
 - i. Qualifies as a retail establishment;
 - ii. Does not have more than TWENTY-FIVE (25) employees;

- iii. Does not have retail sales that exceed five million dollars (\$5,000,000.00) per year;
 - iv. Does not sell firearms, motor vehicles, marijuana, gasoline, or diesel fuel;
 - v. Does not educate students from kindergarten to twelfth (12th) grade;
 - vi. Does not provide child care;
 - vii. Is not a convenience store;
 - viii. Does not sell alcohol beverages by the drink;
 - ix. Will not serve alcohol beverages for more than four (4) hours in any twenty-four (24) hour period, and no more than TWENTY-FOUR (24) days per calendar year;
 - A. All service shall occur during the twenty-four (24) hour period beginning with the first hour of service. However, the four (4) hour service period does not need to be consecutive.
 - x. Will not intentionally allow more than TWO HUNDRED FIFTY (250) people to be on its premises at one time when alcohol beverages are being served;
 - xi. Will not serve or distribute alcohol beverages between 2 a.m. and 7 a.m.
 - xii. Will not allow alcohol beverages to be removed from the retail establishment by a customer.
2. Once an applicant receives a retail establishment permit, it may only change the dates and times that the permittee will provide complimentary beverages to its customers set forth in sub~~PARAGRAPH part~~ (2)(a)(vi) of this regulation by providing fifteen (15) calendar days written notice to the state and local licensing authority, as calculated pursuant to section 2-4-108, C.R.S.

B. Serving

- 1. The age of servers under this regulation is set forth in Regulation 47-913(H).
- 2. Serving sizes
 - a. The serving size of complimentary malt liquor cannot exceed twelve (12) ounces.
 - b. The serving size of a complimentary vinous liquor cannot exceed five (5) ounces. The vinous liquor can be mixed with a non-alcoholic beverage to make a larger serving size.
 - c. The serving size of a complimentary spirituous liquor cannot exceed one and one-half (1.5) ounces. The spirituous liquor can be mixed with a non-alcoholic beverage to make a larger serving size.
 - d. The serving size of a pre-mixed alcohol beverage drink cannot exceed twelve (12) ounces.
 - e. Pre-mixed alcohol beverages or mixed drinks made in public view cannot exceed the

maximum allowed amount of alcohol beverage in each drink, as set forth in this ~~SUBPARAGRAPH subsection~~ (B)(2)(a-c), served to a consumer.

C. Expiration

1. A permit issued under this regulation is valid for one (1) year from the date the permit is issued.

D. Renewal

1. A permittee may renew an application for a retail establishment permit by submitting a renewal application containing all of the information contained in ~~SUBPARAGRAPH subsection~~ (A)(1) of this regulation and payment of a state license fee of ~~SEVENTY-TWO DOLLARS (\$72.00)~~, a local license fee of ~~TWENTY-FIVE DOLLARS (\$25.00)~~, and any application fees as established by the applicable local licensing authority and, paid pursuant to Regulation 47-505.
2. Once an applicant receives a retail establishment permit, it may only change the dates that the permittee will provide complimentary beverages to its customers set forth in ~~SUBPARAGRAPH subpart~~ (A)(1)(vi) of this regulation by providing ~~FIFTEEN (15)~~ calendar days written notice to the state and local licensing authority, as calculated pursuant to section 2-4-108, C.R.S.

E. Denials

1. The state or local licensing authority may deny a retail establishment permit application if the applicant fails to establish that it is able to offer complimentary alcohol beverages without violating section 44-3-424, C.R.S., or creating a public safety risk to the neighborhood of the applicant's retail establishment.
2. Neither the state nor the local licensing authority can deny an applicant based solely on the retail establishment's proximity to any public or private school, or principal campus of a college, university, or seminary.

F. Alcohol

1. Alcohol beverages served under this permit must be purchased from a retail liquor store, liquor licensed drug store, fermented malt beverages and wine retailer, or a fermented malt beverage on/off premises retailer.
2. A retail establishment cannot serve malt beverages past the expiration date.
3. A retail establishment shall not permit customers to remove complimentary alcohol beverages from the premises of the retail establishment.
4. Following each event serving complimentary alcohol beverages, a retail establishment shall promptly destroy any unconsumed patrons serving containers and remove all open and unconsumed alcohol beverages from the sales area of the retail establishment.
5. Any open containers of unconsumed alcohol beverages or sealed containers of alcohol beverages shall be stored in a secure area outside the sales area of the retail establishment for use only at an approved event conducted at a later time or date. A secure area means:
 - a. A designated area, including, but not limited to, a closet, cabinet, or safe;

- b. That is located at the retail establishment and not accessible to customers or any employees of the retail establishment under the age of twenty-one (21); and
- c. Is secured by a locking mechanism at all times while any open containers of unconsumed alcohol beverages are stored for use at a future event.

G. Violations

- 1. An applicant violates this regulation if it:
 - a. Violates any portion of ~~A~~article 3 of ~~T~~itle 44;
 - b. Violates any requirement set forth in this regulation;
 - c. Fails to truthfully provide the information set forth in sub~~PARAGRAPH~~~~part~~ (A)(1) of this regulation on its initial or renewal applications; or
 - d. Charges an entrance fee or cover charge in exchange for offering complimentary alcohol beverages.

H. Penalties

- 1. The state and local licensing authorities may impose appropriate penalties pursuant to section 44-3-601, C.R.S., Regulation 47-602, and Regulation 47-603 for violations of ~~A~~article 3 of ~~T~~itle 44 and this regulation.

Regulation 47-502. Excise Taxes, Surcharges, and Fees Reports.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), and 44-3-503~~(2)~~, C.R.S. The purpose of this regulation is to establish procedures for reporting excise taxes, surcharges, and fees.

A. Manufacturers, wholesalers, and holders of a winery direct shipper's permit.

- 1. Reporting of alcohol beverages received or manufactured.

Each licensed manufacturer or wholesaler whose licensed premises are located within Colorado shall forward to the Department of Revenue on or before the 20th day of the month succeeding the month of receipt or manufacture of such alcohol beverage, a completed report. Wholesalers shall use form DR 0445 which shall include the date of receipt, supplier account number and name, invoice number, and gallons or liters received. A separate form shall be submitted for each commodity. Manufacturers shall use this form only if they are acting in a licensed wholesale capacity, and they shall include the amount of product manufactured. Manufacturers and wholesalers shall maintain upon the licensed premises, and make available for inspection by the state licensing authority or other agents of the department, documents or invoices supporting such reports.

- 2. Reporting and payment of excise taxes, surcharges, and fees - first sold.

Each Colorado licensed wholesaler or manufacturer shall, in addition to filing form DR 0445, also complete and file each month with the Department of Revenue form DR 0442. Form DR 0442 shall be filed on or before the 20th of the month succeeding the month reported. Payment of excise taxes, surcharges, and fees due shall accompany the filing of form DR 0442.

- 3. Reporting and payment of excise taxes, surcharges, and fees - upon manufacture or receipt.

Each Colorado licensed manufacturer or wholesaler electing this method of payment must in addition to the requirement in **SUBPARAGRAPH (A)(2) A-2:** above, contact the Department of Revenue. The department may enter into a “memorandum of understanding” with the licensee stating that the taxes will be reported and paid upon manufacture or receipt of purchased product, rather than when the product was first sold by such licensee.

4. Reporting receipt of alcohol beverages for which excise taxes, surcharges, and fees have previously been paid.

All Colorado licensed wholesalers receiving alcohol beverages, where the excise taxes, surcharges, and fees upon such alcohol beverages have already been reported and paid to the Department of Revenue by a Colorado licensed wholesaler or manufacturer, or where the liability for reporting and payment of such excise taxes, surcharges, and fees has been incurred by a manufacturer or some other licensed wholesaler, shall report receipt of such alcohol beverages on form DR 0445 and shall attach invoices evidencing receipt of such.

5. Reporting and payment of excise taxes, surcharges, and fees – Holders of a winery direct shipper’s permit.

Each out-of-state winery must file with the Department of Revenue a separate return, on Form DR 0448, for each location with a Colorado Winery Direct Shipper’s Permit. Form DR 0448 must be filed on or before the 20th of the month succeeding the month reported. Payment of excise taxes, surcharges, and fees due shall accompany the filing of form DR 0448.

6. Excise taxes, surcharges, and fees - credits, refunds.

- a. A Colorado manufacturer who transmits outside the state and there disposes of any alcohol beverages, upon which no state excise taxes, surcharges, and fees have been previously paid or liability incurred, may claim exemption from the payment of excise taxes thereon by submitting form DR 0443 as well as invoices or bills of lading evidencing such disposal. A Colorado wholesaler who shall transmit outside the state and there dispose of alcohol beverages, upon which excise taxes, surcharges, or fees have been previously paid or liability incurred, may claim credit for such taxes for which such wholesaler may be liable on form DR 0443 and shall attach a signed and itemized delivery receipt, invoice and bill of lading from a common carrier or affidavit showing such transaction.

- b. A Colorado manufacturer or wholesaler possessing alcohol beverages upon which state excise taxes, surcharges, or fees have been previously paid or liability incurred and which alcohol beverages have been rendered unsalable by reason of destruction or damage may claim exemption or credit for such taxes, surcharges, and fees for which such manufacturer or wholesaler may be liable by submitting an application for credit supported by a properly executed affidavit of destruction or damage. Nothing herein shall be construed to authorize claims for credit of taxes, surcharges, and fees paid on any alcohol beverages rendered unsalable by reason of spoilage. **NO REFUND OR CREDIT IS ALLOWED AFTER DECEMBER 31, 2025. THIS SUBPARAGRAPH (A)(6)(b) IS REPEALED EFFECTIVE DECEMBER 31, 2030.**

- c. All claims for exemptions from excise taxes, surcharges, fees or claims for credit, shall be made on forms DR 0442 and DR 0443 on or before the 20th day of the month succeeding the date of **SALE OR EXPORT disposal**. In addition, all ~~affidavits of destruction or damage, or~~ invoices evidencing shipment outside of Colorado shall be submitted with said forms.

- B. Any manufacturer, holder of a winery direct shipper's permit, or wholesaler may, in lieu of forms required in this regulation, forward a computer-generated report in a format approved by the Department of Revenue. Such reports must be submitted within the same time frames as set forth above.

Regulation 47-503. Payment of Excise Taxes - Colorado Licensed Wineries.

Basis and Purpose. The statutory authority for this regulation **INCLUDES, BUT IS NOT LIMITED TO, is located at** subsections 44-3-202(1)(b) and 44-3-503(2), C.R.S. The purpose of this regulation is to establish an excise tax surcharge on certain vinous liquors produced by Colorado licensed wineries and sold, offered for sale, or used in Colorado.

The additional excise tax surcharge at the rate of **FIVE (5.0)** cents per liter for the first nine thousand **(9,000)** liters, **THREE (3.0)** cents per liter for the next thirty-six thousand **(36,000)** liters, and **ONE (1.0)** cent per liter for all additional amounts, is imposed on all vinous liquors except hard cider produced by Colorado licensed wineries and sold, offered for sale, or used in this state. This graduated rate shall be applicable on an annual basis beginning on the first day of July each year.

Regulation 47-504. Payment of Excise Taxes by Non-licensees.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-106(4), 44-3-202(1)(b), and 44-3-503(2), C.R.S. The purpose of this regulation is to establish standards and procedures for excise taxes, surcharges, and fees payment and collection required of certain non-licensees.

- A. Persons twenty-one **(21)** years of age or older, not licensed pursuant to this article, arriving at any airport in this state on an air flight originating in a foreign country who is thereby subject to customs clearance at the airport, may lawfully possess up to the following amounts of an alcohol beverage without liability for the Colorado excise tax thereon:
1. **TWO AND ONE-FOURTH (2.25)** gallons or 288 ounces of malt liquor;
 2. **TWO AND ONE-FOURTH (2.25)** gallons or 288 ounces of hard cider;
 3. **NINE (9)** liters of vinous liquor; and
 4. **SIX (6)** liters of spirituous liquor.
- B. Excise taxes on alcohol beverages in excess of the amounts listed in **section**PARAGRAPH (A) of this regulation shall be paid to the Colorado Department of Revenue in the amounts set forth in section 44-3- 503, C.R.S. Persons in possession of such alcohol beverages at the time of their arrival in Colorado shall be liable for the payment of excise taxes and fees thereon, and such payment shall be made within thirty (30) days of the date such alcohol beverages arrive in Colorado.
- C. Notwithstanding the above, persons receiving vinous liquors in this state pursuant to the provisions of section 44-3-104, C.R.S., are exempt from payment of excise taxes, surcharges, and fees on such vinous liquors.

Regulation 47-505. Methods of payment of fees, fines, or other payments made to the State Licensing Authority.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(B), 44-3-202(2)(a)(I)(C), 44-3-202(2)(a)(I)(D), 44-3-202(2)(a)(I)(R), 44-3-601, 44-4-104, 44-4-105 and 44-5-104, C.R.S. The purpose this regulation is to

establish acceptable methods of payment for fees, fines (including fines in lieu of suspension), and other payments to the state licensing authority under the Liquor Code, the Beer and Wine Code, the Special Event Code, or the Colorado Liquor Rules, other than excise taxes, surcharges, and fees pursuant to section 44-3-503, C.R.S.

- A. This regulation sets forth acceptable methods of payment to the state licensing authority, as applicable, of the following:
 - 1. Any license, permit, application, or other fee required under **SECTIONS** 44-3-501, 44-4-104, 44-4-105, and 44-5-104, C.R.S., and ~~Regulation~~ 47-506;
 - 2. Any fine imposed by the state licensing authority, including any fine in lieu of suspension, under section 44-3-601, **C.R.S.**, and Regulations 47-600 and 47-603.
 - 3. Any voluntary payment of the costs of an investigation pursuant to an assurance of voluntary compliance under Regulation 47-601.
- B. This regulation shall not apply to payment of any excise tax, surcharge, or fee required under section 44-3-503, C.R.S.
- C. The method of payment for any of the fees, fines, or other payments set forth in paragraph (A) of this Regulation shall be in the form of:
 - 1. An online payment using the Division's online payment portal accessible through a link posted on the Division's website;
 - 2. A check, including a certified or cashier's check, or money order, made payable to "DOR Liquor Enforcement Division" and mailed or delivered to the Division's main office location; or
 - 3. Cash, provided that:
 - a. ~~a~~Any cash payment must be hand delivered to an employee of the Division at the Division's main office location during normal business hours.

Regulation 47-601. Written Warnings and Assurances of Voluntary Compliance.

Basis and Purpose. 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)(E), C.R.S. The purpose of this regulation is to establish general processes and procedures necessary for an assurance of voluntary compliance by a licensee for violations of certain laws, ~~or~~ rules, or regulations of the state licensing authority.

- A. Assurance of Voluntary Compliance. The Division Director or local licensing authority may accept an Assurance of Voluntary Compliance regarding any act or practice alleged to violate Articles 3, 4, or 5 of **T**itle 44, C.R.S., or the Colorado Liquor Rules, by a licensee who has engaged in, is engaging in, or is about to engage in such acts or practices.
 - 1. The Assurance of Voluntary Compliance must be in writing and may include a stipulation for the voluntary payment of the costs of the investigation.
 - 2. An Assurance of Voluntary Compliance may not be considered an admission of a violation for any purpose by the state or local licensing authority. However, the Assurance of Voluntary Compliance shall constitute evidence in any subsequent administrative proceeding that licensee entered into an agreement to comply with **A**rticles 3, 4, or 5 of **T**itle 44, C.R.S., and/or the Colorado Liquor Rules.

3. An Assurance of Voluntary Compliance shall not exceed nine (9) months from the date of executed agreement.
 4. The state or local licensing authority may approve or review an Assurance of Voluntary Compliance executed by their respective agencies.
- B. Written Warnings. During an investigation, if the Division identifies a violation(s) of ~~A~~articles 3, 4, or 5 of ~~T~~itle 44, C.R.S., or the Colorado Liquor Rules, the Division may issue a written warning in lieu of recommending immediate administrative action.
1. The written warning shall identify the alleged violation(s).
 2. The written warning shall not constitute an admission of a violation(s) for any purpose of finding of a violation(s) by the state or local licensing authority, and shall not be evidence that the licensee violated ~~A~~articles 3, 4, or 5 of ~~T~~itle 44, C.R.S., or the Colorado Liquor Rules.
 3. A written warning shall constitute evidence in any subsequent administrative proceeding, if relevant, that the licensee was previously warned of the violation(s).
 4. The Division may, in its discretion, initiate a subsequent administrative action and prove the violation(s) that was the subject of the written warning.
- C. Neither a written warning nor an Assurance of Voluntary Compliance constitutes a disciplinary action.

Regulation 47-602. Temporary-Summary Suspension.

Basis and Purpose. The statutory authority for this regulation **INCLUDES, BUT IS NOT LIMITED TO, is** ~~located at~~ subsections 44-3-202(1)(b) and 44-3-202(2)(a)(I)(E), C.R.S. The purpose of this regulation is to authorize the licensing authority with the ability to immediately suspend a license pending hearing, subject to certain standards and process requirements.

- A. Where a licensing authority has reasonable grounds to believe and finds that a licensee has been guilty of a deliberate and willful violation of any applicable law or regulation, or that the public health, safety, or welfare imperatively requires emergency action and incorporates such findings in its order, it may temporarily or summarily suspend the license pending proceedings for suspension or revocation which shall be promptly instituted and determined.
- B. The temporary suspension of a license without notice pending any prosecution, investigation, or public hearing shall be for a period not to exceed fifteen **(15)** days.

Regulation 47-603. Assessment of Penalties.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, **SUBSECTIONS** 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(C), 44-3-202(2)(a)(I)(E), 44-3-202(2)(a)(I)(R), and 44-3-601, C.R.S. The purpose of this regulation is to establish categories of violations, by level of severity, and associated penalty ranges for those violations to be used by the State and local licensing authorities, as well as establishing aggravating and mitigating factors which may be considered in assessing penalties for violations.

- A. When making a determination regarding the type of penalty to impose for a violation of the Colorado Liquor Code and Rules, the State Licensing Authority, or a local licensing authority, shall consider the severity of the violation(s) based on the categories set forth in **PARAGRAPHS** ~~subsections-(B)~~ through **(E)** of this Regulation 47-603, and any aggravating or mitigating factors.
- B. Level One Violations.

1. This category of violations is the least severe and may include, but is not limited to, compliance check failures; licensing infractions that do not directly affect the health, safety, and welfare of the public at large; failure to report changes; product registration and/or labeling violations that do not affect public health, safety, and welfare; mandatory posting violations; trade name violations; minor books and record keeping violations; and minor advertising violations.
2. The range of penalties for this category of violation may include license suspension, license suspension held in abeyance, a fine per individual violation, and/or a fine in lieu of suspension. In lieu of imposing a penalty for this category of violation, a licensing authority may, but is not required to, issue a warning or accept an assurance of voluntary compliance pursuant to ~~R~~regulation 47-601.
3. Any fine assessed for a violation of this category of offenses, including a fine in lieu of suspension, shall not exceed five thousand dollars (\$5,000.00) for a first violation. Fines for second and subsequent violations in this category shall not exceed fifteen thousand dollars (\$15,000.00), per violation.
4. "First violation" as used in this section, means the first occurrence of a violation within a twelve (12) month time period.

C. Level Two Violations.

1. This category of violations may include, but is not limited to, marketing and minor trade practice violations that do not directly affect the health, safety, and welfare of the public at large; sales to minors that are not a part of a compliance check, that are a first violation, and that do not result in substantial bodily injury or death; sales to intoxicated persons that are a first violation and that do not result in substantial bodily injury or death; minor delivery or shipping violations; improper storage of alcohol beverages; sale of non- permitted items; allowing the removal of alcohol beverages from an on-premises licensed premises; allowing an open container on an off-premises licensed premises; minor sanitation control violations; minor conduct of establishment violations; allowing minor gambling activities on the licensed premises; minor refilling violations; minor improper source violations; operating with an expired license; minor tasting violations; and sale to non-members for a club license.
2. The range of penalties for this category of violation may include license suspension, license suspension held in abeyance, license revocation, a fine per individual violation, and/or a fine in lieu of suspension. In lieu of imposing a penalty for this category of violation, a licensing authority may, but is not required to, issue a warning or accept an assurance of voluntary compliance pursuant to ~~R~~regulation 47-601.
3. Any fine assessed for a violation of this category of offenses, including a fine in lieu of suspension, shall not exceed twenty-five thousand dollars (\$25,000.00), per violation.

D. Level Three Violations.

1. This category of violations may include, but is not limited to, substantial delivery or shipping violations; food requirement violations; substantial refilling violations; substantial improper source violations; exercising the privilege of a license other than that which the licensee holds, or permitting another to exercise the rights of a license they hold; allowing substantial gambling activities on the licensed premises; substantial tasting violations; unlawful financial interests; substantial sanitation control violations; employee age violations; and hours of operation violations.
2. The range of penalties for this category of violation may include license suspension, license

suspension held in abeyance, license revocation, a fine per individual violation, and/or a fine in lieu of suspension. In lieu of imposing a penalty for this category of violation, a licensing authority may, but is not required to, accept an assurance of voluntary compliance pursuant to ~~R~~regulation 47-601.

3. Any fine assessed for a violation of this category of offenses, including a fine in lieu of suspension, shall not exceed seventy-five thousand dollars (\$75,000.00), per violation.

E. Level Four Violations.

1. This category of violations is the most severe and includes violations that may directly affect the health, safety, and welfare of the public at large, ~~INCLUDING, BUT NOT LIMITED TO,~~ sales to minors that are not a part of compliance check and that are a second or subsequent violation or that result in substantial bodily injury or death; sales to intoxicated persons that are a second or subsequent violation or that result in substantial bodily injury or death; substantial trade practice violations; substantial conduct of establishment violations; and permitting the consumption of marijuana or marijuana products on the licensed premises.
2. The range of penalties for this category of violation may include license suspension, license suspension held in abeyance, license revocation, a fine per individual violation, and/or a fine in lieu of suspension.
3. Any fine assessed for a violation of this category of offenses, including a fine in lieu of suspension, shall not exceed one-hundred thousand dollars (\$100,000.00), per violation.

F. Calculation of Fines.

1. Except as provided under ~~SUB~~section 44-3-601(8), C.R.S., any fine assessed for a single violation may be no less than five hundred dollars (\$500.00) and no more than one- hundred thousand dollars (\$100,000.00), per violation.
2. Except as provided under ~~SUB~~section 44-3-601(8), C.R.S., any fine assessed, including a fine in lieu of suspension, shall be based on the level of violation established in ~~PARAGRAPHS subsections~~ (B) through (E) of this Regulation 47-603, and:
 - a. The fine shall be the equivalent of twenty percent (20%) of the licensee's estimated gross revenues from sales of alcohol beverages for the following time frames, per violation:
 - i. For a Level One violation, seven (7) days;
 - ii. For a Level Two violation, fourteen (14) days;
 - iii. For a Level Three violation, at least twenty-one (21) days; and
 - iv. For a Level Four violation, at least twenty-eight (28) days.
 - b. Notwithstanding, ~~SUBPARAGRAPH subsection~~ (F)(2)(a) of this Regulation 47-603, when assessing a fine in lieu of suspension, a licensing authority may, but is not required to, exclude from the calculation any days of suspension held in abeyance. The licensing authority has the discretion to determine the number of days held in abeyance, if any, based on the relevant time frames established in ~~SUBPARAGRAPH subsection~~ (F)(2)(a).
 - c. Any fine assessed for a single violation shall be subject to the minimum and

maximum fines set forth in ~~SUBPARAGRAPH subsection~~(F)(1) and shall not exceed the maximum fine established in rule for that category of violation.

3. The time frames detailed above and used for the fine calculation shall be within the same or similar month in which the violation occurred.
4. For the purpose of calculating fines, sales records must be maintained and made available to State and/or local licensing authorities upon request for the time periods set forth in Regulation 47-700. Failure to provide such records within seven (7) days of a request from the State and/or local licensing authority shall result in the presumption that the maximum fine for the offense category the violation falls under applies.
5. Notwithstanding the calculation of fines in ~~SUBPARAGRAPH subsection~~ (F)(2) of this Regulation 47-603, any fine assessed for a single violation, including a fine in lieu of suspension, shall be subject to the maximum fine amounts established for the relevant category of violation in ~~PARAGRAPHS subsection~~(B) through (E) of this Regulation

G. Aggravating and Mitigating Factors.

1. State and local licensing authorities may take aggravating and mitigating factors into consideration when considering the imposition of a penalty. These aggravating and mitigating factors may result in the movement of a violation into a lower or higher category on a case-by-case basis. These factors may include, but are not limited to:

a. Mitigating Factors

- i. The licensee and/or its employees maintain responsible vendor training certification;
- ii. The licensee has a substantial history of compliance with liquor laws and rules;
- iii. The violation is a first violation, as defined in ~~SUBPARAGRAPH subsection~~ (B)(4) of this Regulation;
- iv. The violation was self-reported;
- v. The extent to which the licensee took prompt and effective self-initiated action to correct the violation and to prevent future violations of the same type from occurring;
- vi. The violation did not demonstrably result in harm, only the potential for harm;
- vii. The violation was negligent, not willful;
- viii. The violation is not part of a pattern or practice of violations;
- ix. The implicated licensee did not encourage others to participate in the same or similar violations;
- x. The violation did not result in serious bodily injury or death;
- xi. The owner or management personnel was not involved in the violation, and/or did not direct their employees to violate the law;

- xii. The licensee did not substantially benefit, monetarily or otherwise, from committing the violation.

b. Aggravating Factors:

- i. The licensee and/or its employees do not maintain responsible vendor certification when certification is required by statute or regulation;
- ii. The licensee has a substantial history of non-compliance with liquor laws and rules;
- iii. The violation is a second, or subsequent offense;
- iv. The violation was discovered, and later substantiated through investigation, as a result of a complaint, or multiple complaints;
- v. The violation demonstrably resulted in harm, not just the potential for harm;
- vi. The violation was willful, not negligent;
- vii. The violation is part of a pattern or practice of violations;
- viii. The implicated licensee encouraged others to participate in the same, or similar violations;
- ix. The violation resulted in serious bodily injury or death;
- x. The owner or management personnel engaged in the violation and/or directed an employee to violate the law;
- xi. The licensee substantially benefited, monetarily or otherwise, from committing the violation.

H. This penalty schedule is a framework providing guidance as to the categories of violations, available penalties, and mitigating and aggravating factors that may be considered. The circumstances surrounding any penalty imposed will be determined on a case-by-case basis. Licensing authorities retain discretion in assessing penalties within the bounds of the law.

I. Nothing in this Regulation 47-603 shall prohibit or prevent a licensing authority from temporarily or summarily suspending a license, regardless of the level of violation set forth in this regulation, if the licensing authority makes the findings required by Regulation 47-602.

Regulation 47-605. Responsible Alcohol Beverage Vendor

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

To be considered a responsible alcohol beverage vendor at any licensed premises, or to serve beverage alcohol at tastings held in retail liquor stores, fermented malt beverage and wine retailers, or liquor licensed drugstores, the following standards must be complied with:-

A. Initial Certification Training Program Standards

- 1. To be designated as a responsible alcohol beverage vendor, all employees of a licensee

selling/serving alcohol beverages, and any owner or manager who directly supervises such employees, must attend a training program approved by the Division.

2. Once a licensee is designated a responsible alcohol beverage vendor, all new employees involved in the sale, handling and service of alcoholic beverages must complete the training described in this regulation within **NINETY (90)** days of date of hire.
3. The program must include at least two (2) hours of instruction time.
4. The program must provide written documentation of attendance and successful passage of a test on the knowledge of the required curriculum for each attendee.
 - a. Attendees that can speak and write English must successfully pass a written test with a score of **SEVENTY PERCENT (70%)** or better.
 - b. Attendees that cannot speak or write English may be offered a verbal test, provided the same questions are given as are on the written test and the results of the verbal test are documented with a passing score of **SEVENTY PERCENT (70%)** or better.
5. Program providers may, at their discretion, conduct class surveys or discussions to help determine a program's effectiveness. This time shall not be counted as part of the program's instruction time.
6. Program providers may, at their discretion, omit curriculum not applicable to the licensee being trained so long as the provider provides the Division with written notice of the reason for omission in advance.

B. Initial certification training class core curriculum

1. Discussion concerning alcohol's effects on the human body
 - a. Alcohol's physical effects
 - b. Visible signs of intoxication
 - c. Recognizing the signs
 - d. Poly-substance interactions, including but not limited to, interaction with marijuana, prescriptions and over-the-counter medication, and other substances.
2. Liquor Liability
 - a. Civil liability
 - b. Criminal liability
 - c. Administrative liability (License Sanctions)
 - d. Liability for licensee and/or managers for the actions of employees
3. Sales to visibly **i**ntoxicated persons
 - a. Colorado law provisions
 - b. Recognition and prevention, including identifying signs of visible alcohol and drug

- impairment.
- c. Intervention techniques
- d. Related laws or issues
 - i. DUI/DWAI
 - ii. Reg. 47-900
- 4. Sales to minors
 - a. Colorado law provisions
 - b. Sale and service
 - c. Permitting consumption
- 5. Acceptable forms of identification (Reg. 47-912)
 - a. How to check identification - protocol
 - b. Spotting false identification
 - c. Mistakes made in verification
- 6. Other key state laws and rules affecting owners, managers, sellers, and servers
 - a. Age requirements for servers and sellers
 - b. Provisions for confiscating fraudulent identifications
 - c. Removal of liquor from on-premises licensed establishment
 - d. Patrons prohibited from bringing liquor onto licensed premises
 - e. Permitted hours of sale and service
 - f. Conduct of establishment
 - g. Nudity and prohibited entertainment
 - h. Permitting inspections by state and local licensing and enforcement authorities
 - i. Reporting changes in ownership and management
 - j. Licensee responsible for activities occurring within licensed premises
 - k. Tastings in retail liquor stores, liquor licensed drugstores, and fermented malt beverage and wine retailers
 - l. Prohibited purchases
 - m. On-premises and off-premises delivery and takeout rules

- n. Commonly arising issues with delivery and takeout sales
- C. Information for Owners and Managers
 - 1. Local Licensing and Enforcement
 - a. Encourage to become familiar with local law provisions
 - b. Encourage to develop a relationship with local agencies
 - 2. State Licensing and Enforcement
 - a. Contact Information for the Division
 - b. Become familiar with state laws and regulations
 - c. Encourage to develop a relationship with area investigator
 - 3. Recommendations for Licensees
 - a. Establish policies and procedures-
 - b. Establish a record keeping system to document activities and events
 - c. Contact local authority on incident reporting expectations
- D. Training programs based on type of licensed establishment and portability of training
 - 1. Training program curriculum may be tailored by Division-certified training program providers to on-premises only licensed establishments, to off-premises only licensed establishments, or to both on-premises and off-premises combined. Except as noted below, all approved training programs shall include the curriculum contained in paragraphs (B) and (C) of this regulation.
 - 2. Combined training programs must include all of the curriculum contained in paragraphs (B) and (C) of this regulation. Persons certified in a combined training program may use the certification in both on- and off-premises licensed establishments.
 - 3. On-premises only training programs may exclude from their curriculum subparagraph (B)(6)(k) of this regulation relating to tastings at retail liquor stores, liquor licensed drugstores, and fermented malt beverage and wine retailers. Persons certified in an on-premises only training program may use their certification only in an on-premises licensed establishment.
 - 4. Off-premises only training programs may exclude from their curriculum subparagraphs (B)(6)(c), (d), (f), and (g) OF THIS REGULATION relating to activities at on-premises businesses. Persons certified in an off-premises only training program may use their certification only in an off-premises licensed establishment.
 - 5. Responsible alcohol beverage vendor trainers may request approval from the Division in writing to omit curriculum that is not detailed in SUBparagraphs (D)(3) and/or (D)(4) OF THIS REGULATION, and is not applicable to the licensee being trained. Once approved by the Division, the responsible alcohol beverage vendor trainer can provide the modified training to other licensees where the reason for omission is the same.
- E. Recertification requirements for responsible alcohol beverage vendor certified sellers/servers

1. Recertification must occur every two (2) years, inclusive of a grace period of thirty (30) days for the licensee to retain the responsible alcohol beverage vendor designation.
2. Recertification shall be accomplished in any of the following manners:
 - a. Documented successful passage of a written or verbal test with a score of **SEVENTY PERCENT (70%)** or better administered by a Division-approved program trainer in person, including virtually through a live program, which demonstrates knowledge of new and existing alcohol beverage laws
 - i. Completion of a course is not required before the test is administered
 - ii. Failure to pass the first administration of the test shall require attendance at either a recertification course or an initial certification training program
 - b. Documented attendance and completion of a recertification course
 - c. Documented attendance and completion of an initial certification training program
3. Recertification course
 - a. The curriculum must cover any and all changes in the law or regulations that affect the curriculum contained in the initial certification program
 - b. The course must provide a refresher on the following topics:
 - i. Sales to intoxicated persons
 - ii. Sales to minors
 - iii. Legal sales hours
 - iv. Civil and criminal liabilities for law violations
 - c. No minimum instruction time or testing requirements shall apply
 - d. **Records Retention:** The certified seller – server training program providers for the Responsible Alcohol Beverage Vendor Program must keep proof of attendance and records of successful completion of the training for a minimum of three (3) years and make the records available to the Division upon request.

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

1. To seek Division approval as a responsible alcohol beverage vendor trainer, an individual or business entity must submit the following information:
 - a. A Responsible Vendor Trainer Application; and
 - b. A copy of the responsible alcohol beverage vendor training course curriculum, to include any written or electronic materials to be shown to attendees, and an outline of the planned presentation.
2. Within thirty (30) days of providing the first training, the trainer shall provide a video or audio recording of the training material or lecture.

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

G. Denials, Revocations, and Suspensions of Training Providers

1. The Division may deny, revoke, or suspend a training provider's approval if the Division finds any of the following:
 - a. The approved training provider does not comply with the minimum standards found in this regulation;
 - b. The approved training provider is teaching from a responsible alcohol beverage vendor training program that is materially different than the version submitted to the Division for approval; or
 - c. A training provider made misstatements, omissions, misrepresentations, or untruths in connection with seeking certification or renewal of certification.

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

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to **SUB**sections 44-3-202(1)(b), 44-3-202(1)-(c), 44-3-202(1)-(d), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(E), 44-3-202(2)(a)(I)(R), 44-3-601, 44-3-901, 24-4-104, 24-4-105, and 24-5-101, C.R.S. The purpose of this regulation is to establish what entity conducts the administrative hearings for the state licensing authority, the procedures governing administrative hearings, and other general hearings issues

A. Initiation of Disciplinary Actions.

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

B. License Denials.

1. If the state licensing authority denies an application, the state licensing authority shall inform the applicant in writing of the reasons for the denial in a notice of denial, mailed to the denied applicant at the last-known address, as shown by the records of the Division, and to the local licensing authority if a local license has been granted. A notice of denial shall be deemed to have been received three (3) days after the date of mailing, if sent by mail.
2. If the denial of the application is based on a criminal conviction, the state licensing authority shall consider the factors set forth in section 24-5-101, C.R.S., and shall provide the written notice required in subsections 24-5-101(7) and (8), C.R.S.

3. A denied applicant that has been served with a notice of denial may request a hearing within the time set forth in the notice of denial by making a written request for a hearing to the Division. The request must be submitted by United States mail, by hand delivery, or by email TO ~~at~~ dor_led@state.co.us. The request must be sent to the mailing address of the Division's headquarters, as listed on the Division's website. Include "Attn: Hearing Request" in the mailing address. The written request for a hearing must be received by the Division within the time stated in the notice of denial. An untimely request for hearing will not be considered.
4. A denied applicant that timely requests a hearing following issuance of a notice of denial shall be served with a Notice of Grounds for Denial and shall be entitled to a hearing regarding the matters addressed therein.

C. General Procedures – Administrative Hearings.

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

D. When a Responsive Pleading is Required.

1. A respondent shall file a written answer with the hearings division and the Division within **THIRTY (30)** days after the date of mailing of any order to show cause. The written answer shall comply with the requirements of Rule 8 of the Colorado Rules of Civil Procedure. If a respondent fails to file a required answer, the Hearing Officer, upon motion, may enter a default against that person pursuant to **SUB**section 24-4-105(2)(b), C.R.S. For good cause, as described in this Regulation, shown, the hearing officer may set aside the entry of default within ten **(10)** days after the date of such entry.
2. A denied applicant shall file a written answer with the Hearings Division and the Division within **THIRTY (30)** days after the date of mailing of any Notice of Grounds for Denial. The written answer shall comply with the requirements of Rule 8 of the Colorado Rules of Civil Procedure. If a denied applicant fails to file a required answer, the hearing officer, upon motion, may enter a default against that person pursuant to **SUB**section 24-4-105(2)(b), C.R.S. For good cause shown, as described in this Regulation, the hearing officer may set aside the entry of default within ten **(10)** days after the date of such entry.

E. Hearing Notices.

1. Notice to Set. The Division shall send a notice to set a hearing to the denied applicant or ~~r~~Respondent in writing by electronic mail or, if an electronic mail address is unknown, by first-class mail to the last mailing address of record.

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

F. Prehearing Matters Generally.

1. Prehearing Conferences Once a Hearing is Set. Prehearing conferences may be held at the discretion of the hearing officer upon request of any party, or upon the hearing officer's own motion. If a prehearing conference is held and a prehearing order is issued by the hearing officer, the prehearing order will control the course of the proceedings. Such prehearing conferences will be held virtually or by telephone, unless otherwise ordered by the hearing officer.
2. Depositions. Depositions are generally not allowed; however, a hearing officer has discretion to allow a deposition if a party files a written motion and can show why such deposition is necessary to prove its case. When a hearing officer grants a motion for a deposition, Colorado Rules of Civil Procedure 30 controls. Hearings will not be continued because a deposition is allowed unless (a) both parties stipulate to a continuance and the hearing officer grants the continuance, or (b) the hearing officer grants a continuance over the objection of any party in accordance with SUBparagraphs (E)(2)(b) and (c) of this Regulation.
3. Prehearing Statements Once a Hearing is Set. Prehearing Statements are required and, unless otherwise ordered by the hearing officer, each party shall file with the hearing officer and serve on each party a prehearing statement no later than seven (7) calendar days prior to the hearing. Parties shall also exchange exhibits at that time. Parties shall not file exhibits with the hearing officer. Parties shall exchange exhibits by the date on which prehearing statements are to be filed. Prehearing statements shall include the following information:
 - a. Witnesses. The name, mailing address, and telephone number of any witness whom

the party may call at hearing, together with a detailed statement of the expected testimony.

- b. Experts. The name, mailing address, and brief summary of the qualifications of any expert witness a party may call at hearing, together with a statement that details the opinions to which each expert is expected to testify. These requirements may be satisfied by the incorporation of an expert's resume or report containing the required information.
 - c. Exhibits. A description of any physical or documentary evidence to be offered into evidence at the hearing. Exhibits should be identified as follows: Division using numbers and denied applicant or respondent using letters.
 - d. Stipulations. A list of all stipulations of fact or law reached.
- 4. Prehearing Statements Binding. The information provided in a party's prehearing statement shall be binding on that party throughout the course of the hearing unless modified to prevent manifest injustice. New witnesses or exhibits may be added only if: (1) the need to do so was not reasonably foreseeable at the time of filing of the prehearing statement; (2) it would not prejudice other parties; and (3) it would not necessitate a delay of the hearing.
 - 5. Consequence of Not Filing a Prehearing Statement Once a Hearing is Set. If a party does not timely file a prehearing statement, the hearing officer may impose appropriate sanctions including, but not limited to, striking proposed witnesses and exhibits.

G. Conduct of Hearings.

- 1. The hearing officer shall cause all hearings to be electronically recorded.
- 2. The hearing officer may allow a hearing, or any portion of the hearing, to be conducted in real time by telephone or other electronic means. If a party is appearing by telephone, the party must provide actual copies of the exhibits to be offered into evidence at the hearing to the hearing officer when the prehearing statement is filed. Electronic filings will be accepted at: dor_regulatoryhearings@state.co.us.
- 3. The hearing officer shall administer oaths to all witnesses at hearing. The hearing officer may question any witness.
- 4. The hearing, including testimony and exhibits, shall be open to the public unless otherwise ordered by the hearing officer in accordance with a specific provision of law.
 - a. Reports and other information that would otherwise be confidential pursuant to subsection 44-3-202(1)(d), C.R.S., may be introduced as exhibits at hearing.
 - b. Any party may move the hearing officer to seal an exhibit or order other appropriate relief if necessary to safeguard the confidentiality of evidence.
- 5. Court Rules.
 - a. To the extent practicable, the Colorado Rules of Evidence apply. Unless the context requires otherwise, whenever the word "court," "judge," or "jury" appears in the Colorado Rules of Evidence, such word shall be construed to mean a hearing officer. A hearing officer has discretion to consider evidence not admissible under such rules, including but not limited to hearsay evidence, pursuant to **SUB**section 24-4-105(7), C.R.S.

- b. To the extent practicable, the Colorado Rules of Civil Procedure apply. However, Colorado Rules of Civil Procedure 16 and 26-~~THROUGH~~ 37 do not apply, although parties are encouraged to voluntarily work together to resolve the case, simplify issues, and exchange information relevant to the case prior to a hearing. Unless the context otherwise requires, whenever the word "court" appears in a rule of civil procedure, that word shall be construed to mean a hearing officer.
 6. Exhibits.
 - a. All documentary exhibits must be paginated by the party offering the exhibit into evidence.
 - b. The Division shall use numbers to mark its exhibits.
 - c. The denied applicant or respondent shall use letters to mark its exhibits.
 7. The hearing officer may proceed with the hearing or enter a default judgment if any party fails to appear at hearing after proper notice.
- H. Post Hearing. After considering all the evidence, the hearing officer shall determine whether the proponent of the order has proven its case by a preponderance of the evidence, and shall make written findings of evidentiary fact, ultimate conclusions of fact, conclusions of law, and a recommendation. These written findings shall constitute an initial decision subject to review by the state licensing authority pursuant to the Colorado Administrative Procedure Act and this paragraph (H).
1. Exception(s) Process. Any party may appeal an initial decision to the State licensing authority pursuant to the Colorado Administrative Procedure Act by filing written exception(s) within ~~THIRTY~~ (30) days after the date of mailing of the initial decision to the denied applicant or respondent and the Division. The written exception(s) shall include a statement giving the basis and grounds for the exception(s). Any party who fails to properly file written exception(s) within the time provided in these regulations shall be deemed to have waived the right to an appeal. A copy of the exception(s) shall be served on all parties. The address of the state licensing authority is: state licensing authority, 1707 Cole Boulevard, Suite 350, Lakewood, CO 80401.
 2. Designation of Record. Any party that seeks to reverse or modify the ~~initial~~ ~~Ed~~ decision of the hearing officer shall file with the state licensing authority, within ~~TWENTY~~ (20) days from the mailing of the ~~initial~~ ~~Ed~~ decision, a designation of the relevant parts of the record and of the parts of the hearing transcript which shall be prepared, and advance the costs therefore. A copy of this designation shall be served on all parties. Within ten (10) days thereafter, any other party may also file a designation of additional parts of the transcript of the proceedings which is to be included and advance the cost therefore. No transcript is required if the review is limited to a pure question of law. A copy of this designation of record shall be served on all parties.
 3. Deadline Modifications. The state licensing authority may modify deadlines and procedures related to the filing of exceptions to the initial decision upon motion by either party for good cause shown.
 4. No Oral Argument Allowed. Requests for oral argument will not be considered.
- I. No Ex Parte Communication. Ex parte communication shall not be allowed at any point following the formal initiation of the hearing process. A party or counsel for a party shall not initiate any

communication with a hearing officer or the state licensing authority, or with conflicts counsel representing the hearing officer or state licensing authority, pertaining to any pending matter unless all other parties participate in the communication or unless prior consent of all other parties (and any pro se parties) has been obtained. Parties shall provide all other parties with copies of any pleading or other paper submitted to the hearing officer or the state licensing authority in connection with a hearing or with the exceptions process.

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

Regulation 47-607.- Administrative Subpoenas

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, **SUB**sections 44-3-202(1)(b), 44-3-202(1)(c), 44-3-202(1)(d), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(E), 44-3-202(2)(a)(I)(R), 44-3-601, and 24-4-105, C.R.S. The purpose of this regulation is to establish how all parties, including pro se parties, can obtain subpoenas during the administrative hearing process.

- A. Informal Exchange of Documents Encouraged. Parties are encouraged to exchange documents relevant to the notice of denial or order to show cause prior to requesting subpoenas. In addition, to the extent practicable, parties are encouraged to secure the voluntary presence of witnesses necessary for the hearing prior to requesting subpoenas.
- B. Hearing Officer May Issue Subpoenas.
1. A party or its counsel may request the hearing officer to issue subpoenas to secure the presence of witnesses or documents necessary for the hearing or a deposition, if one is allowed.
 2. Requests for subpoenas to be issued by the hearing officer must be emailed to the Hearings Division of the Department of Revenue at dor_regulatoryhearings@state.co.us. Subpoena requests must include the return mailing address; and phone and facsimile numbers of the requesting party or its attorney.
 3. Requests for subpoenas to be issued by the hearing officer must be made on a "Request for Subpoena" form authorized and provided by the Hearings Division. A hearing officer shall not issue a subpoena unless the request contains the following information:
 - Aa. Name of denied applicant or respondent;
 - Bb. License or application number;
 - Cc. Case number;
 - Dd. Date of hearing;
 - Ee. Location of hearing, including information necessary to access virtual proceedings; or telephone number for telephone check-in;
 - Ff. Time of hearing;
 - Gg. Name of witness to be subpoenaed; and
 - Hh. Mailing address of witness (home or business).
 4. A request for a subpoena *duces tecum* must identify each document or category of

documents to be produced.

5. Requests for subpoenas shall be signed by the requesting party or its counsel.
6. The hearing officer shall issue subpoenas without discrimination, as set forth in **SUB**section 24-4-105(5), C.R.S. If the reviewing hearing officer denies the issuance of a subpoena, or alters a subpoena in any material way, specific findings and reasons for such denial or alteration must be made on the record, or by written order incorporated into the record.

C. Service of Subpoenas.

1. Service of any subpoena is the duty of the party requesting the subpoena.
2. All subpoenas must be served at least two **(2)** business days prior to the hearing.

D. Subpoena Enforcement.

1. Any subpoenaed witness, entity, or custodian of documents may move to quash the subpoena with the hearing officer.
2. A hearing officer may quash a subpoena if he or she finds on the record that compliance would be unduly burdensome or impracticable, unreasonably expensive, or is unnecessary.

Regulation 47-700. Inspection of the Licensed Premises.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-102, 44-3-201, 44-3-202(1)(b), 44-3-202(2)(a)(I)(C), 44-3-202(2)(a)(I)(E), 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 that the administration of **A**rticles 3, 4, or 5 of **T**itle 44 permits inspections of licensed premises and the seizure of any and all alcohol beverages or other items that are in violation of, or are evidence of a violation of, **A**rticles 3, 4, or 5 of **T**itle 44 and any regulations promulgated thereunder. This regulation also provides clarity to licensees and their agents, servants, and employees, regarding the time, place, scope, and items subject to inspection. This regulation also serves the purpose of identifying the books and records required to be maintained by the licensee and the period of time such records must be maintained and provided upon request.

- A. The licensed premises, including any places of storage where alcohol beverages are stored or dispensed, shall be subject to inspections by the State or Local Licensing Authorities and their duly authorized representatives (which include investigators or peace officers) during all business hours and all other times of apparent activity, for the purpose of determining compliance with the provisions of **A**rticles 3, 4, or 5 of **T**itle 44, C.R.S., and regulations promulgated thereunder. For examination of books and records required to be kept by licensees, access shall only be required during business hours. Where any part of the licensed premises consists of a locked area (for example, closets, filing cabinets, desks, safes), upon demand to the licensee, such area shall be made available for inspection without unreasonable delay; and upon request by authorized representatives of the licensing authority or peace officers, such licensee shall open said area for inspection.
1. The State and Local Licensing Authorities and their duly authorized representatives shall have the authority to inventory any or all alcohol beverages and items related to the manufacture, distribution, or sale of alcohol beverages on the licensed premises or any place where alcohol beverages are stored or dispensed.
 2. In connection with any such inspections, the State and Local Licensing Authorities and their duly authorized representatives may examine, secure, or seize alcohol beverages or other items found so long as there is a reasonable belief that such alcohol beverages or other items are in violation of, or may be used as evidence of a violation of, **A**rticles 3, 4, or 5 of **T**itle

44, or any regulations promulgated thereunder. By way of illustration, such other items may include, but are not limited to, inventory, surveillance media, books and records required to be kept by the licensee, and other records maintained by the licensee.

3. The State and Local Licensing Authorities and their duly authorized representatives shall promptly provide the licensee with written notice describing any and all items secured or seized and the reasons for securing or seizing such items.
- B. Each licensee shall retain all books and records necessary to show fully the business transactions of such licensee for a period of the current tax year and the three (3) prior tax years. "Books" and "records" include documents or information in printed or paper form as well as documents or information maintained in a readable electronic or digital format. Licensees shall provide copies of books and records requested by the State and Local Licensing Authorities and their duly authorized representatives without unreasonable delay.

Regulation 47-900. Conduct of Establishment.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(L), 44-3-202(2)(a)(I)(M), 44-3-202(2)(a)(I)(P), 44-3-202(2)(a)(I)(R), and 44-3-901(6)(q), C.R.S. In accordance with the legislative declaration of section 44-3-102, C.R.S., the 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 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, their employee or agent knowingly permit any activity or acts of disorderly conduct as defined by and provided for in SECTION 18-9-106, 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 pubic 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 SUBparagraph number (B)(1) above.
3. Any person on the licensed premises touching, caressing, or fondling the breasts, buttocks,

anus, or genitals of any other person.

4. 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.
3. 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 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.

G. Controlled substances

1. It is unlawful for a licensee to knowingly permit the illegal sale or the illegal negotiations for the sale of a controlled substance, as defined in **SUB**section 18-18-102(5), C.R.S., on a liquor licensed premises, except that this rule does not prohibit a pharmacy licensed by the state board of pharmacy to sell lawfully prescribed controlled substances at a liquor- licensed drugstore.

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

Basis and Purpose. 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 ~~tdor_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 47-906. Container Size

Basis and Purpose. The statutory authority for this regulation **INCLUDES, BUT IS NOT LIMITED TO, ~~is located at~~** subsections 44-3-202(1)(b) and 44-3-202(2)(a)(I)(A), C.R.S. The purpose of this regulation is to 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 **(14%)** alcohol by volume in any container of less than 375 milliliters, or vinous liquors of over fourteen ~~(14)~~ percent **(14%)** alcohol 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 **PARAGRAPH 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 **PARAGRAPH (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 **PARAGRAPH (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 47-912. Identification.

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(a)(I)(R), 44-3-410(2)(a)(IV), 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. Except as otherwise provided in **SUB**section 44-3-901(11), C.R.S., licensees may refuse to sell alcohol beverages to any person if unable to verify the person is at least twenty-one (21) years of age. Verification of age can be done by either:
1. Producing adequate identification of age, including any verified digital identification, that is valid and unexpired. Identification of age is adequate if it contains a picture and date of birth and is one of the following:
 - a. 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;
 - b. 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;
 - c. A passport, or passport identification card;
 - d. A valid consular identification card from any foreign country; or
 2. Using a biometric identity verification device. For purpose of this regulation, "biometric identity verification device" means a device that instantly verifies the identity and age of a person by an electronic scan of a biometric characteristic of the person, such as a fingerprint, iris, face, or other biometric characteristic, or any combination of these characteristics; references the person's identity and age against any record of identification described in **SUB**paragraph (A)(1) of this regulation; and contemporaneously provides the licensee with identity and age verification for the person utilizing the device. Prior to using a biometric identity verification device to verify the identity and age of a person for purposes of this **SUB**paragraph (A)(2), the licensee shall ensure the device provider has systems in place to:
 - a. Verify the authenticity of any identification records by an electronic authentication process;
 - b. Verify the identity of, and relevant identifying information about, the person through a secondary, electronic authentication process, or set of processes utilizing commercially available data, such as a public records query or a knowledge-based authentication quiz; and
 - c. Securely link the authenticated record to biometric characteristics contemporaneously collected from the person and store the authenticated record in a centralized, highly secured, encrypted biometric database.
- B. It shall be an affirmative defense to any administrative action brought against a licensee for alleged sale to a minor if the licensee meets its burden of proof to establish, by a preponderance of the evidence, that:
1. The minor presented fraudulent identification of the type established in **SUB**paragraph (A)(1) of this regulation, and the licensee possessed an identification book issued within the past two (2) years, which contained a sample of the specific kind of identification presented for compliance purposes, or;
 2. The licensee used and relied upon a biometric identity verification device that indicated the

minor was twenty-one (21) years of age or older, in accordance with SUBparagraph (A)(2) of this regulation;

3. A licensee asserting the affirmative defense, as described in SUBPparagraph (B)(2) of this regulation, shall be responsible for obtaining, and providing to the Division, all records necessary to establish that a biometric identity verification device was used as age verification for the transaction in question.
- C. If a liquor-licensed drugstore or fermented malt beverage and wine retailer elects to use a biometric identity verification device at a self checkout machine or other mechanism described in SUBsection 44-3-410(2)(a)(III) or 44-4-107(4)(b), C.R.S., respectively, it shall not allow a consumer to complete the alcohol beverage purchase without assistance from and completion of the entire transaction by an employee of the liquor-licensed drugstore or fermented malt beverage and wine retailer.

Regulation 47-913. Age of Employees.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), 44-3-424(1)(b)(X) and (XI), 44-3-901(6)(p), and 44-4-106(1), C.R.S. The purpose of this regulation is to define permitted and prohibited roles for a liquor licensee's employees based upon the employee's age.

- A. Nothing within this regulation shall authorize a licensee to permit a person under the age of eighteen (18) to sell, dispense, serve, or participate in the sale, dispensing, or service of alcohol beverages.
- B. Except as otherwise provided by this regulation, a licensee shall not permit a person who is at least eighteen (18) years of age but less than twenty-one (21) years of age to sell, dispense, or serve alcohol beverages unless the employee is supervised by another person who is on the licensed premises and is at least twenty-one (21) years of age.
- C. Tavern, lodging facility, and entertainment facility licensees that do not regularly serve meals.
 1. Employees or agents of the licensee must be at least twenty-one (21) years of age to handle and otherwise act with respect to malt, vinous, and spirituous liquors in the same manner as that person does with other items sold at retail and to sell such alcohol beverages or check identification of the customers of the retail outlet.
- D. Retail liquor store and liquor-licensed drugstore licensees.
 1. Retail liquor store and liquor-licensed drugstore licensees may permit a person who is at least eighteen (18) years of age to sell, serve, or participate in the sale or service of malt, vinous, and spirituous liquor without the need for supervision contained in PARAGRAPHsubsection (B) of this Regulation.
 2. Retail liquor store and liquor-licensed drugstore licensees shall not permit a person who is less than twenty-one (21) years of age to deliver malt, vinous, and spirituous liquor pursuant to Regulation 47-426, 1 C.C.R. 203-2.
- E. Fermented malt beverage licensees.
 1. Fermented Malt Beverage On or On/Off Retail Licenses: PARAGRAPHSSubsections (A) and (B) of this regulation apply for fermented malt beverage retailers licensed for on premises and on/off premises consumption.
 2. Fermented Malt Beverage and Wine Retailer Licensees.

- a. Fermented malt beverage and wine retailer licensees may permit a person under eighteen (18) years of age who is supervised by a person on the premises eighteen (18) years of age or older to be employed on the licensed premises and handle fermented malt beverages or wine in the same respect as other items sold at retail, except a person under the age of eighteen (18) years of age shall not:
 - i. sell or dispense fermented malt beverages or wine;
 - ii. check age identification; or
 - iii. make deliveries beyond the customary parking area of the licensed premises
- b. Fermented malt beverage and wine retailer licensees may permit a person who is at least eighteen (18) years of age, to sell, serve, or participate in the sale or service of fermented malt beverages or vinous liquor.
- c. Fermented malt beverage and wine retailer licensees shall not permit a person who is less than twenty-one (21) years of age to deliver fermented malt beverages or vinous liquor pursuant to Regulation 47-426, 1 C.C.R. 203-2.

F. Special event permit holders:

1. No person under eighteen (18) years of age may sell, serve, dispense, or handle alcohol beverages.
2. Malt, vinous, and spirituous liquors special event permittees, and fermented malt beverage special event permittees, may permit a person who is at least eighteen (18) years of age but less than twenty-one (21) years of age to sell, serve, dispense, or handle alcohol beverages when said person is under the direct supervision of a person who is at least twenty-one (21) years of age.

G. Wholesalers and Manufacturers licensed pursuant to **Article 3**, of **Title 44**, C.R.S.

1. Employees or agents of the licensee who are at least eighteen (18) years of age may handle and otherwise act with respect to alcohol beverages in the same manner as such person would with other items sold at wholesale, as long as they are under the direct supervision of a person who is at least twenty-one (21) years of age. However, persons under the age of twenty-one (21) shall not sell malt, vinous, or spirituous liquors or check identification of the customers of the permitted sales room.

H. Retail Establishment Permittee licensed pursuant to **Article 3**, of **Title 44**, C.R.S.

1. A retail establishment permittee shall not permit an employee who is eighteen (18) years of age or older and under twenty-one (21) years of age to dispense or participate in the dispensing of a complementary beverage unless the employee is supervised by another employee of the retail establishment permitted, who is on the permitted premises and is at least twenty-one (21) years of age.

Regulation 47-916. Advertising - Alcohol Content.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(H), and 44-3-202(2)(a)(I)(N), C.R.S. The purpose of this regulation is to provide guidance regarding certain prohibited advertising practices of malt, vinous, or spirituous liquor licensees regarding the alcohol content of beverages sold, distributed, or dispensed on the licensed premises.

No licensee for the sale or distribution of malt, vinous, or spirituous liquor shall, upon or in proximity to, or

referring to the licensed premises, use, advertise, or exhibit, or permit to be used, published, or exhibited, any sign, advertisement, display, notice, symbol, or other device which advertises, indicates, implies, or infers an alcohol content of alcohol beverages sold, distributed, or dispensed upon such premises, of an amount or percentage greater or lesser than the actual alcohol content of such beverages.

Regulation 47-922. Gambling.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 18-10-102(2), 18-10-102(3), 18-10.5-102(2), 18-10.5-102(3.5), 18-10.5-102(6), 44-3-202(1)(b), 44-3-202(2)(a)(I)(M), 44-3-901(6)(n), and 44-30-103(30)(a), C.R.S. The purpose of this regulation is to clarify and define prohibited and permitted activities, games, and equipment on the licensed premises concerning gambling.

A. Activities prohibited.

1. No person licensed under Article 3, Article 4, or Article 5 of Title 44 to sell at retail shall authorize or permit on the licensed premises any gambling, or use of any gambling machine or device, or the use of any machine which may be used for gambling, or the use of any simulated gambling device, except as specifically authorized for a racetrack, pursuant to Article 32 of Title 44, C.R.S., or for limited gaming, pursuant to Article 30 of Title 44, C.R.S.
2. No person licensed under Article 3, Article 4, or Article 5 of Title 44 shall authorize or permit on the licensed premises the holding of any lottery, except as authorized by Article 40 of Title 44, C.R.S., and any rules and regulations promulgated thereunder. Nothing in this regulation shall be deemed to prohibit the conducting of games of chance authorized by the bingo and raffles law (Part 6 of Article 21 of Title 24, C.R.S.).

B. Equipment prohibited.

1. No person licensed under Article 3, Article 4, or Article 5 of Title 44 to sell at retail shall authorize, permit, or possess on the licensed premises any table, machine, apparatus, or device of a kind normally used for the purpose of gambling, or a simulated gambling device, except as specifically authorized and when licensed for limited gaming, pursuant to Article 30 of Title 44 C.R.S. Prohibited equipment shall include video poker machines and other devices, defined either as slot machines pursuant to **SUB**section 44-30-103(30)(a), C.R.S., gambling devices, and simulated gambling devices.

C. Equipment permitted.

1. Nothing in this regulation shall be deemed to prohibit the use of bona fide amusement devices, such as pinball machines or pool tables, provided however that such devices do not and cannot be adjusted to pay anything of value, and that such devices are not used for gambling.
2. A licensee is permitted to conduct, on its licensed premises, tournaments, or competitions involving games of skill as permitted by subsection 18-10-102(2)(a), C.R.S., including the awarding of prizes or other things of value to participants, in connection with the use or operation of devices such as and including, but not limited to:
 - a. Pool tables;
 - b. Billiard tables;
 - c. Pinball machines;

- d. Foosball machines;
 - e. Basketball games;
 - f. Air hockey games;
 - g. Shuffleboard games;
 - h. Dart games;
 - i. Bowling games; **AND**
 - j. Golf Games.
3. Licensees will not be considered in violation of this regulation if they permit, on their licensed premises, card or similar games of chance to be played between natural persons whereas no person is engaging in gambling.

D. Inspections and records.

- 1. Licensees shall keep a complete set of records, including operating manuals, concerning any game machine or device maintained on their licensed premises. Licensees that do not own their machines or devices shall be required to maintain a copy of their current contract with the vendor. This contract at a minimum shall detail the division of profits between the parties and how monies will be accounted for, including the payment of any monies, credits, or any other thing of value to customers of the licensee. Copies of any outstanding notes or loans between the parties must also be maintained by the licensee.
- 2. Licensees shall make available without delay to agents of the state or local licensing authority access to the interiors of any machine or device or simulated gambling device, maintained upon the licensed premises to assist in the determination of whether or not said machine or device is permitted or prohibited equipment.

E. Definitions

- 1. For purposes of this rule, "gambling device" means any device, machine, paraphernalia, or equipment that is used or usable in the playing phases of any professional gambling activity, whether that activity consists of gambling between persons or gambling by a person involving the playing of a machine; except that the term does not include a crane game, as defined in **SUB**section 44-30-103(9), C.R.S.
- 2. For purposes of this rule, "simulated gambling device" means a mechanically or electronically operated machine, network, system, program, or device that is used by an entrant and that displays simulated gambling displays on a screen or other mechanism at a business location, including a private club, that is owned, leased, or otherwise possessed, in whole or in part, by a person conducting the game or by that person's partners, affiliates, subsidiaries, agents, or contractors; except that the term does not include bona fide amusement devices, as authorized in **SUB**section 44-3-103(47), **C.R.S.**, that pay nothing of value, cannot be adjusted to pay anything of value, and are not used for gambling.
 - a. "Simulated gambling device" includes:
 - i. A video poker game or any other kind of video card game;
 - ii. A video bingo game;

- iii. A video craps game;
 - iv. A video keno game;
 - v. A video lotto game;
 - vi. A video roulette game;
 - vii. A pot-of-gold;
 - viii. An eight-liner;
 - ix. A video game based on or involving the random or chance matching of different pictures, words, numbers, or symbols;
 - x. An electronic gaming machine, including a personal computer of any size or configuration, that performs any of the functions of an electronic gaming machine;
 - xi. A slot machine, where results are determined by reason of the skill of the player or the application of the element of chance, or both, as provided by **SUB**section 9(4)(c) of **A**rticle XVIII of the Colorado constitution; and
 - xii. A device that functions as, or simulates the play of, a slot machine, where results are determined by reason of the skill of the player or the application of the element of chance, or both, as provided by **SUB**section 9(4)(c) of **A**rticle XVIII of the Colorado constitution.
- b. “Simulated gambling device” does not include any pari-mutuel totalisator equipment that is used for pari-mutuel wagering on live or simulcast racing events and that has been approved by the **D**irector of the **D**ivision of **R**acing **E**vents for entities authorized and licensed under **A**rticle 32 of **T**itle 44.
3. For purposes of this rule, “gambling” means risking any money, credit, deposit, or other thing of value for gain contingent in whole or in part upon lot, chance, the operation of a gambling device, or the happening or outcome of an event, including a sporting event, over which the person taking a risk has no control, but does not include:
- a. Bona fide contests of skill, speed, strength, or endurance in which awards are made only to entrants or the owners of entries;
 - b. Bona fide business transactions which are valid under the law of contracts;
 - c. Other acts or transactions now or hereafter expressly authorized by law;
 - d. Any game, wager, or transaction that is incidental to a bona fide social relationship, is participated in by natural persons only, and in which no person is participating, directly or indirectly, in professional gambling;
 - e. Any use of or transaction involving a crane game, as defined in **SUB**section 44-30-103(9), **C.R.S.**; or
 - f. Sports betting conducted in accordance with part 15 of **A**rticle 30 of **T**itle 44 and applicable rules of the **L**imited **G**aming **C**ontrol **C**ommission.

Regulation 47-950. Display of Alcohol Beverages Immediately Adjacent to Soft Drinks, Fruit Juices, Cereal, Candy, ~~or~~ Toys, ~~Crossover~~ Alcohol Products, and ~~LOW OR~~ Non-Alcoholic Alternative Beverages.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-108(1), 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(H), and 44-3-202(2)(a)(I)(R), C.R.S. The purpose of this regulation is to prevent consumer confusion regarding whether a beverage contains alcohol and to help prevent sales of alcohol beverages to persons under **TWENTY-ONE (21)** years of age, and to assist individuals recovering from substance use disorders.

A. Definitions as used in this regulation.

1. "Immediately adjacent" means directly touching or immediately bordering one another from above, below, or the side, for example, on a shelf directly above or below another shelf; or on a shelf, cooler shelf, or display (including permanent or temporary displays) that is adjacent to another shelf, cooler shelf, or display. "Immediately adjacent" does not include a separate aisle or shelving units, or cooler shelving units on the opposite side of an aisle.
2. "Crossover alcohol product" is a product containing an alcohol beverage(s), whether liquid or frozen, that uses a trademark or branding of a non-alcohol beverage on its labeling, marketing, or packaging.
3. "Low or non-alcoholic alternative beverages" means beverages with an alcohol content of less than 0.5% alcohol by volume that are marketed to adults as alcohol-beverage-like substitutions for beer, wine, and spirits, including, but not limited to, products marketed as near beer; low or non-alcoholic beer, seltzers, or wine; or non-alcoholic cocktails (sometimes called mocktails or virgin cocktails) or other products that are marketed as alcohol substitutes.

B. Alcohol Beverages Immediately Adjacent to Soft Drinks, Fruit Juices, Cereal, Candy, or Toys.

1. Any liquor-licensed ~~drug-store~~ **DRUGSTORE**, fermented malt beverage and wine retailer, or fermented malt beverage on/off premises licensee that locates, places, or displays (including permanent or temporary displays) alcohol beverages immediately adjacent to soft drinks, ~~OR~~ fruit juices, ~~cereal, candy, or toys~~, shall:
 - a. Place signage that is clearly visible to consumers on any such shelves, cooler shelves, or displays (including permanent or temporary displays) that contains alcohol beverages ~~and is~~ immediately adjacent to soft drinks, ~~OR~~ fruit juices, ~~cereal, candy, or toys~~. This signage must:
 - i. Be at least 8.5 x 5.5 inches or 4.2 x 11 inches, depending on the orientation of the sign;
 - ii. Use a font size of at least 40 points in black ink; and
 - iii. State:

"CONTAINS ALCOHOL 21+
YOU MUST BE 21 TO PURCHASE ALCOHOL"

- ~~a. For liquor licensees that are required to post this sign and have been in operation prior to January 1, 2025, must post this sign by June 1, 2025, a liquor licensee that is required to post this sign and has not been in operation prior to January 1, 2025, must post this sign immediately.~~
2. Signage may contain only retailer store branding or logos, but may not contain branding or

logos of any alcohol beverage brand, manufacturer, or wholesaler.

3. ANY LIQUOR-LICENSED DRUGSTORE, FERMENTED MALT BEVERAGE AND WINE RETAILER, OR FERMENTED MALT BEVERAGE ON/OFF PREMISES LICENSEE SHALL NOT LOCATE, PLACE, OR DISPLAY (INCLUDING PERMANENT OR TEMPORARY DISPLAYS) ALCOHOL BEVERAGES IMMEDIATELY ADJACENT TO CEREAL, CANDY, OR TOYS.

C. Display of crossover alcohol products.

1. Liquor-licensed ~~drug-stores~~ DRUGSTORES, fermented malt beverage and wine retailers, or fermented malt beverage on/off premises licensees shall not display a crossover alcohol product immediately adjacent to a non-alcohol beverage, whether liquid or frozen, from which the right to use the trademark or brand has been obtained (e.g., displaying the “hard” (alcoholic) version of an iced tea next to the nonalcoholic ice tea beverage of the same brand).

D. Display of non-alcoholic alternative beverages

1. Liquor-licensed ~~drug-stores~~ DRUGSTORES, fermented malt beverage and wine retailers, or fermented malt beverage on/off premises licensees may display non-alcoholic alternative beverages immediately adjacent to an alcohol beverage.

Regulation 47-1000. Qualifications for Special Event Permit.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), and 44-5-102, C.R.S. The purpose of this regulation is to define the types of organizations that qualify for a special event permit. A special event permit under the Special Event Code may be issued to:

- A. An organization, whether or not presently licensed under the Liquor Code or Beer and Wine Code, that:
 1. Has been incorporated under the laws of this state for social, fraternal, patriotic, political, educational, or athletic purposes, and not for pecuniary gain.
 2. Is a regularly chartered branch, lodge, or chapter of a national organization or society organized for social, fraternal, patriotic, political, educational, or athletic purposes and is nonprofit in nature.
 3. Is a regularly established religious or philanthropic institution.
 4. Is a state institution of higher education, to include each principal campus of such institution.
- B. Any municipality, county, or special district.
- C. Any political candidate who has filed the necessary reports and statements with the ~~S~~ecretary of ~~S~~tate pursuant to ~~A~~rticle 45 of ~~T~~itle 1, C.R.S. As used in this regulation:
 1. “Political” as used in ~~A~~rticle 5 of ~~T~~itle 44, shall mean any political organization or political party;
 2. “Political organization” means any group of registered electors who, by petition for nomination of an unaffiliated candidate as provided in section 1-4-802, C.R.S., places upon the official general election ballot nominees for public office pursuant to ~~S~~UBsection 1-1- 104(24),

C.R.S., as defined in section 1-1-104, C.R. S.; and

3. "Political party" means either a major political party or a minor political party pursuant to **SUBSECTION** 1-1-104(25), C.R.S. However, no permit shall be required for those individuals or candidates campaigning or running for public office and who sponsor fund raising activities when such activities are held in a private residence and there is no cash bar in operation.
- D. An entity that is either a state agency, the Colorado Wine Industry Development Board created in section 35-29.5-103, C.R.S., or an instrumentality of a municipality or county, provided that the entity promotes:
 1. Alcohol beverages manufactured in the state; or
 2. Tourism in an area of the state where alcohol beverages are manufactured.
- E. A chamber of commerce.
 1. A member of a chamber of commerce that holds a special event permit may participate in that special event for which the permit has been granted to the chamber of commerce.
 2. The members and the locations specified in the special event permit need not be contiguous, but attendees of the special event may not possess open alcohol beverage containers on public sidewalks and roadways unless the sidewalks and roadways are properly closed to motor vehicle traffic by physical barriers as a part of the special event permit.
 3. A member of the chamber of commerce shall not participate in the special event if that member:
 - a. Sells firearms, motor vehicles, marijuana, gasoline, or diesel fuel;
 - b. Educates students from kindergarten through twelfth grade or provides childcare;
 - c. Is a convenience store; or
 - d. Holds a liquor license under **A**articles 3 or 4 of **T**itle 44, C.R.S.
 - i. The member of the chamber of commerce that holds a retail establishment permit pursuant to **SECTION** 44-3-424, C.R.S., and **R**egulation 47-436 may participate in the special event if that person is not exercising the privileges of the retail establishment permit during the special event and the holder of the special event permit attests to this fact on the form prescribed by the state licensing authority.
 4. A member of the chamber of commerce that participates under a special event permit issued to a chamber of commerce must participate in the event solely within the jurisdiction of the issuing local licensing authority.

Regulation 47-1002. Application for Special Event Permit.

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

- A. Applications for special event permits shall be made on forms provided by the local or state licensing

authority and verified by oath or affirmation of an officer, or a duly appointed designee, of the applicant organization. Applications shall be filed with the local licensing authority not less than thirty (30) days prior to the date of the special event. The respective local licensing authority shall investigate each special event permit application, and shall either approve or deny such application upon proper grounds in accordance with the provisions of ~~A~~article 5 of ~~T~~itle 44, C.R.S.

1. Process When Local Licensing Authority Elects Local-Only Approval Method.
 - a. A local licensing authority may elect not to notify the state licensing authority for the purpose of obtaining the state licensing authority's approval or disapproval of an application for a special event permit. Any local licensing authority electing not to notify the state licensing authority shall promptly act upon each application for a special event permit.
 - b. The local licensing authority acting as the sole reviewer of the application shall report to the Division, within ten (10) days from issuance of a special event permit, the name of the permitted organization, the address of the permitted location, and the permitted dates of alcohol beverage service.
 2. Process When Local Licensing Authority Elects State and Local Approval Method.
 - a. If a local licensing authority elects to notify the state licensing authority for the purpose of obtaining the state licensing authority's approval or disapproval of an application for a special event permit already approved by the local licensing authority, the local licensing authority shall submit the permit application, accompanied by the applicable state permit fees, to the Division not less than ten (10) days prior to the date of the event.
 - b. The state licensing authority may not consider or approve a special event permit application unless it is first approved by the local licensing authority.
 3. Additional requirements for special event applications by chambers of commerce (whether the local licensing authority elects the local-only approval method or the state and local approval method).
 - a. The chamber of commerce applying for the special event permit shall list all members of the chamber of commerce that will participate in the special event on the form prescribed by the state licensing authority, which shall not include any members prohibited from participating in the event under ~~SUB~~section 44-5-102(1)(d)(II)(D), C.R.S., and shall identify the premises of each such member where alcohol beverages will be sold or consumed as part of the special event.
 - b. For a member of a chamber of commerce that holds a retail establishment permit pursuant to section 44-3-424, C.R.S., and ~~R~~egulation 47-436, and intends to participate in the special event, the chamber of commerce must attest on the form prescribed by the state licensing authority that the member will not serve complimentary alcohol beverages under its retail establishment permit on the same date and time as the special event.
- B. The Division shall maintain on its public website the statewide permitting activity, which the local licensing authority shall review prior to its approval and issuance of permits in order to ensure compliance with ~~SUB~~section 44-5-105(3), C.R.S., regarding the maximum number of permits that may be issued to an organization each calendar year.
- C. Public Notice Posting, Protests, and Hearings on Special Event Permit Applications.

1. A public notice of the proposed special event permit, on a form approved by the state licensing authority and in compliance with **SUB**paragraph (D)(2) of this regulation, shall be conspicuously posted on the proposed location for at least ten (10) days before approval of the permit by the local licensing authority.
 2. The public notice shall set forth the procedure for protesting issuance of the permit, including information concerning the address, or email address, where an affected person must submit any written protest, and the date and time by which any written protest must be received. To be considered, any written protest must be submitted to the address or email address listed in the public notice by affected persons within ten (10) days after the date of the public notice.
 3. The local licensing authority shall cause a hearing to be held if, after investigation and upon review of the contents of any protest filed by affected persons, sufficient grounds appear to exist for denial of a permit. No hearing is required if sufficient grounds do not appear to exist for denial of a permit, but a hearing may still be held at the discretion of the local licensing authority.
 4. Any hearing required by this regulation, or any hearing held at the discretion of the local licensing authority, shall be held at least ten (10) days after the initial posting of the public notice. Notice of the hearing shall be provided to the applicant and any person who has filed any written protest.
- D. The local licensing authority may assign all or a part of its functions under the Special Event Code to an administrative officer. The Division may accept an assignment of all or a part of a local licensing authority's functions under the Special Event Code if agreed upon by the Division and the local licensing authority in writing.
- E. The state or local licensing authority, for good cause, may waive the time requirements set forth in this regulation, but may not waive any time requirements specified in **A**rticle 5 of **T**itle 44, C.R.S.
- F. The holder of a special event permit issued by the local, and if applicable the state, licensing authority, shall post such permit in a conspicuous place upon the premises covered by such permit and upon any authorized non-contiguous storage areas, and it shall produce evidence of the permit to any law enforcement officer upon request.

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

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

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

Regulation 47-1014. Special Event Permit - Discipline Against Special Event Permittees and Special Event Festival Licensees – Suspension or Revocation of Permit – Summary Suspension.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(I)(A), 44-3-202(2)(a)(I)(E), 44-3-202(2)(a)(I)(R), 44-3-404, 44-5-103, and

44-3-601, C.R.S. The purpose of this regulation is to establish general processes and procedures required for the licensing authority to take disciplinary action against a special event permit holder for violations of certain laws, rules, or regulations and against the licensees participating in a special event festival.

A. Special Event Permit Holder – Violations.

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

B. Special Event Festival – Licensee Violations.

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

1. Responsible Licensee Can Be Identified. If a violation of **A**rticle 5 or **A**rticle 3 of this **T**itle 44, or these regulations, occurs during a special event festival and the responsible licensee can be identified, the state or local licensing authority may charge and impose appropriate penalties on the licensee per violation.
2. Responsible Licensee Cannot Be Identified. If the responsible licensee cannot be identified, the state licensing authority may send written notice to every licensee identified on the festival permit applications and may fine each the same dollar amount. The fine shall not exceed twenty-five dollars **(\$25.00)** per licensee or two hundred dollars **(\$200.00)** in the aggregate, per violation. A joint fine levied pursuant to this paragraph does not apply to the revocation or suspension of a licensee's license under section 44-3-601, C.R.S.
3. If a violation occurs during a special event festival as defined in this regulation, a single penalty shall be imposed for a violation under this regulation and Regulation 47-405 to avoid a double penalty for the same conduct.

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

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

- A. Special event permittees may purchase alcohol beverages authorized by such permits from a licensed wholesaler, brew pub, distillery pub, limited winery, vintner's restaurant, retail liquor store, or liquor-licensed drugstore.
1. Any alcohol beverages purchased from a retailer licensed for off-premises consumption for a non-profit event held at a retail location licensed for on-premises consumption will count against the on-premises licensee's statutory dollar limit of alcohol beverages purchased from an off-premises retailer.
- B. Special event permittees may store alcohol beverage stock in areas outside the designated event area approved by the state or local licensing authority under the following conditions:

1. The application included the address of proposed storage locations and a diagram of said premises.
 2. The application included evidence of the special event permittee's lawful possession of the storage premises by way of deed, lease, rental, or other arrangement and specifying the terms of storage.
 3. The proposed location is not a location licensed pursuant to **Articles 3 or 4 of Title 44, C.R.S.**
 4. State and local law enforcement authorities have the right to inspect each storage area that is used for permitted events.
 5. Storage areas may only be maintained in anticipation of scheduled events. Nothing herein shall authorize long-term storage of alcohol beverages that have no nexus to events. This subparagraph (B)(5) does not apply to special event permittees that hold a valid club or arts license.
 6. A licensed wholesaler may deliver alcohol beverages purchased by a special event permittee to the storage location in accordance to subparagraphs (B)(1), (B)(2), (B)(3), and (B)(4) of this regulation, but such storage cannot be more than two (2) business days prior to the date for the special event. If a licensed wholesaler donates alcohol to the special event permittee, the wholesaler may pick up such unused donated alcohol beverage products from the storage area in accordance to subparagraphs (B)(1), (B)(2), (B)(3), and (B)(4) of this regulation. Such removal of unused donated alcohol beverage products must occur within two (2) business days after the end of the special event permit.
- C. If the special event permittee is also a retailer licensed for on-premises consumption that holds a valid club or arts license, and the designated event area is the retailer's licensed premises, then the special event permittee need not store the alcohol beverages purchased for the special event in a separate area of the on-premises retailer's licensed premises.
1. At the conclusion of the special event, the on-premises retailer may sell alcohol beverages purchased for the special event to consumers by the drink pursuant to the on-premises retailer's licensed privileges and normal business operations.
 2. This paragraph (C) only applies when the special event permittee is a qualified not-for-profit organization and is the same legal entity as the holder of the on-premises retailer's license.
 3. This paragraph (C) only applies when the special event permittee purchases alcohol for a special event held for the benefit of the entity holding both the special event permit and the on-premises retailer's license.
 4. This paragraph (C) does not apply to alcohol beverages donated to the special event permittee or purchased by the special event permittee below cost.

Regulation 47-1020. Alcohol Beverage Donations.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(G), 44-3-202(2)(a)(I)(R), 44-3-107, and 44-5-102(1)(d), C.R.S. The purpose of this regulation is to clarify permitted alcohol beverage donations and associated conditions.

- A. For purposes of this regulation, "wholesaler" means an entity licensed to sell alcohol beverages at wholesale to special event permit holders, including wholesalers of malt liquor and fermented malt

beverages, wholesalers of vinous and spirituous liquors, limited wineries, brew pubs, distillery pubs, and vintner's restaurants. A wholesaler may donate alcohol beverages to a special event permittee at no cost if such alcohol beverages are used for hospitality or fundraising purposes, including resale by the drink. The wholesaler shall provide an invoice documenting the donation of alcohol beverages to the permittee and shall ensure that all applicable state excise taxes are paid pursuant to section 44-3-503, C.R.S.

- B. Nothing herein shall prohibit a retailer licensed for off-premises consumption to make a donation of alcohol beverage to a special event permittee, as long as such donation is taken from the retailer's existing inventory.
- C. Wholesalers and retailers licensed for off-premises consumption may make a donation of alcohol beverages to organizations that would otherwise qualify for a special events permit but are exempted under section 44-5-108, C.R.S. The wholesaler shall provide an invoice documenting the donation of alcohol beverages to the organization and shall ensure that all applicable state excise taxes are paid pursuant to section 44-3-503, C.R.S. However, nothing herein shall authorize a wholesale licensee to deliver such alcohol beverages to premises that are not licensed pursuant to **Article 3** or **4** of **Title 44**, C.R.S.
- D. When an event, for which the alcohol donations are solicited, is held at a retail location licensed for on-premises consumption pursuant to **Article 3** or **4** of **Title 44**;
 - 1. The wholesaler shall invoice the retailer at no cost for alcohol beverages intended for the event, if the retail licensee consents to such an arrangement.
 - 2. Any such donated alcohol beverages which are unused must be returned by the retailer to the wholesaler as soon as practicable after the event.
 - 3. If the unused alcohol beverages are not returned, then the wholesaler must charge the retailer at least the laid-in cost for those alcohol beverages.
 - 4. The retail value of any donation of alcohol beverages from a retailer licensed for off- premises consumption to a non-profit event held at a retail location licensed for on- premises consumption will count against the on-premises licensee's statutory dollar limit of alcohol beverages purchased from an off-premises retailer.
- E. Notwithstanding **Regulation 47-1000(E)(3)(d)**, a chamber of commerce member that holds a liquor license under **Articles 3** or **4** of **Title 44** may donate at no cost alcohol products and volunteer personnel services for a special event held by the chamber of commerce.

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

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

- A. For purposes of subsection 44-3-107(2), C.R.S., "donated" or "otherwise lawfully obtained" alcohol beverages mean:
 - 1. Alcohol beverages donated pursuant to Regulation 47-1020, 1 C.C.R. 203-2; or
 - 2. Alcohol beverages donated by a private individual who is at least twenty-one (21) years of age and lawfully obtained the alcohol beverages she or he is donating; or

3. Alcohol beverages donated by an entity that does not hold a liquor license pursuant to ~~A~~articles 3 or 4 of ~~T~~itle 44, C.R.S., and lawfully obtained the alcohol beverages it is donating. The agent or representative of the donating entity must be a private individual who is at least twenty-one (21) years of age and lawfully obtained the alcohol beverages she or he is donating.

Regulation 47-1101. Delivery and Takeout Sales By On-Premises Licensees.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(b), 44-3-202(2)(a)(I)(L), 44-3-202(2)(a)(I)(M), 44-3-202(2)(a)(I)(R), 44-3-601, 44-3-911, and 24-4-104(4)(a), C.R.S. The purpose of this regulation is to exercise proper regulation and control over the manufacture, distribution, and sale of alcohol beverages, promoting the social welfare, ~~the~~ health, peace, and morals of the people of the State. This regulation establishes a permit for on-premises licensees authorized to engage in such sales by section 44-3-911, C.R.S., which allows persons issued a license under sections 44-3-411, 44-3-413, 44-3-414, 44-3-417, 44-3-418, 44-3-422, 44-3-426, 44-3-428, or 44-3-432, C.R.S., to sell alcohol beverages through delivery and takeout. Section 44-3-911, C.R.S., also allows a person issued a license under ~~SUB~~sections 44-4-104(1)(c)(I)(A) or ~~44-34-104(1)(c)(III)~~, C.R.S., to sell alcohol beverages via takeout, and a person issued a license under sections 44-3-412, 44-3-415, 44-3-416, 44-3-~~419~~, 44-3-420, and 44-3-421, C.R.S., to sell alcohol beverages via delivery. This regulation also addresses age verification, container, and other requirements and related recordkeeping for alcohol beverages sold through delivery or takeout by ~~ON-PREMISES~~~~on-premises~~ licensees authorized to engage in such sales by section 44-3-911, C.R.S.

- A. The requirements of paragraphs (B), (C), (D), and (E) of this this Regulation 47-1101 apply to persons issued a license under sections 44-3-411, 44-3-412, 44-3-413, 44-3-414, 44-3-415, 44-3-416, 44-3-417, 44-3-418, 44-3-419, 44-3-420, 44-3-421, 44-3-422, 44-3-426, 44-3-428, 44-3-432, 44-4-104-(1)(c)(I)(A), or 44-4-104-(1)(c)(III), C.R.S.
- B. Unless the governor has declared a disaster emergency under part 7 of ~~A~~article 33.5 of ~~T~~itle 24, no persons issued a license identified in paragraph (A) of this regulation may sell alcohol beverages through takeout and/or delivery pursuant to section 44-3-911, C.R.S., unless the licensee has first obtained a permit from the state licensing authority and paid the relevant fee established in Regulation 47-506.
 1. If a person issued a license identified in paragraph (A) of this regulation applies for a takeout and/or delivery permit while a disaster emergency declared by the governor under part 7 of ~~A~~article 33.5 of ~~T~~itle 24 is in effect, that person may continue engaging in takeout and/or delivery sales once the disaster emergency is rescinded or expired. However, the licensee shall cease all takeout and/or delivery sales if the state or local licensing authority denies the licensee's application for a takeout or delivery permit.
 2. An applicant for a permit must affirm on its takeout and/or delivery permit application that the applicant derives, or will derive, no more than fifty **PERCENT** (50%) ~~percent~~ of its gross annual revenues from total sales of food and alcohol beverages from the sale of alcohol beverages through takeout orders and orders that the licensee delivers.
 - a. This subparagraph (B)(2) does not apply if the governor has declared a disaster emergency under part 7 of ~~A~~article 33.5 of ~~T~~itle 24; and
 - b. Nothing within this subparagraph (B)(2) shall limit the authority of the state licensing authority or the local licensing authority, if applicable, to inspect books and records pursuant to Regulation 47-700, 1 C.C.R. 203-2, to verify the affirmation or compliance with this statutory requirement.
 3. A takeout and/or delivery permittee shall display its takeout and/or delivery permit at all times

in a prominent place on its licensed premises. The takeout and delivery permittee's employee making a delivery shall be required to carry, or have immediate access to, a copy of the takeout and delivery permit in the delivery vehicle. The copy of the permit may be electronic.

- C. If the relevant local licensing authority creates a permit for takeout and delivery pursuant to **SUB**section 44-3-911(4)(C), C.R.S., no persons issued a license identified in paragraph (A) of this regulation may engage in sales of alcohol beverages through takeout or delivery unless the licensee holds takeout and/or delivery permits from both the state and local licensing authorities.
1. This paragraph (**Ce**) does not apply if the governor has declared a disaster emergency under part 7 of **A**article 33.5 of **T**itle 24.
- D. Any licensee authorized to engage in sales of alcohol beverages through delivery or takeout pursuant **TO** section 44-3-911, C.R.S., and this regulation shall comply with the following requirements and limitations:
1. Orders for delivery or takeout that include alcohol beverages may be accepted by only the licensee or its employees at the licensed premises, which may be accepted by telephone, in person, or via internet communication. No order for delivery may be solicited or accepted by a delivery driver or from a delivery vehicle. All orders for delivery shall be documented in a written order prepared by the licensee or its employees.
 2. When receiving a delivery order, the licensee must obtain and record the name and date of birth of the person placing the order and the delivery address for the order. Under no circumstances shall a person under twenty-one (21) years of age be permitted to place an order for takeout or delivery of alcohol beverages.
 3. Delivery of orders that include alcohol beverages shall be made only to a person twenty-one (21) years of age or older at the address specified in the customer's delivery order.
 4. Delivery of orders that include alcohol beverages shall not be made to any public place, including public parks, streets, alleys, roads, or highways.
 5. Delivery must be made by an employee of the licensee who is at least twenty-one (21) years of age, and who has completed a seller server training program established under section 44-3-1001, C.R.S., and maintained recertification under the requirements of Regulation 47-605. Use of third-party delivery services is prohibited.
 6. The licensee's employee who delivers the alcohol beverages shall note and log at the time of delivery the name and identification number of the person receiving the delivery of the alcohol beverages. Under no circumstances shall a person under twenty-one (21) years of age be permitted to receive a delivery of alcohol beverages.
 7. Licensees who deliver alcohol beverages shall maintain all records relating to delivery, including delivery orders, receipt logs, and journals, as part of their records required pursuant to section 44-3-701, C.R.S. These records shall be maintained by the licensee for sixty (60) days. Failure to maintain accurate or complete records is a violation of this regulation.
 8. Licensees engaged in delivery shall comply with section 42-4-1305, C.R.S., and any local laws, ordinances, or regulations; addressing prohibitions on open containers of alcohol beverages in motor vehicles.
 9. Any alcohol beverage sold to a consumer through delivery or takeout under this regulation, which may include cocktails or mixed drinks, shall be in a sealed container.
 - a. For the purposes of this regulation, "sealed container" means a "sealed container" as

defined in subsection 44-3-103(51), C.R.S., and shall also include a container filled with AN alcohol beverage, that is new, has never been used, and has a tamper evident secure lid or cap designed to prevent consumption without removal of the lid or cap. "Sealed container" does not include a container with a lid with sipping holes or openings for straws, or a container made of paper or polystyrene foam. "Tamper evident" means a lid or cap that has been sealed with tamper-evident material, including, but not limited to, wax dip, heat shrink wrap, or adhesive tape, or that is secured in such a manner that is visibly apparent if the container has been opened or tampered with.

- b. Persons issued a license identified in paragraph (A) of this regulation may not refill sealed containers, as defined in SUBPARAGRAPH ~~subsection~~ (D)(9)(a), or offer any such refilled containers for sale.
 - c. Any sealed container of alcohol beverages sold pursuant to this regulation shall not exceed the relevant volume limits identified in paragraph (E) of this regulation.
- 10. Any sealed container containing an alcohol beverage that is sold for takeout or delivery under this regulation, other than an alcohol beverage sealed by its manufacturer, shall identify the licensee that sold the beverage and include a warning statement, with a minimum fourteen (14) font size, stating as follows: "WARNING: DO NOT OPEN OR REMOVE SEAL WHILE IN TRANSIT. Purchasers are subject to state and local laws and regulations prohibiting drinking or possessing open containers of alcoholic beverages in motor vehicles, including section 42-4-1305, C.R.S."
 - 11. Licensees who sell alcohol beverages through delivery or takeout pursuant to this regulation are responsible for compliance with all laws and regulations prohibiting the sale of alcohol beverages to an underage person or to a visibly intoxicated person.
 - 12. Licensees shall only sell alcohol beverages through takeout and delivery between the hours of 7 a.m. and 12 midnight.
- E. Unless the governor has declared a disaster emergency under part 7 of ~~Article~~ 33.5 of ~~Title~~ 24, no persons issued a license identified in paragraph (A) of this regulation shall sell more than the following amounts of alcohol beverageS to a consumer as part of a takeout or delivery order:
- 1. 1,500 milliliters, or approximately 50.8 fluid ounces, of vinous liquors; and
 - 2. 144 fluid ounces, or approximately 4,259 milliliters, of malt liquor, fermented malt beverages, and hard cider, and
 - 3. One (1) liter, or approximately 33.8 fluid ounces, of spirituous liquors.
- F. A violation of this regulation by a licensee, or by any of the agents, servants, or employees of a licensee, may result in disciplinary action, up to and including license revocation, pursuant to SUBsection 44-3-601(1), C.R.S., and may result in summary suspension of a license pursuant to SUBsection 44-3-601(2), C.R.S., and Regulation 47-602.

Regulation 47-1103. Communal Outdoor Dining Areas.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-103(11.5), 44-3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(F), 44-3-202(2)(a)(I)(L), 44-3-202(2)(a)(I)(M), 44-3-202(2)(a)(I)(R), 44-3-601, 44-3-912(6), and 24-4-104(4)(a), C.R.S. The purpose of this regulation is to address requirements for the operation of communal outdoor dining areas.

- A. No licensee shall sell or serve alcohol beverages in a communal outdoor dining area unless

1. The licensee obtains a permit from the state licensing authority and pays the permitting fee established in ~~R~~regulation 47-506; and
 2. The state and local licensing authorities have approved both attaching the license to the communal outdoor dining area and a modification of licensed premises pursuant to Regulation 47-302 that includes the communal outdoor dining area.
 3. A retail food establishment that does not have a liquor license may also serve food in a communal outdoor dining area approved under this ~~R~~regulation 47-1103.
- B. A communal outdoor dining area must be within **ONE THOUSAND (1,000)** feet of the permanent licensed premises of each of the licensees associated with the communal outdoor dining area. This distance shall be computed by direct measurement from the nearest property line of the land used for the communal outdoor dining area to the nearest portion of the building in which the permanent licensed premises is located, using a route of direct pedestrian access.
- C. If allowed by the local licensing authority, all licensees who wish to be associated with a communal outdoor dining area may submit a joint application to modify their licensed premises to include the communal outdoor dining area. Each licensee is responsible for paying the modification of the licensed premises fee set forth in Regulation 47-506.
- D. All licensees associated with a communal outdoor dining area pursuant to this Regulation 47- 1103 must adopt and agree to a security and control plan for the communal outdoor dining area that is approved by the state and local licensing authorities. The security and control plan shall ensure:
1. Any retail food establishments associated with the communal outdoor dining area that does not hold a liquor license acknowledges and agrees that alcohol beverages will be sold in the communal outdoor dining area only by, and under the control of, the licensees associated with the communal outdoor dining area;
 2. One or more licensees will supervise or provide security within the communal outdoor dining area during all hours of operation to ensure compliance with this Regulation 47- 1103 and all relevant requirements of ~~A~~rticle 3 of ~~T~~itle 44 and the Colorado liquor rules;
 3. All licensees associated with the communal outdoor dining area agree they are jointly responsible for complying with this Regulation 47-1103 and all relevant requirements of ~~A~~rticle 3 of ~~T~~itle 44 and the Colorado liquor rules; and
 4. All licensees have obtained and will maintain a properly endorsed general liability and liquor liability insurance policy that includes the communal outdoor dining area and is reasonably acceptable to the state and local licensing authorities.
- E. A licensee associated with a communal outdoor dining area shall not:
1. Permit customers to leave the communal outdoor dining area with any alcohol beverage except as permitted under Regulation 47-918;
 2. Permit customers to bring food into the communal outdoor dining area that was purchased outside of the communal outdoor dining area;
 3. Permit takeout or delivery orders to be ordered from or delivered to the communal outdoor dining area;
 4. Sell, serve, or permit consumption of alcohol beverages in the communal outdoor dining area during hours the licensed premises cannot sell alcohol under ~~A~~rticle 3 of ~~T~~itle 44 or the

limitations imposed by the local licensing authority;

5. Sell, serve, dispose of, exchange, or deliver, or permit the sale, serving, giving, or procuring of an alcohol beverage to a visibly intoxicated person or to a known drunkard;
 6. Sell, serve, dispose of, exchange, or deliver, or permit the sale, serving, or giving of an alcohol beverage to a person under twenty-one (21) years of age;
 7. Permit a visibly intoxicated person to remain within the communal outdoor dining area without an acceptable purpose; or
 8. Permit a person to consume an alcohol beverage within the communal outdoor dining area unless it was purchased within the communal outdoor dining area from a licensee associated with the communal outdoor dining area.
- F. Licensees associated with a communal outdoor dining area shall promptly remove all alcohol beverages from the communal outdoor dining area at the end of the hours of operation.
- G. This Regulation 47-1103 does not apply to a special event permit issued under Aarticle 5 of Ttitle 44 unless the permit holder desires to use an existing communal outdoor dining area and agrees in writing to the requirements of Aarticle 3 of Ttitle 44 and the local licensing authority concerning the communal outdoor dining area.
- H. A violation of section 44-3-912, C.R.S., or this regulation by a licensee, or by any of the agents, servants, or employees of a licensee, may result in disciplinary action, up to and including license revocation, pursuant to SUBsection 44-3-601(1), C.R.S., and may result in summary suspension of a license pursuant to SUBsection 44-3-601(2) and Regulation 47-602.
1. If the licensee responsible for the violation cannot be identified, each attached licensee is deemed jointly responsible and subject to discipline for the violation.

Regulation 47-1107. Rent.

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)(J), 44-3-202(2)(a)(I)(R), and 44-3-301(3)(A)(I), C.R.S. The purpose of this regulation is to clarify how ownership interests will be understood when agreements between a landlord and licensee include percentage rents terms.

- A. Percentage rent
1. "Percentage rent" means consideration paid pursuant to any kind of agreement between a person holding a liquor license and a landlord, where the landlord receives a percentage of alcohol beverage sales as compensation for renting or leasing the premises to the liquor licensee.
 2. For purposes of this rule, "landlord" means an owner, lessor, sublessor, or property manager that rents or leases real property to a person licensed under Aarticles 3 or 4 of Ttitle 44 for purposes of conducting the operations of the liquor license and includes the officers, directors, shareholders, members, owners, or part owners of the landlord.
 3. A landlord receiving payment of percentage rent shall not be deemed to be an owner of, or to hold a direct or indirect interest in, the liquor license for purposes of any applicable provisions in Aarticles 3 and 4 of Ttitle 44 prohibiting a person from holding interests in other licenses or permits under Aarticles 3 and 4 of Ttitle 44 based solely upon the payment of percentage rent to the landlord, unless the percentage exceeds eighteen percent (18%) of the gross revenues from the sale of alcohol beverages.

B. Fixed rate rent

1. A landlord receiving payment of rent at a fixed periodic rate shall not be deemed to be an owner of, or to hold a direct or indirect interest in, a liquor license, for purposes of applicable provisions in **Articles 3 and 4 of Title 44** prohibiting that person from holding interests in other licenses under **Articles 3 and 4 of Title 44**, based solely upon the payment of rent to the landlord at a fixed periodic rate.

C. Control or influence by a landlord

1. Regardless of whether a landlord is paid a percentage rent or a fixed rate rent, a landlord shall not directly or indirectly control or attempt to control, or otherwise influence the liquor licensee with respect to the amount or type of alcohol beverages the liquor licensee sells.

Regulation 47-1108. Name, Image, or Likeness.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(a)-(b), 44-3-202(2)(a)(I)(R), 44-3-402(5)(a), 44-3-403(6), 44-3-406(6), 44-3-407(2) - (3), 44-3-409(4), 44-3-410(4), 44-3-411(3), 44-3-412(5), 44-3-413(14), 44-3-414(3), 44-3-415(2), 44-3-416(4), 44-3-417(5), 44-3-418(4), 44-3-420(4), 44-3-421(2), 44-3-422(5), 44-3-426(5), and 44-3-428(3), C.R.S. The purpose of this regulation is to clarify how ownership and direct or indirect interests in a license will be understood based upon agreements to use a person's name, image, or likeness related to an alcohol beverage or liquor-licensed establishment.

A. Name, image, likeness

1. The use of a person's name, image, or likeness for the advertisement of alcohol beverages or associated with a liquor-licensed establishment is permitted within the State of Colorado.
2. A person who receives a financial benefit from the use by a liquor licensee of that person's name, image, or likeness may be paid either in the form of a fixed rate or based upon a percentage of sales of alcohol beverages.

B. Fixed amount

1. A person who allows the use of their name, image, or likeness and receives financial compensation in the form of a fixed amount shall not be considered to be an owner of, or to have a direct or indirect interest in a liquor license, based solely on the basis of such compensation.

C. Percentage of sales

1. A person who allows the use of their name, image, or likeness and receives financial compensation in the form of a percentage of sales of alcohol beverages shall be considered to be an owner of, or interested directly or indirectly in liquor license, on the basis of such compensation, and subject to applicable prohibitions on holding interests in other licenses issued under **Articles 3 and 4 of Title 44**.

Regulation 47-1110. Non-Profit Member-Specific Data.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-202(1)(A), 44-3-202(1)(B), 44-3-202(1)(C), 44-3-202(1)(D), 44-3-202(1)(f), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(D), 44-3-202(2)(a)(I)(G), 44-3-202(2)(a)(I)(J), 44-3-202(2)(a)(I)(O), 44-3-202(2)(a)(I)(R), 7-90-102, and 7-90-107, C.R.S. The purpose of this regulation is to set forth member-specific data that is required to be disclosed by a non-profit entity, in accordance with 7-90-107, C.R.S., in order to receive a

permit or license under the Liquor Code, Beer and Wine Code, or Special Events Code, or the regulations promulgated pursuant thereto.

A. Definitions

1. For the purposes of this regulation, “member-specific data” means any document, list, record, or compilation of one or more categories of “personal identifying information” that identifies, in whole or in part, directly or indirectly, a person as a member, volunteer, or donor to any nonprofit entity, pursuant to **SUBSECTION 7-90-102(36.5)**, C.R.S.
2. “Personal identifying information” means information that may be used, alone or in conjunction with any other information, to identify a specific individual, including but not limited to a name; a date of birth; a social security number; a password; a pass code; an official government-issued driver’s license or identification card number; a government passport number; biometric data; or an employer, student, or military identification number, pursuant to **SUBSECTION 18-5-901(13)**, C.R.S.

B. Non-profit member-specific data

1. For purposes of reviewing an application for, or issuing, a license or permit pursuant to **Articles 3, 4 or 5 of Title 44**, or in relation to a violation of such articles or any regulation promulgated pursuant thereto, the division or state licensing authority may collect certain member-specific data from a non-profit entity. This data may include:
 - a. Names of a member or members of a non-profit organization;
 - b. Titles of a member or members of a nonprofit organization;
 - c. The address or addresses of a member or members of a nonprofit organization;
 - d. Information required on forms to apply for a license or permit under **Articles 3, 4, or 5 of Title 44**, or regulations promulgated pursuant thereto;
 - e. Contact information for a member or members of a nonprofit organization.

C. The division and state licensing authority shall treat this information as personal identifying information and will not release it except as permitted or required by law or as is necessary to enforce or ensure compliance with the state constitution or applicable federal or state law.