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Topic: Licensing for Store Licenses Purchased for Liquor Licensed Drug Stores

There is a provision in the law regarding liquor licensed drug stores and how qualifying stores can obtain liquor licenses. One requirement is that the only way an otherwise qualifying store can obtain additional liquor licensed drug store licenses is by purchasing existing licenses of a minimum of two retail liquor stores. See Section 44-3-410 C.R.S. The intent of Section 44-3-410 was and is to require liquor licensed drug stores applying for new licenses to purchase the existing retail liquor store licensees at a fair market value for those purchased retail liquor store licenses.

Instead, however, in some reported instances, a liquor licensed drug store has “purchased” a retail liquor store license for a relatively nominal amount and once purchased, the owner of the retail liquor store license then turns around after the sale and applies for a new license at the same licensed premises. This type of “sale” to the liquor licensed drug store therefore, is antithetical to the intent of the statute.

Therefore to mitigate any abuses, upon a liquor licensed drug store purchasing an existing retail liquor store license, the license of the retail liquor store should not only revert to the liquor licensed drug store giving the liquor licensed drug store the ability to add more liquor licensed drug stores, there should be a provision in the statute in Section 44-3-410, C.R. S. that prohibits the State and local authority from issuing a new retail liquor license for all or part of the licensed premises that apply to the retail liquor store license being purchased. This prohibition should apply for a period of ten years.