

Code of Colorado Regulations Secretary of State State of Colorado

## DEPARTMENT OF REVENUE

Liquor and Tobacco Enforcement Division

**COLORADO LIQUOR RULES** 

1 CCR 203-2

## Regulation 47-1105. Catering 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)(C), 44-3-202(2)(a)(I)(L), 44-3-202(2)(a)(I)(R), and 44-3-431, C.R.S. The purpose of this regulation is to establish a process for a catering company to obtain a catering license, to obtain catering permits for events on unlicensed premises, and to clarify the scope and privileges associated with a catering license.

- A. <u>Catering License</u>.
  - 1. In addition to other statutory requirements, a state catering license may be issued to a qualifying catering company. A "catering company" means a person, not including persons in the mobile food industry or food service industries that:
    - a. Is primarily engaged in providing event-based alcohol beverage services for events:
      - 1. At a venue that does not possess a liquor license or permit; and
      - 2. That have snacks and sandwiches available at the event; and
    - b. Has equipment and vehicles to transport meals, alcohol beverages, and snacks to events or to prepare food at an off-premises site.
  - 2. For purposes of this regulation, "mobile food services industry" means a business primarily engaged in preparing and serving meals, snacks, or nonalcoholic beverages for immediate consumption from motorized vehicles or nonmotorized carts. "Mobile food services industry" does not mean a business delivering food prepared only by third parties and does not mean a business shipping meal kits, heat-at-home meals, or other unprepared food to consumers for home consumption."
  - 3. For purposes of this regulation, "food service industry" means businesses primarily engaged in preparing and serving meals or snacks for consumption on or off the business's premises, including for take-out. A business is "primarily engaged" in the food service industry if its total annual gross sales revenues from preparing and serving meals or snacks for consumption on or off its premises food exceeds fifty (50) percent of the business's total annual gross sales revenues.
  - 4. To satisfy the requirement that the catering licensee or applicant is "primarily engaged" in providing event-based alcohol beverage services for events, the catering company's annual gross revenues from the sale of alcohol beverages shall exceed fifty (50) percent of the catering company's total annual gross sales revenues.

5. A person holding a catering licensee shall only hold a catering license and no other liquor license or permit, except a catering permit.

#### B. <u>Catering License Application.</u>

- 1. Catering companies may obtain a state catering license by submitting an application and the required fees to the state licensing authority. The application shall include:
  - a. The name of applicant;
  - b. The physical address of the licensed premises;
  - c. The state sales tax number of the applicant and an affirmation by the applicant that the applicant has not been found currently delinquent in the payment of any state or local taxes related to a business;
  - d. A copy of the deed or lease in the exact name of the applicant reflecting the right to possession of the premises for at least one 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 and possessed;
  - f. An affirming statement by the applicant stating that the applicant will comply with all local ordinances, zoning, and fire code requirements;
  - g. The license number of any liquor license(s) held by the applicant, if any;
  - h. Affirmation that the applicant is primarily engaged in providing event-based alcohol beverage services for events at locations other than a catering company's licensed premises, and is not in the mobile food industry or food service industries;
  - i. State catering license processing fee;
  - j. Identification of any violations at any event held by the catering licensee during the preceding three (3) years; and
  - k. Such other information as required on the form approved by the state licensing authority.

#### C. <u>Expiration</u>.

1. A catering license is valid for one calendar year from the date the catering license is issued and renewed on an annual basis.

#### D. <u>Renewal</u>.

- 1. A catering licensee may renew its catering license by submitting an application and the required fees to the state licensing authority on forms prescribed by the state licensing authority.
- E. Denials of Catering License.
  - 1. The state licensing authority may deny an applicant the issuance of a catering license, or a licensee the renewal thereof, for good cause as defined in section 44-3-103(19)(a)-(d).
  - 2. The state licensing authority shall not deny an applicant based on the proposed licensed premises proximity to any public or private school, or principal campus of a college, university, or seminary.

- F. Licensed Premises of Catering License.
  - 1. The licensed premises of a catering license shall not be open to the public for sale, service, or consumption of alcohol.
  - 2. A catering licensee may gratuitously provide a small serving of the alcohol beverages at the licensed premises that are offered by the catering licensee to allow customers to determine which alcohol beverages will be served at a catering event.
- G. <u>Catering Permits for Events That May Be Attended by Six Hundred (600) or More Individuals</u> (Catering Permit - 600 or Greater).
  - 1. A catering licensee shall apply for a catering permit (600 or greater) from the state licensing authority for an event that may be attended by six hundred or more individuals. The application shall be filed at least thirty (30) calendar days before the first date of the catered event, but may be filed within a reduced number of calendar days subject to the discretion of the Division, and shall include:
    - a. The catering license number, which shall be active and not under suspension;
    - b. The catering license expiration date;
    - c. The catering licensee's name;
    - d. A description of the unlicensed premises where the catered event will be held, including the address of the unlicensed premises;
    - e. A copy of an agreement granting the catering licensee permission to possess and control the premises for a catered event;
    - f. A diagram of the premises where the catered event will be held that reflects the area within the premises where alcohol beverages will be stored, sold, served, possessed, and consumed;
    - g. The date(s) and operating hours of the catered event, which shall not exceed one week;
    - h. The type of catered event (e.g., wedding, concert, birthday);
    - i. The number of individuals the catering licensee reasonably anticipates may attend the catered event;
    - j. A security and control plan which specifies:
      - (1) Hours of sale or service of alcohol beverages;
      - (2) Entries and exits;
      - (3) How and where alcohol will be secured and stored by the catering licensee when setting up for the catered event, during the catered event, and after the conclusion of the catered event;
      - (4) How visibly intoxicated parties will be handled; and
      - (5) How the licensee plans to prevent persons under twenty-one (21) years of age from consuming or purchasing alcohol beverages.
    - k. Identification of any violations at the catering licensee or applicant's licensed premises or at a catered event during the preceding three (3) years;

- I. The state catering permit processing fee;
- m. An affirming statement by the catering licensee stating that the catering licensee will comply with all local ordinances, zoning, and fire code requirements;
- n. If required by the local licensing authority, confirmation that the applicant has submitted an application for a local permit; and
- o. Such other information as required on form approved by the state licensing authority.
- 2. If the local licensing authority establishes a process for the catering licensee to obtain a catering permit for the catered event, the licensee shall obtain the local permit. A catered event shall not be held by the catering licensee unless the catering licensee first obtains and provides a copy of any required local permit to the state licensing authority.
- H. <u>Catering Permits for Catered Events at Unlicensed Premises Attended by Less Than Six Hundred</u> (600) Individuals (Catering Permit - less than 600).
  - 1. A catering licensee shall apply for a catering permit (less than 600) from the state licensing authority. The application shall be filed at least three (3) business days before the first date of the catered event, but may be filed within a reduced number of calendar days subject to the discretion of the Division, and shall include:
    - a. The catering license number, which shall be active and not under suspension;
    - b. The catering license expiration date;
    - c. The catering licensee's name;
    - d. A description of the unlicensed premises where the catered event will be held;
    - e. A copy of an agreement granting the catering licensee permission to possess and control the catered event for alcohol purposes;
    - f. A diagram of the premises of the catered event that reflects the area within the premises where alcohol beverages will be stored, sold, served, possessed, and consumed;
    - g. The date(s) and operating hours of the catered event, which shall not exceed one week;
    - h. The type of catered event, (e.g., wedding, concert, birthday);
    - i. The number of individuals expected to attend the catered event in the licensee's reasonable judgment;
    - j. Any special event permit application that has been or will be filed in connection with the catered event;
    - k. Identification of any violations at the applicant's licensed premises or at a catered event during the preceding three (3) years;
    - I. The state catering permit application processing fee; and
    - m. Such other information as required on forms approved by the state licensing authority.

- 2. No local catering permit shall be required for events authorized in subsection H. of this regulation.
- I. <u>Limitations of Catering Permits</u>.
  - 1. For purposes of this rule, "event" means a single, planned public or private gathering, lasting no longer than seven (7) consecutive days, at which the catering licensee provides alcohol beverage catering services for a person that has contracted with the catering licensee for such services.
  - 2. The purpose of this regulation is to prevent a catering licensee from effectively operating as a permanent on-premises retailer, rather than a catering company providing event-based services, by obtaining multiple catered event permits and operating at the same unlicensed premises on multiple days.
- J. <u>Denials of Temporary Permits</u>.
  - 1. The state and local licensing authorities, if applicable, may deny an applicant the issuance of a temporary permit if:
    - a. Good cause exists under subsection 44-3-103(19)(a)-(d), C.R.S.; or
    - b. There is a finding that the application, if granted, would result in violations of article 3 of title 44, these regulations, or if applicable, the ordinances or regulations of the local licensing authority.
- K. <u>Alcohol</u>.
  - 1. A catering licensee shall purchase malt, vinous, and spirituous liquors only from a wholesaler licensed pursuant to article 3 of title 44.
- L. <u>Selling and Serving</u>.
  - 1. The age of employees under this regulation is set forth in Regulation 47-913(I).
  - 2. All persons selling or serving alcohol at the licensed premises or at an unlicensed premises pursuant to an approved temporary permit shall have completed, prior to the sale or service, a responsible alcohol server training program that meets the standards established by the Division.
- M. <u>Violations</u>.
  - 1. A catering applicant or licensee violates this regulation and section 44-3-431, C.R.S, if it:
    - a. Violates any portion of Article 3 of Title 44, or any regulation promulgated pursuant thereto;
    - b. Fails to truthfully provide the information required to the state or local licensing authorities pursuant to Regulation 47-310(D);
    - c. Gives, provides, makes available, or sells alcohol beverages to a person under twenty-one years of age, even if a parent, or legal guardian gives or permits the possession and consumption of the alcohol beverage by a person under twenty-one years of age, pursuant to subsection 18-13-122(10), C.R.S.;
    - d. Serve or sell alcohol beverages between the hours of 2 a.m. and 7 a.m., pursuant to subsection 44-3-901(6)(b)(I), C.R.S.
- N. <u>Penalties</u>.
  - 1. The state and local licensing authorities may impose appropriate penalties against the catering licensee pursuant to section 44-3-601, C.R.S., Regulation 47-602, and Regulation

47-603, for violations of article 3 of title 44 and these regulations, including at a catered event.

- 2. Pursuant to subsection 44-3-601(9), C.R.S., when a licensee violate<u>s</u> 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 licensee responsible for the violation is a responsible alcohol beverage vendor pursuant to section 44-3-1002, C.R.S., and pursuant to the requirements of Regulation 47-605.
- O. <u>Effective Date</u>.
  - 1. This Regulation 47-1105 will not take effect unless and until the state licensing authority determines that the liquor enforcement division has sufficient legally available funding for the administration and enforcement of section 44-3-431, C.R.S., and this regulation, in accordance with the process set forth in subsection 44-3-431(6), C.R.S.

# Regulation 47-913. Age of Employees.

<u>Basis and Purpose</u>. 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 and lodging and entertainment 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 subsection (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: Subsections (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 years of age or older and under twenty-one 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 years of age.
- I. Catering Companies licensed pursuant to article 3, of title 44, C.R.S.
  - 1. A catering licensee shall not permit an individual who is eighteen years of age or older and under twenty-one years of age to sell, dispense, or participate in the sale or dispensing of an alcohol beverage, unless the individual is supervised by another individual who is on premises and is twenty-one years of age or older.

## Regulation 47-1106. Alcohol Beverage Shipper License.

- Basis and Purpose. The statutory authority for this regulation, includes, but is not limited to, subsections 44-3-103(2.5), 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 44-3-430, C.R.S. The purpose of this regulation is to establish a process for a parcel shipping company to obtain an alcohol beverage shipper license for the purposes of fulfilling a vinous liquor order on behalf of a winery direct shipper's permit holder pursuant to section 44-3-104, C.R.S.
- A. Alcohol Beverage Shipper License
  - 1. In addition to other statutory requirements, a state alcohol beverage shipper license may be issued to a qualifying parcel shipping company. A "parcel shipping company" means a person that:
    - a. Is primarily engaged in the business of shipping parcels, packages, mail, postage, or letters on behalf of a person to a consumer.
    - b. Has equipment and facilities necessary to transport vinous liquors ordered through a winery direct shipper's permit holder, including but not limited to automobiles, semi-trucks, airplanes, trains, vans, warehouses, or climate-controlled storage/holding areas, and to conduct the age and identity verification required by section 44-3-430, C.R.S, and this rule.
    - c. Has employees, including, but not limited to, drivers, truck drivers, or warehouse employees;
    - d. Operates within the State of Colorado; and
    - e. Ships alcohol beverages on behalf of winery direct shipper's permit holders.
- B. Alcohol Beverage Shipper License Application
  - 1. A parcel shipping company may apply for an alcohol beverage shipper license issued by the state licensing authority by submitting an application and the required fees. The application shall include
    - a. The name of the applicant;
    - b. The business address of the applicant;
    - c. All premises in which the applicant may store, hold, receive or ship from vinous liquors that will be associated with the license;
      - i. Premises must include all warehouses, depots, vehicles, or facilities within the State of Colorado where vinous liquors may be kept by the applicant.
    - d. An affirmation by a person with authority to bind the applicant that the parcel shipping company confirming the parcel shipping company will only handle vinous liquors that are transported on behalf of winery direct shipper's permit holders licensed pursuant to 44-3-104, C.R.S., and regulations promulgated pursuant thereto;
    - e. An affirmation by a person with authority to bind the applicant that confirms that a shipment shall only be made to an individual twenty-one (21) years of age or older who matches the name on the shipping instructions, and who is not visibly intoxicated;

- f. State alcohol beverage shipper license application processing fee; and
- g. Such other information as required on forms approved by the state licensing authority.
- C. Expiration
  - 1. An alcohol beverage shipper license is valid for one calendar year from the date it is issued and may be renewed annually.
- D. Renewal
  - 1. An alcohol beverage shipper license may be renewed by submitting an application and the required state fees to the State Licensing Authority on the forms prescribed by the State Licensing Authority. In addition to the information set forth in this regulation subsections (B)(1)(a)-(k), the applicant shall identify any violations by the alcohol beverage shipper licensee, or by any of the agents, servants or employees of the alcohol beverage shipper licensee, that occurred during the preceding three (3) years.
- E. Denial of the Alcohol Beverage Shipper License
  - 1. The state licensing authority may deny an applicant the issuance of a catering license, or the renewal thereof, for good cause as defined in section 44-3-103(19)(a) -(d).
- F. Final shipment at the consumer's residence or business address that is not part of a liquor-licensed premises
  - 1. For the final shipment of vinous alcohol beverage to the consumer's residence or business location, which shall not be a part of a liquor-licensed premises, the driver or other person acting on behalf of the the alcohol beverage shipper licensee must:
    - a. Physically hand the package to and obtain a signature from the individual who receives the vinous liquor;
    - b. Ensure the individual who receives the vinous liquor matches the name on the package, parcel, or shipping instructions;
    - c. Ensure the individual who receives the vinous liquors matches the name and picture of the person on a valid, government-issued identification card; and
    - d. Not complete the shipment if the individual intended to receive the vinous liquor appears to be visibly intoxicated.
- G. Unlawful Acts:
  - 1. It is unlawful for an alcohol beverage shipper licensee, or any of its agents, servants or employees, to:
    - a. Ship any malt or spirituous liquors.
    - b. Ship vinous alcohol to a visibly intoxicated individual.
    - c. Ship vinous liquor to an individual who is not twenty-one (21) years of age or older.
    - d. Ship vinous liquor to any person who is not the person listed as the recipient on the package, parcel, or shipping instructions.
      - i. Except that, the recipient may designate an alternate recipient who is

twenty-one (21) years of age or older by listing that recipient in the shipping instructions before the shipment is made.

- e. Leave a package or parcel containing vinous liquor unattended at the shipping address.
- f. Ship vinous liquor to a liquor-licensed premises.

#### H. Violations:

- 1. An applicant or licensee violates this regulation and 44-3-430, C.R.S., if it:
  - a. Violates any portion of article 3 of title 44 C.R.S., or regulations promulgated thereto; or
  - b. Violates any requirement set forth in this regulation;
- 2. The state licensing authority shall assess a violation of article 3 of title 44, C.R.S., or regulations promulgated thereto, that are committed by an alcohol beverage shipper licensee, or any of its agents, servants, or employees, against the alcohol beverage shipper licensee.
- 3. Pursuant to subsection 44-3-601(9), C.R.S., when a licensee, or any of its agents, servants or employees, violates provisions of the article 3 of title 44 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 licensee 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.

#### I. Effective Date

1. This Regulation 47-1106 will not take effect unless and until the state licensing authority determines that the liquor enforcement division has sufficient legally available funding for the administration and enforcement of section 44-3-430, C.R.S., and this regulation, in accordance with the process set forth in section 44-3-430(5), C.R.S.

#### Regulation 47-1107. Percentage 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 beverages 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 liquor licensee for purposes of conducting the operations of the liquor license and includes the officers, directors, shareholders, members, owners, or part owners of the landlord.
- B. Percentage Rent Permitted.
  - 1. Percentage rent is permitted so long as the agreement between the landlord and the licensee for the use of the premises contains a provision expressly providing that the

landlord shall not control, attempt to control, or otherwise influence the licensee to sell any amount of alcohol beverages, directly or indirectly.

- a. A landlord receiving payment of percentage rent shall 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 articles 3 and 4 of title 44 prohibiting a person from holding interests in other licenses or permits under articles 3 and 4 of title 44.
- b. 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 a the payment of rent to the landlord at a fixed periodic rate.

## 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); 44-3-414(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 47-1109. Educational Classes.

Basis and Purpose. The statutory authority for this regulation includes, but is not limited to, subsections 44-3-103(14.5), 44-3-202(1)(b), 44-3-202(1)(d), 44-3-202(2)(a)(I)(K), 44-3-202(2)(a)(I)(O), 44-3-202(2)(a)(I)(R), and 44-3-301(13), C.R.S. The purpose of this regulation is to establish requirements for a retail liquor store licensed pursuant to 44-3-409, C.R.S., to hold educational classes.

A. Educational Class.

- 1. "Educational class" means a closed event on the premises of a retail liquor store, during which consumers who are twenty-one years of age or older are taught about alcohol beverages that are sold by the retail liquor store, including, but not limited to, the history of the alcohol beverage, food pairings, and serving suggestions.
- B. Notice Requirement
  - 1. A retail liquor store licensed pursuant to 44-3-409, C.R.S., shall notify the State Licensing Authority of an educational class no less than five business days prior to the date of the class.
  - 2. In its notification, the retail liquor store shall inform the State Licensing Authority of the type of alcohol beverages being showcased at the educational class.
    - a. Possible types of alcoholic beverages are malt, vinous, and spirituous liquors.
    - b. Common alcohol modifiers from the retail liquor store's own inventory may be used at the educational class and need not be reported to the state licensing authority.
  - 3. The retail liquor store shall maintain records of all attendees of each educational class for no less than 90-days from the date of the educational class. The records shall contain the name, email address, and phone number.
  - 4. The retail liquor store shall maintain records of all alcohol beverages used during each educational class, how much was used during each educational class, and whether or not the leftover product from the educational class was destroyed or kept for a later educational class.
    - a. The retail liquor store shall differentiate opened bottles in its records.
- C. Permitted Acts.
  - 1. A retail liquor store hosting an educational class may charge a fee for the class, except that it shall not charge a fee by the drink.
  - 2. A wholesaler or manufacturer may provide alcohol beverages for an educational class, but that alcohol beverage must only be used for the specific educational class for which it was provided.
    - a. Any unopened alcohol beverages shall be removed by the wholesaler.
    - b. Any opened alcohol beverages remaining at the retail liquor store after the educational class may be used for use in a future educational class, but must be locked away from the sales floor in a secured area. A secured area means:
      - i. A designated area, including, but not limited to, a closet, cabinet, or safe;
      - ii. That is upon the licensed premises and not accessible to consumers; and
      - iii. Is secured by a locking mechanism at all times while any open containers of unconsumed alcohol beverages are stored for use at a future educational class.
- D. Unlawful Acts

- 1. It is unlawful for a retail liquor store conducting an education class to:
  - a. Charge a patron per drink or by the drink;
  - b. Allow a patron who has participated in an educational class to participate in another educational class or tasting event on the licensed premises for the rest of the calendar day;
  - c. Allow any person under twenty-one (21) years old to attend the educational class regardless of any safeguards implemented by the retail liquor store meant to prevent an underaged person from consuming alcohol beverages;
  - d. Allow an instructor to teach the educational class that has not completed the responsible alcohol beverage training pursuant to 44-3-1002, C.R.S.;
  - e. Provide more than four samples of alcohol beverages; or
  - f. Provide volume limits that exceed one ounce of malt or vinous liquor or one-half ounce of spirituous liquor.

## 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 license on a two-year basis. 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 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. The second payment must be submitted by the date that is twelve (12) months after the biennial license application is filed. Failure of the licensee to timely pay the second payment shall 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 have good standing status.
  - 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 Articles 3, 4, or 5 of Title 44 C.R.S. or any regulations promulgated pursuant thereto, in the 365 days period before applying to renew the license on a two-year basis;
- b. Maintains a license that has not expired;
- c. Has paid all fines and fees owed to the state licensing authority; and
- d. Has paid their annual license fee for their biennial license in consecutive fiscal years (July 1- June 30).
- 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 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.