

Liquor & Tobacco Enforcement Division

Local Licensing Clerk Training

August 16, 2023



COLORADO
Department of Revenue
Specialized Business Group—
Liquor & Tobacco

Festival Permit

Colorado Revised Statute 44-3-404

Regulation 47- 405



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Who Can Participate?

Manufacturer license - 44-3-402, C.R.S.;

Limited Winery license - 44-3-403, C.R.S.;

Wholesaler's license - 44-3-407, C.R.S.;

Beer and Wine license - 44-3-411, C.R.S.;

Hotel and Restaurant license - 44-3-413, C.R.S.;

Tavern license - 44-3-414, C.R.S.;

Brew Pub license - 44-3-417, C.R.S.;

Vintner's Restaurant license - 44-3-422, C.R.S.;

Distillery Pub license - 44-3-426, C.R.S.; and

Special Event Permits - 44-5-101. C.R.S.



Local Licensing Authority

- LLA may create a local permit for festivals.
- Note-**Limited Winery and Winery** need not obtain a local permit to participate or hold a festival.
- If the LLA does not create a permit then the applicants need not apply with the LLA and only with the SLA.



Permit Application Process

- File the application at least 10 business days (30 calendar days) before festival is held.
- Pay \$25.00 application fee (\$50.00 application fee)
- 9 Festivals in a 12 months after the permit is issued
- Other licensees may jointly participate (52 festivals in a calendar year)*Note

If no LLA Permit, the permittee needs to notify the local licensing authority of the location and dates of each festival 10 business days (30 calendar days) before holding the festival

Subsequent permits would need to be filed with SLA and applicable LLA



Grounds for Denial

- Documented history of violations of Article 3 – Liquor Code or regulations.
- Filing an incomplete or late application.
- Findings would violate Article 3 – Liquor Code, regulations, or laws of local government.
- Subsequent festival permit application are deemed approved, unless SLA, if applicable, LLA, provide notice of denial to applicant 72 hours prior to the date of the event.





Festival Tastings



- The permittee and participating licensees can conduct tastings on the festival permit designated grounds and engage in retail sales as is permitted on their licensed premises.
- Festival permits are only allowed to operate no more than 72 hours for any one festival.



Festival Violations

- If a violation occurs on the festival permit, the licensee responsible is identified the administrative action will be taken on that licensee.
- If a violation occurs on a festival permit but the licensee responsible cannot be identified then all licensees involved in the festival permit for that location will be assessed a fine of \$25.00 and no more than \$250.00 in aggregate.





Civil Liability

- If a joint fine levied it will not create or increase civil liability for participating licensees or create joint liability for licensees.



Proposed Changes to 47-405

If adopted by the State Licensing Authority, these regulation changes would go into effect on January 1, 2024:

- Clarifying that festivals may be held on the licensed premises of a licensee eligible to obtain a festival permit, if the licensed premises has been modified to exclude the area where the festival is held
- Once a festival permit (initial or subsequent) is filed, additional participants may be added if written notice is given to state and local licensing authorities at least 15 calendar days prior to the festival date



Questions?

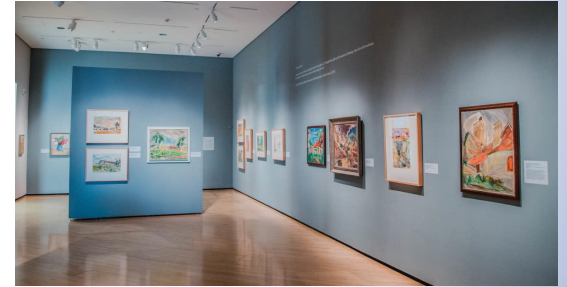


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Retail Establishment

- Colorado Revised Statute 44-3-424
- Regulation 47-436



44-3-424

44-3-424 (1) (a) Retail Establishment Permit

Permits a **Retail Establishment** the privilege to serve complimentary alcohol beverages at a place of business for on premises consumption, upon receipt of a permit which is renewed annually.



Retail Establishment

Is an establishment that has the primary purpose of selling goods or services to the public that:

- Conducts business in a physical building in Colorado.
- Derives less than 50% from sale of food.
- Has no more than 25 employees
- Retail sales no more than five million dollars per year.



Art Gallery

Is a retail establishment that has the primary purpose of exhibiting and offering sale of works of fine art or precious or semiprecious metals or stones.



Fees

Local Permit Fee - \$25.00 for each permit-\$3.75 LLA Fee/ **\$21.25**
OAP.

Local Licensing Authority(LLA) Application Fee new and renewal
set up to \$200.00

State Permit Fee not to exceed \$200.00 - Set at **\$72.00** by rule.
including annual renewal. Division receives **\$50.00** (85%
OAP**\$18.70**/ 15% General Fund **\$3.30**) Total payment **\$93.25**



Retail Establishment Not Allowed to Obtain a Permit

- Sell Firearms; Motor Vehicles; Marijuana; Gasoline; Diesel Fuel
- Educates students from kindergarten to 12 grade; provide Child Care
- Convenience Store



Retail Establishment Permit

- Shall not intentionally allow more than 250 people on the premises at one time while alcohol beverages are being served.



Serving Sizes

The Division spoke with the sponsor of HB23-1061 and the intent was not to limit the number of drinks per patron, only the serving size. The Division would like to remind licensees to use sound judgement when serving, as there is administrative, criminal and increased civil liability for over service and/or sales to intoxicated parties.

- Serving sizes:
 - Malt liquor no more than 12 ounces
 - Vinous liquor no more than 5 ounces- this may be mixed with non alcohol beverages for a larger serving size.
 - Spirituous liquor no more than one and one half ounces, this may be mixed with non-alcoholic beverages to make a larger serving size.
 - Regulation 47-436- cannot exceed the maximum allowed amount of alcohol beverage (12 ounces mixed cocktail)



Storage of Alcohol

Regulation 47-436 (E)(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.



Storage of Alcohol

Regulation 47-436 (E)(5)

- A secure area means:
 - o A designated area, including, but not limited to, a closet, cabinet, or safe;
 - o 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
 - o 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.



Shall Not

- Direct or indirectly sell alcohol beverages.
- Serve for more than 4 hours in a 24 hour period.
- Serve alcohol for more than 24 days per year.



Shall Not

- Hold other licenses under article 3 and 4 of Title 44 on this permitted retail area.
- Serve or distribute alcohol between 2 a.m. and 7 a.m.
- Charge an entrance fee or cover charge in exchange for offering complimentary alcohol beverages.



Age of Employees

- Persons under age 18 years of age are not permitted to provide complimentary alcohol beverages to consumers.
- Persons 18 years of age or older and under 21 years of age are not permitted to provide complimentary alcohol beverages to consumers unless supervised by another person on the premises that is at least 21 years of age.



Reasons to Reject an Application

- Applicant fails to establish are able to offer complimentary alcohol beverages without violating this section without a public safety risk.
- Must designate days of service; must give notice of change of dates with 15 days written notice - 44-3-424(2)(b)
- Cannot deny application based solely on proximity to school, college campus, university or seminary.



Violation

- Violation of article 3 or regulation.
- Fails to truthfully furnish any required information in connection with a permit.
- Violation of Regulation 47-436
- Charges an entrance fee.



Additional Requirements

- Must have insurance coverage by law
- Cannot serve to visibly intoxicated parties
- Cannot allow alcohol beverages to be removed from licensed premises.
- Must comply with any zoning or occupancy ordinances or law.



Financial Interest In:

- Beer & Wine License
- Hotel & Restaurant License
- Tavern License
- Brew Pub License
- Club License
- Arts License
- Racetrack License
- Public Transportation System License
- Financial Institution listed in 44-3-308 (4)
- Optional Premises License
- Retail Gaming Tavern License
- Vintner's Restaurant License
- Lodging and Entertainment License
- Bed & Breakfast Permit
- FMB On
- FMB On & Off
- Fermented Malt Beverage and Wine Retailer



Questions?



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