

**Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 18-0436.01 Christy Chase x2008

SENATE BILL 18-067

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Senate Committees

Business, Labor, & Technology

House Committees

Business Affairs and Labor

HOUSE
3rd Reading Unamended
February 21, 2018

A BILL FOR AN ACT

101 **CONCERNING THE ABILITY OF CERTAIN ORGANIZATIONS CONDUCTING**
102 **A SPECIAL EVENT TO AUCTION ALCOHOL BEVERAGES IN SEALED**
103 **CONTAINERS FOR FUNDRAISING PURPOSES UNDER SPECIFIED**
104 **CIRCUMSTANCES.**

HOUSE
2nd Reading Unamended
February 20, 2018

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

SENATE
3rd Reading Unamended
February 2, 2018

Current law prohibits:

! A person from selling alcohol beverages at retail in sealed containers unless the person holds a retail liquor store or

SENATE
Amended 2nd Reading
February 1, 2018

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

liquor-licensed drugstore license;

- ! A person from removing alcohol beverages from an establishment that is licensed under the "Colorado Liquor Code" to sell alcohol beverages only for consumption on the licensed premises; and
- ! A person licensed to sell alcohol beverages at retail to have on the licensed premises any alcohol beverage that the licensee is not permitted under its license to sell.

These prohibitions preclude an organization holding a special event at a premises licensed to sell alcohol beverages for consumption on the licensed premises from bringing alcohol beverages in sealed containers onto the premises in order to auction the alcohol beverages for fundraising purposes.

The bill provides exceptions to these prohibitions and specifically allows certain organizations to bring onto and remove from the premises where the event will be held alcohol beverages in sealed containers that were donated to or otherwise lawfully obtained by the organization and will be used for an auction for fundraising purposes as long as the alcohol beverages remain in sealed containers at all times and the licensee does not realize any financial gain related to the alcohol beverage auction.

The exceptions are authorized for an organization that is eligible to apply for a special event permit, is exempted from special event permit requirements, or is holding a special event at a retail premises licensed to sell alcohol beverages for on-premises consumption.

The retail value of alcohol beverages donated by a retail liquor store, liquor-licensed drugstore, or fermented malt beverage retailer is not included in the calculation of the \$2,000 limit on the purchase of alcohol beverages from those retailers by persons licensed to sell alcohol beverages for on-premises consumption. Additionally, neither a retailer that donates alcohol beverages, nor a licensee on whose premises a special event is held, is liable for unlawful acts committed by the organization or other person involving the donated alcohol beverages or on the licensed premises where the event is held.

The bill applies to the following types of organizations:

- ! An organization formed for a social, fraternal, patriotic, political, or athletic purpose and not for pecuniary gain;
- ! An organization that is a regularly chartered branch, lodge, or chapter of a national organization or society organized for social, fraternal, patriotic, political, or fraternal purposes and is nonprofit in nature;
- ! An organization that is a regularly established religious or philanthropic institution;
- ! An organization that is a state institution of higher education; or
- ! A political candidate.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 12-47-107 as
3 follows:

4 **12-47-107. Permitted acts - auctions at special events -**
5 **definition.** (1) Any person who has an interest in a liquor license may
6 also be listed as an officer or director on a license owned by a
7 municipality or governmental entity if such person does not individually
8 manage or receive any direct financial benefit from the operation of such
9 license.

10 (2) (a) AN ORGANIZATION THAT IS HOLDING A SPECIAL EVENT
11 PURSUANT TO ARTICLE 48 OF THIS TITLE 12 MAY, SUBJECT TO THE
12 REQUIREMENTS OF SUBSECTION (2)(b) OF THIS SECTION:

13 (I) BRING ONTO AND REMOVE FROM THE LICENSED PREMISES OR
14 UNLICENSED PREMISES WHERE THE SPECIAL EVENT IS HELD ALCOHOL
15 BEVERAGES IN SEALED CONTAINERS THAT WERE DONATED TO OR
16 OTHERWISE LAWFULLY OBTAINED BY THE ORGANIZATION FOR
17 FUNDRAISING PURPOSES; AND

18 (II) AUCTION THE ALCOHOL BEVERAGES IN SEALED CONTAINERS
19 FOR FUNDRAISING PURPOSES WHILE ON THE LICENSED PREMISES OR
20 UNLICENSED PREMISES WHERE THE SPECIAL EVENT IS HELD.

21 (b) (I) AN ORGANIZATION HOLDING A SPECIAL EVENT AND, IF THE
22 SPECIAL EVENT IS HELD ON A LICENSED PREMISES, THE LICENSEE ON
23 WHOSE LICENSED PREMISES THE SPECIAL EVENT IS HELD, OR, IF THE
24 SPECIAL EVENT IS HELD ON UNLICENSED PREMISES, THE PERSON ON WHOSE
25 UNLICENSED PREMISES THE SPECIAL EVENT IS HELD, == SHALL ENSURE
26 THAT ANY ALCOHOL BEVERAGES IN SEALED CONTAINERS BROUGHT ONTO,

1 AUCTIONED AT, OR REMOVED FROM THE ___ PREMISES REMAIN SEALED AT
2 ALL TIMES WHILE ON THE ___ PREMISES.

3 (II) THE LICENSEE ON WHOSE LICENSED PREMISES THE SPECIAL
4 EVENT IS HELD OR THE PERSON ON WHOSE UNLICENSED PREMISES THE
5 SPECIAL EVENT IS HELD, AS APPLICABLE, SHALL NOT REQUIRE OR ACCEPT
6 ANY FEE FOR, PERCENTAGE OR PORTION OF THE PROCEEDS FROM, OR
7 OTHER FINANCIAL BENEFIT SPECIFICALLY RELATED TO THE AUCTION OF
8 ALCOHOL BEVERAGES IN SEALED CONTAINERS ON THE ___ PREMISES.

9 (c) THE RETAIL VALUE OF ALCOHOL BEVERAGES DONATED TO AN
10 ORGANIZATION PURSUANT TO THIS SECTION BY A RETAILER LICENSED
11 UNDER SECTION 12-46-104 (1)(c), 12-47-407, OR 12-47-408 TO SELL
12 ALCOHOL BEVERAGES AT RETAIL FOR CONSUMPTION OFF THE LICENSED
13 PREMISES DOES NOT COUNT AGAINST THE ANNUAL LIMIT ON PURCHASES
14 FROM THOSE RETAILERS SPECIFIED IN SECTION 12-47-409 (2), 12-47-411
15 (6)(b), 12-47-412 (2), 12-47-414 (2), 12-47-415 (3), 12-47-416 (2),
16 12-47-417 (4), 12-47-418 (2), 12-47-420 (3), 12-47-424 (4)(b), OR
17 12-47-426 (2).

18 (d) (I) A RETAILER LICENSED UNDER THIS ARTICLE 47 OR ARTICLE
19 46 OF THIS TITLE 12 THAT DONATES ALCOHOL BEVERAGES TO AN
20 ORGANIZATION PURSUANT TO THIS SECTION IS NOT LIABLE FOR ANY
21 VIOLATION OF SECTION 12-47-901 COMMITTED BY THE ORGANIZATION OR
22 OTHER PERSON ON THE ___ PREMISES WHERE THE SPECIAL EVENT IS HELD
23 OR INVOLVING THE DONATED ALCOHOL BEVERAGES IF THE LICENSED
24 RETAILER THAT DONATED THE ALCOHOL BEVERAGES WAS NOT INVOLVED
25 IN THE VIOLATION AND DID NOT ENGAGE IN ANY ACT OR OMISSION THAT
26 CONSTITUTES AN UNLAWFUL ACT UNDER SECTION 12-47-901.

27 (II) THE STATE AND LOCAL LICENSING AUTHORITIES SHALL

1 CONSIDER MITIGATING FACTORS, INCLUDING A LICENSEE'S LACK OF
2 KNOWLEDGE OF A VIOLATION, IN DETERMINING WHETHER TO HOLD A
3 LICENSEE ON WHOSE LICENSED PREMISES THE SPECIAL EVENT WAS HELD
4 RESPONSIBLE FOR ANY VIOLATION OF SECTION 12-47-901 THAT OCCURRED
5 ON THE LICENSED PREMISES AND THAT WAS COMMITTED BY THE
6 ORGANIZATION HOLDING THE SPECIAL EVENT.

7 (e) AS USED IN THIS SUBSECTION (2), "ORGANIZATION" MEANS AN
8 ORGANIZATION DESCRIBED IN SECTION 12-48-102 (1):

9 (I) THAT OBTAINS A SPECIAL EVENT PERMIT UNDER ARTICLE 48 OF
10 THIS TITLE 12 TO HOLD A SPECIAL EVENT ON A PREMISES LICENSED UNDER
11 SECTION 12-47-403, 12-47-403.5, 12-47-411 (2.5), 12-47-416, 12-47-417,
12 OR 12-47-422;

13 (II) THAT IS HOLDING A SPECIAL EVENT AT A RETAIL PREMISES
14 LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES FOR
15 CONSUMPTION ON THE LICENSED PREMISES; OR

16 (III) THAT IS OTHERWISE EXEMPT FROM ARTICLE 48 OF THIS TITLE
17 12 PURSUANT TO SECTION 12-48-108.

18 **SECTION 2.** In Colorado Revised Statutes, 12-47-407, **amend**
19 (1)(a)(I) as follows:

20 **12-47-407. Retail liquor store license.** (1) (a) (I) A retail liquor
21 store license shall be issued to persons selling only malt, vinous, and
22 spirituous liquors in sealed containers not to be consumed at the place
23 where sold. Malt, vinous, and spirituous liquors in sealed containers shall
24 not be sold at retail other than in retail liquor stores except as provided in
25 section 12-47-408 OR EXCEPT AS ALLOWED UNDER THIS ARTICLE 47.

26 **SECTION 3.** In Colorado Revised Statutes, 12-47-901, **amend**
27 (1) introductory portion, (1)(f), (1)(m), and (5)(e) as follows:

1 **12-47-901. Unlawful acts - exceptions - definitions.** (1) Except
2 as provided in section 18-13-122, ~~C.R.S.~~, it is unlawful for any person:

3 (f) To sell at retail any malt, vinous, or spirituous liquors in sealed
4 containers without holding a retail liquor store or liquor-licensed
5 drugstore license, except as permitted by ~~section~~ SECTION 12-47-107 (2)
6 OR 12-47-301 (6)(b) or any other provision of this ~~article~~ ARTICLE 47;

7 (m) To remove an alcohol beverage from a licensed premises
8 where the liquor license for the licensed premises allows only
9 on-premises consumption of alcohol beverages, except as permitted under
10 ~~subparagraph (VI) of paragraph (h) of this subsection (1)~~ SUBSECTION
11 (1)(h)(VI) OF THIS SECTION OR SECTION 12-47-107 (2).

12 (5) It is unlawful for any person licensed to sell at retail pursuant
13 to this article 47 or article 46 of this title 12:

14 (e) EXCEPT AS PROVIDED IN SECTION 12-47-107 (2), to have in
15 possession or upon the licensed premises any alcohol beverage, the sale
16 of which is not permitted by said license;

17 **SECTION 4. Safety clause.** The general assembly hereby finds,
18 determines, and declares that this act is necessary for the immediate
19 preservation of the public peace, health, and safety.