

**NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.**

# An Act

SENATE BILL 25-033

BY SENATOR(S) Amabile and Roberts, Simpson, Bridges, Catlin, Daugherty, Exum, Kipp, Mullica, Snyder, Weissman;  
also REPRESENTATIVE(S) Ricks and Weinberg, Bacon, Bird, Boesenecker, Brown, Clifford, Mabrey, McCluskie, McCormick, Gonzalez R., Hamrick, Lukens, Marshall, Mauro, Phillips, Sirota, Stewart K.

CONCERNING LIMITATIONS ON LIQUOR-LICENSED DRUGSTORE LICENSES.

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

**SECTION 1.** In Colorado Revised Statutes, 44-3-103, **add** (21.3) as follows:

**44-3-103. Definitions.** As used in this article 3 and article 4 of this title 44, unless the context otherwise requires:

(21.3) "INDEPENDENT PHARMACY" MEANS A PRESCRIPTION DRUG OUTLET PRIVATELY OWNED BY AT LEAST ONE LICENSED PHARMACIST WITH NO OWNERSHIP INTEREST BY OR AFFILIATION WITH A CHAIN OR PUBLICLY OWNED PHARMACY.

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

**SECTION 2.** In Colorado Revised Statutes, 44-3-410, **amend** (1)(a) and (7); **repeal** (1)(b), (4)(b)(IV), (4)(b)(V), and (4)(c); and **add** (4)(b)(VI) and (8) as follows:

**44-3-410. Liquor-licensed drugstore license - multiple licenses permitted - license renewals - independent pharmacies - requirements - rules.** (1) (a) ~~(F)~~ A liquor-licensed drugstore license ~~shall be~~ IS issued to persons selling malt, vinous, and spirituous liquors in sealed containers not to be consumed at the place where sold. On and after ~~July 1, 2016~~, ~~except as permitted under subsection (1)(b) of this section~~ THE EFFECTIVE DATE OF THIS SECTION, AS AMENDED, the state and local licensing authorities shall not issue a ANY new liquor-licensed drugstore license if the licensed premises for which a liquor-licensed drugstore license is sought is located: LICENSES.

~~(A) Within one thousand five hundred feet of a retail liquor store licensed under section 44-3-409;~~

~~(B) For a drugstore premises located in a municipality with a population of ten thousand or fewer, within three thousand feet of a retail liquor store licensed under section 44-3-409; or~~

~~(C) For a drugstore premises located in a municipality with a population of ten thousand or fewer that is contiguous to the city and county of Denver, within one thousand five hundred feet of a retail liquor store licensed under section 44-3-409.~~

~~(H) Nothing in this subsection (1) prohibits:~~

~~(A) The renewal or transfer of ownership of a liquor-licensed drugstore license initially issued prior to July 1, 2016.~~

~~(B) A liquor-licensed drugstore licensee from allowing tastings on the licensed premises if the applicable local licensing authority has authorized the liquor-licensed drugstore to conduct tastings on its licensed premises in accordance with section 44-3-301 (10).~~

~~(b) (I) On or after January 1, 2017, to qualify for an additional liquor-licensed drugstore license under this section, a liquor-licensed drugstore licensee, or a retail liquor store licensee that was licensed as a~~

~~liquor-licensed drugstore on February 21, 2016, must apply to the state and local licensing authorities, as part of a single application, for a transfer of ownership of at least two licensed retail liquor stores that were licensed or had applied for a license on or before May 1, 2016, a change of location of one of the retail liquor stores, and a merger and conversion of the retail liquor store licenses into a single liquor-licensed drugstore license. The applicant may apply for a transfer, change of location, and merger and conversion only if all of the following requirements are met:~~

~~(A) The retail liquor stores that are the subject of the transfer of ownership are located within the same local licensing authority jurisdiction as the drugstore premises for which the applicant is seeking a liquor-licensed drugstore license, and, if any retail liquor stores are located within one thousand five hundred feet of the drugstore premises or, for a drugstore premises located in a municipality with a population of ten thousand or fewer, within three thousand feet of the drugstore premises, the applicant applies to transfer ownership of all retail liquor stores located within that distance. If there are no licensed retail liquor stores or only one licensed retail liquor store within the same local licensing authority jurisdiction as the drugstore premises for which a liquor-licensed drugstore license is sought, the applicant shall apply to transfer ownership of one or two retail liquor stores, as necessary, that are located in the local licensing authority jurisdiction that is nearest to the jurisdiction in which the drugstore premises is located.~~

~~(B) Upon transfer and conversion of the retail liquor store licenses to a single liquor-licensed drugstore license, the drugstore premises for which the liquor-licensed drugstore license is sought will be located at least one thousand five hundred feet from all licensed retail liquor stores that are within the same local licensing authority jurisdiction as the drugstore premises or, for a drugstore premises located in a municipality with a population of ten thousand or fewer, at least three thousand feet from all licensed retail liquor stores that are within the same local licensing authority jurisdiction as the drugstore premises.~~

~~(H) For purposes of determining whether the distance requirements specified in subsection (1)(b)(I) of this section are satisfied, the distance shall be determined by a radius measurement that begins at the principal doorway of the drugstore premises for which the application is made and ends at the principal doorway of the licensed retail liquor store.~~

~~(HH) In making its determination on the transfer of ownership, change of location, and license merger and conversion application, the local licensing authority shall consider the reasonable requirements of the neighborhood and the desires of the adult inhabitants in accordance with section 44-3-312.~~

~~(IV) In addition to any other requirements for licensure under this section or this article 3, a person applying for a new liquor-licensed drugstore license in accordance with this subsection (1)(b) on or after January 1, 2017, or to renew a liquor-licensed drugstore license issued on or after January 1, 2017, under this subsection (1)(b) must:~~

~~(A) 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 licenses is sought is from the sale of food items, as defined by the state licensing authority by rule; and~~

~~(B) Make and keep its premises open to the public.~~

~~(4) (b) An owner, part owner, shareholder, or person interested directly or indirectly in a liquor-licensed drugstore may have an interest in:~~

~~(IV) For a liquor-licensed drugstore licensed on or before January 1, 2016, or a liquor-licensed drugstore licensee that was licensed as a liquor-licensed drugstore on February 21, 2016, that converted its license to a retail liquor store license after February 21, 2016, and that applied on or before May 1, 2017, to convert its retail liquor store license back to a liquor-licensed drugstore license, additional liquor-licensed drugstore licenses as follows, but only if obtained in accordance with subsection (1)(b) of this section:~~

~~(A) On or after January 1, 2017, and before January 1, 2022, four additional liquor-licensed drugstore licenses, for a maximum of five total liquor-licensed drugstore licenses;~~

~~(B) On or after January 1, 2022, and before January 1, 2027, up to seven additional liquor-licensed drugstore licenses, for a maximum of eight total liquor-licensed drugstore licenses;~~

~~(C) On or after January 1, 2027, and before January 1, 2032, up to twelve additional liquor-licensed drugstore licenses, for a maximum of thirteen total liquor-licensed drugstore licenses;~~

~~(D) On or after January 1, 2032, and before January 1, 2037, up to nineteen additional liquor-licensed drugstore licenses, for a maximum of twenty total liquor-licensed drugstore licenses; and~~

~~(E) On or after January 1, 2037, an unlimited number of additional liquor-licensed drugstore licenses.~~

~~(V) For a liquor-licensed drugstore that submitted an application for a new liquor-licensed drugstore license before October 1, 2016, additional liquor-licensed drugstore licenses as follows, but only if obtained in accordance with subsection (1)(b) of this section:~~

~~(A) On or after January 1, 2019, and before January 1, 2022, four additional liquor-licensed drugstore licenses, for a maximum of five total liquor-licensed drugstore licenses;~~

~~(B) On or after January 1, 2022, and before January 1, 2027, up to seven additional liquor-licensed drugstore licenses, for a maximum of eight total liquor-licensed drugstore licenses;~~

~~(C) On or after January 1, 2027, and before January 1, 2032, up to twelve additional liquor-licensed drugstore licenses, for a maximum of thirteen total liquor-licensed drugstore licenses;~~

~~(D) On or after January 1, 2032, and before January 1, 2037, up to nineteen additional liquor-licensed drugstore licenses, for a maximum of twenty total liquor-licensed drugstore licenses; and~~

~~(E) On or after January 1, 2037, an unlimited number of additional liquor-licensed drugstore licenses.~~

(VI) NO MORE THAN EIGHT LIQUOR-LICENSED DRUGSTORE LICENSES.

~~(c) Subsection (4)(b)(V) of this section does not apply to a liquor-licensed drugstore licensee that was licensed as a liquor-licensed drugstore on February 21, 2016, that converted its license to a retail liquor~~

~~store license after February 21, 2016, and that applied on or before May 1, 2017, to convert its retail liquor store license back to a liquor-licensed drugstore license.~~

(7) A person licensed under this section that ~~obtains~~ OBTAINED additional liquor-licensed drugstore licenses ~~in accordance with subsection (4)(b)(IV) or (4)(b)(V) of this section~~ may operate under a single or consolidated corporate entity but shall not commingle purchases of or credit extensions for purchases of malt, vinous, or spirituous liquors from a wholesaler licensed under this article 3 for more than one licensed premises. A wholesaler licensed under this article 3 shall not base the price for the malt, vinous, or spirituous liquors it sells to a liquor-licensed drugstore licensed under this section on the total volume of malt, vinous, or spirituous liquors that the licensee purchases for multiple licensed premises.

(8) (a) THE STATE OR A LOCAL LICENSING AUTHORITY MAY RENEW A LIQUOR-LICENSED DRUGSTORE LICENSE PURSUANT TO SECTION 44-3-302. IN ADDITION TO ANY OTHER REQUIREMENTS FOR RENEWAL, A PERSON APPLYING TO RENEW A LIQUOR-LICENSED DRUGSTORE LICENSE ISSUED ON OR AFTER JANUARY 1, 2017, BUT ISSUED BEFORE THE EFFECTIVE DATE OF THIS SECTION, AS AMENDED, SHALL:

(I) PROVIDE EVIDENCE TO THE STATE AND LOCAL LICENSING AUTHORITIES THAT, WITH RESPECT TO THE TOTAL SALES MADE DURING THE PRIOR TWELVE MONTHS AT THE DRUGSTORE PREMISES FOR WHICH THE RENEWAL LICENSE IS SOUGHT, AT LEAST TWENTY PERCENT OF THE LICENSEE'S GROSS ANNUAL INCOME IS DERIVED FROM THE SALE OF FOOD ITEMS, AS DEFINED BY THE STATE LICENSING AUTHORITY BY RULE; AND

(II) MAKE AND KEEP THE LICENSEE'S PREMISES OPEN TO THE PUBLIC.

(b) (I) ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, AS AMENDED, A LIQUOR-LICENSED DRUGSTORE LICENSEE SHALL NOT MERGE, SELL, TRANSFER, CONVERT, OR CHANGE THE LOCATION OF A LIQUOR-LICENSED DRUGSTORE LICENSE.

(II) NOTWITHSTANDING SUBSECTION (8)(b)(I) OF THIS SECTION, A LIQUOR-LICENSED DRUGSTORE LICENSEE THAT HOLDS A LIQUOR-LICENSED DRUGSTORE LICENSE THAT WAS ISSUED TO AN INDEPENDENT PHARMACY BEFORE JANUARY 1, 2025, MAY CHANGE THE LOCATION OF OR SELL OR

TRANSFER THE LICENSE TO ANOTHER INDEPENDENT PHARMACY THAT HOLDS A LIQUOR-LICENSED DRUGSTORE LICENSE OR TO A PERSON THAT DOES NOT ALREADY HOLD OR HAVE AN INTEREST IN A LIQUOR-LICENSED DRUGSTORE LICENSE.

**SECTION 3.** In Colorado Revised Statutes, 44-3-303, **amend** (1)(c)(I) and (2); and **repeal** (1)(c)(II) as follows:

**44-3-303. Transfer of ownership and temporary permits.**

(1) (c) (I) ~~Except as provided in subsection (1)(c)(H) of this section, for any other~~ FOR ANY transfer of ownership, application must be made to the state and local licensing authorities on forms prepared and furnished by the state licensing authority. In determining whether to permit a transfer of ownership, the licensing authorities shall consider only the requirements of section 44-3-307 and 1 CCR 203-2, rule 47-302, entitled "Changing, Altering, or Modifying Licensed Premises", or any analogous successor rule. The local licensing authority may conduct a hearing on the application for transfer of ownership after providing notice in accordance with subsection (1)(c)(III) of this section. ~~Any~~ A transfer of ownership hearing by the state licensing authority ~~must~~ SHALL be held in accordance with section 44-3-305 (2).

(II) ~~A license merger and conversion as provided for in section 44-3-410(1)(b) includes a transfer of ownership of at least two retail liquor stores, a change of location of one of the retail liquor stores, and a merger and conversion of the retail liquor store licenses into a single liquor-licensed drugstore license, all as part of a single transaction, and the liquor-licensed drugstore applicant need not apply separately for a transfer of ownership under this section. The liquor-licensed drugstore applying for a license merger and conversion pursuant to section 44-3-410(1)(b) is ineligible for a temporary permit pursuant to this section. The local licensing authority shall consider the reasonable requirements of the neighborhood pursuant to section 44-3-312 when making a determination on the merger and conversion of the retail liquor store licenses into a single liquor-licensed drugstore license. The local licensing authority may hold a hearing on the application for the license merger and conversion after providing notice in accordance with subsection (1)(c)(III) of this section.~~

(2) Notwithstanding any provision of this article 3 to the contrary, a local licensing authority may issue a temporary permit to a transferee of

any retail class of alcohol beverage license issued by the local licensing authority pursuant to this article 3 or article 4 of this title 44. ~~except that a local licensing authority shall not issue a temporary permit to a liquor-licensed drugstore that has acquired ownership of licensed retail liquor stores in accordance with section 44-3-410 (1)(b).~~ A temporary permit authorizes a transferee to continue selling alcohol beverages as permitted under the permanent license during the period in which an application to transfer the ownership of the license is pending.

**SECTION 4.** In Colorado Revised Statutes, 44-3-312, **amend** (2)(a) as follows:

**44-3-312. Results of investigation - decision of authorities.** (2) (a) Before entering any A decision approving or denying the AN application, ~~the A~~ local licensing authority shall consider, except where this article 3 specifically provides otherwise, the facts and evidence adduced as a result of its investigation, as well as any other facts; the reasonable requirements of the neighborhood for the type of license for which application has been made; the desires of the adult inhabitants; the number, type, and availability of alcohol beverage outlets located in or near the neighborhood under consideration; and any other pertinent matters affecting the qualifications of the applicant for the conduct of the type of business proposed; except that the reasonable requirements of the neighborhood shall not be considered in the issuance of a club liquor license. ~~For the merger and conversion of retail liquor store licenses to a single liquor-licensed drugstore license in accordance with section 44-3-410 (1)(b), the local licensing authority shall consider the reasonable requirements of the neighborhood and the desires of the adult inhabitants of the neighborhood.~~

**SECTION 5.** In Colorado Revised Statutes, 44-3-409, **repeal** (5) as follows:

**44-3-409. Retail liquor store license - rules - definitions.** (5) ~~A liquor-licensed drugstore may apply to the state and local licensing authorities, as part of a single application, for a merger and conversion of retail liquor store licenses to a single liquor-licensed drugstore license as provided in section 44-3-410 (1)(b).~~

**SECTION 6.** In Colorado Revised Statutes, 44-3-501, **repeal** (3)(a)(XVI) as follows:



**44-3-501. State fees - rules.** (3) (a) The state licensing authority shall establish fees for processing the following types of applications, notices, or reports required to be submitted to the state licensing authority:

~~(XVI) Applications for transfer of ownership, change of location, and license merger and conversion pursuant to section 44-3-410 (1)(b);~~

**SECTION 7.** In Colorado Revised Statutes, 44-3-505, **repeal** (4)(a)(V) as follows:

**44-3-505. Local license fees.** (4) (a) Each application for a license provided for in this article 3 and article 4 of this title 44 filed with a local licensing authority must be accompanied by an application fee in an amount determined by the local licensing authority to cover actual and necessary expenses, subject to the following limitations:

~~(V) For a transfer of ownership, change of location, and license merger and conversion pursuant to section 44-3-410 (1)(b), not to exceed one thousand dollars.~~

**SECTION 8. Safety clause.** The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

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James Rashad Coleman, Sr.  
PRESIDENT OF  
THE SENATE

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Julie McCluskie  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

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Esther van Mourik  
SECRETARY OF  
THE SENATE

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Vanessa Reilly  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

APPROVED \_\_\_\_\_

(Date and Time)

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Jared S. Polis  
GOVERNOR OF THE STATE OF COLORADO