

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

INTRODUCED

LLS NO. 18-0436.01 Christy Chase x2008

SENATE BILL 18-067

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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.**

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>.)

Current law prohibits:

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

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
14 WHERE THE SPECIAL EVENT IS HELD ALCOHOL BEVERAGES IN SEALED
15 CONTAINERS THAT WERE DONATED TO OR OTHERWISE LAWFULLY
16 OBTAINED BY THE ORGANIZATION FOR FUNDRAISING PURPOSES; AND

17 (II) AUCTION THE ALCOHOL BEVERAGES IN SEALED CONTAINERS
18 FOR FUNDRAISING PURPOSES WHILE ON THE LICENSED PREMISES.

19 (b) (I) AN ORGANIZATION HOLDING A SPECIAL EVENT AND A
20 LICENSEE ON WHOSE LICENSED PREMISES THE ORGANIZATION IS HOLDING
21 THE SPECIAL EVENT SHALL ENSURE THAT ANY ALCOHOL BEVERAGES IN
22 SEALED CONTAINERS BROUGHT ONTO, AUCTIONED AT, OR REMOVED FROM
23 THE LICENSED PREMISES REMAIN SEALED AT ALL TIMES WHILE ON THE
24 LICENSED PREMISES.

25 (II) THE LICENSEE ON WHOSE LICENSED PREMISES THE SPECIAL
26 EVENT IS HELD SHALL NOT REQUIRE OR ACCEPT ANY FEE FOR, PERCENTAGE

1 OR PORTION OF THE PROCEEDS FROM, OR OTHER FINANCIAL BENEFIT
2 SPECIFICALLY RELATED TO THE AUCTION OF ALCOHOL BEVERAGES IN
3 SEALED CONTAINERS ON THE LICENSED PREMISES.

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

13 (d) NEITHER A LICENSEE ON WHOSE LICENSED PREMISES A SPECIAL
14 EVENT IS HELD UNDER THIS SECTION, NOR A RETAILER LICENSED UNDER
15 THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 THAT DONATES ALCOHOL
16 BEVERAGES TO AN ORGANIZATION PURSUANT TO THIS SECTION, IS LIABLE
17 FOR ANY VIOLATION OF SECTION 12-47-901 COMMITTED BY THE
18 ORGANIZATION OR OTHER PERSON ON THE LICENSED PREMISES OR
19 INVOLVING THE DONATED ALCOHOL BEVERAGES IF THE LICENSEE WAS NOT
20 INVOLVED IN THE VIOLATION AND DID NOT ENGAGE IN ANY ACT OR
21 OMISSION THAT CONSTITUTES AN UNLAWFUL ACT UNDER SECTION
22 12-47-901.

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

25 (I) THAT OBTAINS A SPECIAL EVENT PERMIT UNDER ARTICLE 48 OF
26 THIS TITLE 12 TO HOLD A SPECIAL EVENT ON A PREMISES LICENSED UNDER
27 SECTION 12-47-403, 12-47-403.5, 12-47-411 (2.5), 12-47-416, 12-47-417,

1 OR 12-47-422;

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

5 (III) THAT IS OTHERWISE EXEMPT FROM ARTICLE 48 OF THIS TITLE
6 12 PURSUANT TO SECTION 12-48-108.

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

9 **12-47-407. Retail liquor store license.** (1) (a) (I) A retail liquor
10 store license shall be issued to persons selling only malt, vinous, and
11 spirituous liquors in sealed containers not to be consumed at the place
12 where sold. Malt, vinous, and spirituous liquors in sealed containers shall
13 not be sold at retail other than in retail liquor stores except as provided in
14 section 12-47-408 OR EXCEPT AS ALLOWED UNDER THIS ARTICLE 47.

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

17 **12-47-901. Unlawful acts - exceptions - definitions.** (1) Except
18 as provided in section 18-13-122, ~~C.R.S.~~, it is unlawful for any person:

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

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

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

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

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