



2018 Colorado Law Updates

Auction Alcohol at Special Events – CRA Supported

Senate Bill 67 by Sen Zenzinger (D-Westminster) and Sen Priola (R-Brighton) allows charities to utilize silent auctions containing sealed bottles of alcohol at on-premises liquor licensed locations. Currently, these types of events happen often in the State of Colorado, but were technically a violation of the Colorado Liquor Code. This bill codifies in law a practice that is already occurring.

***What does this mean for restaurants?** For the longest time, these types of events were happening on liquor licensed premises (technically illegally) with zero enforcement. Once the liquor enforcement division started enforcing this provision, the passage of this law became necessary. Now, you can host a private event that includes a silent auction with alcohol and not worry about losing your liquor license.*

Transfer Alcohol on Surrendered License - CRA Supported

Senate Bill 138 by Sen Gardner (R-Colorado Springs) and Sen Kerr (D-Lakewood) allows a restaurant or bar to sell their remaining alcohol stock to another liquor license with common ownership if their liquor license is surrendered, revoked, or if they lose legal possession of the licensed premises. The licensee would have to offer the wholesalers the opportunity to purchase back any alcohol they may want and the selling location will have to pay for any alcohol that has not been paid for yet. Currently, when a business has to surrender their license, any alcohol not purchased back by the wholesaler becomes the personal property of the license holder and cannot be used at another location.

***What does this mean for restaurants?** In the event that you have to shut down your establishment for any of the reasons outlined in the bill, and you have a common ownership in another location, you will have the ability to maintain your alcohol stock and keep that investment in your business. Before the passage of this law, owners who had to shut down their establishment were stuck with all of the remaining alcohol stock and couldn't use it at any other location. In some cases, this was up to \$6,000 worth of alcohol.*

Sale of 3.2 Beer –CRA Sought Amendments

Senate Bill 243 by Sen Holbert (R-Lone Tree) and Sen Guzman (D-Denver) would make significant changes to the sale of Fermented Malt Beverages (3.2% beer) by businesses licensed for off-premises sales. This bill was amended in the Senate to allow the liquor enforcement division to issue a rule that would allow for wholesalers to “black list” retailers if the retailer has credit extend past 30 days.



Before the bill passed through both chambers, the CRA worked with allied organizations and was able to strip this amendment from the bill bringing our position back to neutral.

What does this mean for restaurants? Removing the amendment that would have allowed for “black listing” means that restaurants who happen to have a credit for more than 30 days, will still be able to purchase alcohol on credit from other wholesalers that are not owed money. Additionally, this was an attempt by the wholesalers to move closed to required “cash on delivery” and preventing this amendment from staying in the bill helps all retailers in Colorado.