

**Colorado Department of Revenue
Liquor Enforcement Division
Adoption of New Rule on an Emergency Basis
Colorado Liquor Rules, 1 C.C.R. 203-2**

Emergency Rule

New Liquor Rule, 1 C.C.R. 203-2:

Regulation 47-436. Retail Establishment Permit, Including but not Limited to Art Galleries.

Statement of Emergency Justification and Adoption

Pursuant to sections 24-4-103, 44-3-201, and 44-3-202, C.R.S., I, Heidi Humphreys, Executive Director of the Department of Revenue and State Licensing Authority, hereby adopt emergency Regulation 47-436, attached hereto.

Section 24-4-103(6), C.R.S., authorizes the State Licensing Authority to issue an emergency rule if the State Licensing Authority finds that the immediate adoption of the rule is imperatively necessary to comply with a state or federal law or federal regulation or for the preservation of public health, safety, or welfare and compliance with the requirements of section 24-4-103, C.R.S., would be contrary to the public interest.

I find: (1) the immediate adoption of this new regulation is necessary to comply with the statutory mandates of the Colorado Liquor Code, sections 44-3-101 to 44-3-1002, C.R.S., the Colorado Beer and Wine Code, sections 44-4-101 to 44-4-109, C.R.S., and the Colorado Special Event Liquor Permits Code, sections 44-5-101 to 44-5-109, C.R.S.; (2) the adoption of this new rule is imperatively necessary to preserve the public health, safety, and welfare; and (3) compliance with the notice and public hearing requirements of section 24-4-103, C.R.S., would be contrary to the public interest.

Statutory Authority

The statutory authority for the new regulation is set forth in the statement of basis and purpose preceding the rule, and includes, but is not limited to, sections 44- 3-202(1)(b), 44-3-202(2)(a)(I)(A), 44-3-202(2)(a)(I)(R), 44-3-424, and 44-3-501(1)(t), C.R.S.

Purpose

The purpose of re-adopting this new rule on an emergency basis includes establishing requirements and procedures to implement and ensure compliance with House Bill (HB) 23-1061, concerning permitting a retail establishment to serve complimentary alcohol beverages at a place of business. On June 2, 2023, Governor Polis signed HB23-1061 into law, which took effect at 12:01 a.m. on August 6, 2023. HB23-1061 expands and renames the art gallery permit

to the retail establishment permit and allows eligible permittees to serve complimentary alcohol beverages to patrons 24 days per year for a four-hour period each day. The bill establishes additional restrictions on which licensees qualify as a retail establishment and additional prohibitions regarding alcohol service, including serving sizes, hours of service, and age of servers.

In accordance with the legislative declaration of section 44-3-102, C.R.S., the Colorado Liquor Code is deemed an exercise of the police powers of the State of Colorado for the protection of the economic and social welfare and the health, peace, and morals of the people of the State of Colorado. Regulation of the manufacture, distribution, and sale of alcohol beverages is regulated by the Colorado Liquor Code, Beer and Wine Code, and Special Event Liquor Permits Code as a matter of state-wide concern. The adoption of this new emergency rule is imperatively necessary to ensure continued proper regulation and control over the administration and enforcement of articles 3, 4, and 5 of title 44 to meet these legislative charges and responsibilities and to preserve the public health, safety, and welfare of the State of Colorado.

The State Licensing Authority held a rulemaking working group session on August 10 (as part of the permanent rulemaking process), and the permanent rulemaking hearing on November 1, 2023, where stakeholders participated in discussions regarding Regulation 47-436 and 47-913. The State Licensing Authority anticipates that this emergency rule will be replaced by a permanent rule, adopted on November 9, 2023, following consideration of all information in the record of the working group and a public rulemaking hearing. However, the current emergency rule will expire before the permanent rules can take effect, necessitating the need for this emergency rule.

Adoption, Effective Date and Expiration

The State Licensing Authority hereby adopts the forgoing revised rules on an emergency basis, effective immediately. The attached emergency rules will remain in effect until their expiration 120 days from the adoption date unless sooner terminated or replaced by permanent rules.



Heidi Humphreys
Executive Director/CEO
Colorado Department of Revenue
State Licensing Authority

11/16/2023

Dated in Electronic Signature Above