



November 8, 2022 General Election

Ballot Issue:	Proposition #125 (Colorado Beer Code)
Ballot Question	<p><i>“Shall there be a change to the Colorado Revised Statutes concerning the expansion of retail sale of alcohol beverages, and, in connection therewith, establishing a new fermented malt beverage and wine retailer license for off-site consumption to allow grocery stores, convenience stores, and other business establishments licensed to sell fermented malt beverages, such as beer, for off-site consumption to also sell wine; automatically converting such a fermented malt beverage retailer license to the new license; and allowing fermented malt beverage and wine retailer licensees to conduct tastings if approved by the local licensing authority?”</i></p> <p>Full text of the Proposition can be found here.</p>
Timeline	<ul style="list-style-type: none"> • Steven Ward and Levi Mendyk filed the initiative on April 8, 2022. It was approved for signature gathering on May 20, 2022, with signatures due by August 8, 2022. • Proponents submitted signatures for the measure on August 8, 2022. • On August 26, 2022, the Colorado Secretary of State announced that the initiative qualified for the ballot. Proponents submitted 192,017 signatures and 142,697 were projected to be valid.
Chamber Position	Opposed
Some Basics	<p>The initiative would create a new <i>fermented malt beverage and wine</i> retailer license to allow grocery stores, convenience stores, and other businesses that are licensed to sell beer to also sell wine and conduct wine tastings.</p> <p>The Colorado Liquor Enforcement Division of the Department of Revenue oversees Colorado liquor licensing and compliance with state liquor laws. The state licensing authority is responsible for processing liquor licenses and determining rules for regulating the manufacture, distribution, and sale of alcohol.</p> <p>As of 2022, Colorado had three alcohol licenses:</p> <ul style="list-style-type: none"> • RLS: retail liquor store (RLS) licenses as licensed under the Colorado Liquor Code for retailers to sell malt liquor (beer), wine, and spirits; • FMB: fermented malt beverage (FMB) off-premises retailers licenses as licensed under the Colorado Beer Code for retailers (including grocery stores and convenience stores) to sell fermented malt beverages (beer); and • LLD: liquor-licensed drugstore (LLD) licenses as licensed under the Colorado

	<p>Liquor Code for pharmacies to sell beer, wine, and spirits.</p> <p>Retailers are allowed to deliver alcohol using a store-owned vehicle by an employee who is at least 21 years old.</p> <p>RLSs and LLDs are allowed to offer tastings on the premises if approved by the local government and the local licensing authority.</p> <p>As of 2022, distancing requirements do not allow new RLS locations to be within 1,500 feet of another RLS or LLD, or within 3,000 feet of another RLS or LLD if in a city with a population of 10,000 or fewer. New LLD locations may not be within 1,500 feet of another RLS, or within 3,000 feet of another RLS if in a city with a population of 10,000 or fewer.</p>
Arguments in support of the proposal	<ul style="list-style-type: none"> Expanding the categories of alcohol beverages that can be sold by retailers currently limited to the sale of beer will help lower costs and increase convenience for consumers.
Arguments against the proposal	<ul style="list-style-type: none"> This initiative will immediately allow current holders of a beer retail license to sell wine and vinous liquor without prior input or restrictions by the local jurisdiction and surrounding neighbors. The initiative all but assures the 700 liquor stores across the state that are directly adjacent to grocery and convenience stores will be put out of business. Colorado enjoys a reputation for supporting small business owners that are more responsive to the local market and highly supportive of local breweries, distilleries and wineries that generate and spend sales proceeds locally. Over 60% of Colorado liquor stores are owned by minorities and women. Permitting the expansion of corporate licenses will jeopardize opportunities for under-represented entrepreneurs while depriving local communities of the variety and unique character of these businesses.
Other Considerations	Three related propositions sponsored by large retailers will appear on the November ballot.
Where We Stand (NCLA)	N/A