



**November 8, 2022 General Election**

<b>Ballot Issue:</b>	<b>Proposition #126 (Alcohol Delivery Service Initiative)</b>
<b>Ballot Question</b>	<p><i>“Shall there be a change to the Colorado Revised Statutes concerning authorization for the third-party delivery of alcohol beverages, and, in connection therewith, allowing retail establishments licensed to sell alcohol beverages for on-site or off-site consumption to deliver all types of alcohol beverages to a person twenty-one years of age or older through a third-party delivery service that obtains a delivery service permit; prohibiting the delivery of alcohol beverages to a person who is under 21 years of age, is intoxicated, or fails to provide proof of identification; removing the limit on the percentage of gross sales revenues a licensee may receive from alcohol beverage deliveries; and allowing a technology services company, without obtaining a third-party delivery service permit, to provide software or a digital network application that connects consumers and licensed retailers for the delivery of alcohol beverages?”</i></p> <p>Full text of the Proposition can be found <a href="#">here</a>.</p>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>• 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.<sup>[1]</sup></li> <li>• Proponents submitted signatures for the measure on August 8, 2022.<sup>[1]</sup></li> <li>• On August 26, 2022, the Colorado Secretary of State announced that the initiative qualified for the ballot. Proponents submitted 185,790 signatures and 139,312 were projected to be valid.</li> </ul>
<b>Chamber Position</b>	Opposed
<b>Some Basics</b>	<p>Proposition 126 would allow alcohol retailers and liquor-licensed businesses such as grocery stores, convenience stores, liquor stores, bars, and restaurants to offer third-party delivery services for alcohol deliveries beginning March 1, 2023. Proposition 126 would permanently allow bars and restaurants to offer alcohol takeout and delivery.</p> <p>Currently, retailers are allowed to deliver alcohol using a store-owned vehicle by an employee who is at least 21 years old. Alcohol delivery has been allowed by liquor stores since 1994, by wineries since 1997, and by grocery and convenience stores since 2019. In 2020, Colorado allowed takeout and delivery of alcohol by bars and restaurants through July 1, 2025.</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</p>

	<p>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"> <li>• <b>RLS:</b> retail liquor store (RLS) licenses as licensed under the Colorado Liquor Code for retailers to sell malt liquor (beer), wine, and spirits;</li> <li>• <b>FMB:</b> 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</li> <li>• <b>LLD:</b> liquor-licensed drugstore (LLD) licenses as licensed under the Colorado Liquor Code for pharmacies to sell beer, wine, and spirits.</li> </ul> <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>
<p><b>Arguments in support of the proposal</b></p>	<ul style="list-style-type: none"> <li>• Allowing third parties that specialize in off-site delivery of consumer products is more cost-efficient for retailers, delivery services, and consumers, while making it possible for small retailers that lack resources for establishing their own proprietary delivery service to offer this option.</li> <li>• Enhanced convenience of delivery options will result in increased sales, which in turn increases local sales tax collections.</li> </ul>
<p><b>Arguments against the proposal</b></p>	<ul style="list-style-type: none"> <li>• Currently, delivery of alcohol beverages is tied directly to a retail liquor license, which is then held liable for deliveries to a minor or intoxicated person. The Proposition removes liability for both the retailer and delivery service.</li> <li>• Independent, locally-owned retailers have invested in the time and training necessary to perform delivery function safely and effective for the community they serve.</li> </ul>
<p><b>Other Considerations</b></p>	<p>Three related propositions sponsored by large retailers will appear on the November ballot.</p>
<p><b>Where We Stand (NCLA)</b></p>	<p>N/A</p>