



COLORADO

Department of Revenue

Enforcement Division - Liquor & Tobacco

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BULLETIN 18-15

REFERENCE: ADDITIONAL GUIDANCE FOR NEW LAWS AND RULES

DATE: December 28, 2018

Colorado Liquor Enforcement Division

Due to the passage of new laws and rules, the Liquor Enforcement Division (LED) has previously provided information concerning changes that affect local licensing authorities and the liquor industry ([click here](#) for previous training material).

With the goal of providing education to liquor stakeholders, the LED is providing additional information concerning the laws and rules that go into effect in 2019.

Effective January 1, 2019

- Retail liquor stores (RLS), liquor-licensed drugstores (LLDS) and fermented malt beverage (FMB) off-premises licensees may not sell alcohol products to customers below the wholesaler's invoice. The LED will implement rules effective July 1, 2019, that only allow line item invoicing at laid-in cost or above. The delay in implementation of this rule is designed to give wholesalers the opportunity to complete necessary computer programming for their systems to accommodate the new rule.
- Qualifications for bona fide loyalty or rewards programs, discounted sales and close out sales have been clarified through rulemaking effective January 1, 2019.
- FMB off-premises licensees can start to sell FMB with alcohol content greater than 0.5% abw. However, any FMB product (3.2% abw or less) that was previously purchased from a wholesaler may not be returned to the wholesaler except as provided by the rules. **The change in the definition of FMB effective January 1, 2019 cannot be the sole reason for a credit or replacement. Any refund, return or replacement must follow regulation 47-322(F).** As a reminder, the regulation concerning the return of damaged product only applies to damages that are listed in regulation 47-322(F)(3). This does not include customer returns other than defective products pursuant to regulation 47-322(F)(3)(a).
- The emergency rules for value of labor as stated in regulation 47-322(L) will be in effect January 1, 2019. Please become familiar with the new rules, which limit the amount of labor a supplier may provide to a retailer.

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- FMB off-premises licensees can deliver FMB to customers using an employee of the licensee at least 21 years of age, and using a vehicle owned or leased by the licensee but not any parent or subsidiary company of the licensee. Therefore, contract delivery companies are prohibited. Another restriction states that delivery sales from alcohol products cannot be more than 50% of the total alcohol product sales.
- Items that suppliers sell to retailers must now be at fair market value.
- The minimum age of employees for FMB off-premises, LLDS and RLS is now 18 years of age.
- FMB off-premises licensees must now verify the age of customers purchasing alcohol product if they appear under the age of 50. This is currently applicable to RLS and LLDS licensees.
- Qualifications for lodging & entertainment licenses have been clarified through rulemaking effective January 1, 2019.
- Even though the 30-day waiting period to ship alcohol into Colorado has been eliminated, the product must first have an approved registration prior to any shipment into Colorado.

Effective April 1, 2019

- On-premises licensees can modify a patio located on a municipal sidewalk through a once-a-year application and fee.

Effective July 1, 2019

- Wholesaler invoices to RLS, LLDS and FMB off-premises licensees must be at laid-in costs or above for each line item vs. bottom line invoicing, as previously allowed.

If you have any questions about this bulletin, email the LED at dor_led@state.co.us