

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 10-0668.01 Jery Payne

HOUSE BILL 10-1150

HOUSE SPONSORSHIP

Kerr J., DelGrosso, McNulty, Middleton

SENATE SPONSORSHIP

Tochtrop,

House Committees

Business Affairs and Labor
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A LICENSE FOR CATERERS TO SELL ALCOHOL BEVERAGES**
102 **AT CATERED EVENTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill creates a new type of alcohol license that authorizes caterers to sell and serve alcohol where food is catered, subject to the following limitations:

- ! The caterer is required to be licensed under state health laws;

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

! No more than 25% of the caterer's total sales may occur at the food establishment;

! The caterer must obtain a special event permit to sell alcohol at a place open to the public; and

! The caterer must serve food to serve alcohol.

In addition, the bill imposes an annual \$350 state licensing fee and an annual \$500 local licensing fee.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 12-47-103, Colorado Revised Statutes, is amended
3 BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to
4 read:

5 **12-47-103. Definitions.** As used in this article and article 46 of
6 this title, unless the context otherwise requires:

7 (5.5) "CATERER" MEANS A RETAIL BUSINESS THAT PROVIDES FOOD
8 FOR A PRIVATE GATHERING OR SPECIAL EVENT AT A PLACE CHOSEN BY THE
9 CLIENT.

10 (23.7) "PLACE OF SERVICE" MEANS A PLACE WHERE FOOD IS
11 PROVIDED OR SERVED FOR A SPECIAL EVENT OR A PLACE NOT OPEN TO THE
12 GENERAL PUBLIC, BUT SUCH PLACE IS NOT A CATERER'S PRIMARY FOOD
13 ESTABLISHMENT.

14 **SECTION 2.** 12-47-309 (1), Colorado Revised Statutes, is
15 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

16 **12-47-309. Local licensing authority - applications - optional
17 premises licenses.** (1) A local licensing authority may issue only the
18 following malt, vinous, and spirituous liquor licenses upon payment of
19 the fee specified in section 12-47-505:

20 (m) CATERER'S LICENSE.

21 **SECTION 3.** 12-47-401 (1), Colorado Revised Statutes, is
22 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

1 **12-47-401. Classes of licenses.** (1) For the purpose of regulating
2 the manufacture, sale, and distribution of malt, vinous, and spirituous
3 liquors, the state licensing authority in its discretion, upon application in
4 the prescribed form made to it, may issue and grant to the applicant a
5 license from any of the following classes, subject to the provisions and
6 restrictions provided by this article:

7 (u) CATERER'S LICENSE.

8 **SECTION 4.** Part 4 of article 47 of title 12, Colorado Revised
9 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
10 read:

11 **12-47-423. Caterer's license.** (1) (a) A CATERER'S LICENSE MAY
12 BE ISSUED TO A PERSON WHO OPERATES A CATERING BUSINESS TO SELL
13 AND SERVE MALT, VINOUS, AND SPIRITUOUS LIQUORS FOR CONSUMPTION
14 AT THE CLIENT'S CHOSEN PLACE OF SERVICE OR AT THE CATERER'S FOOD
15 ESTABLISHMENT.

16 (b) A CATERER IS NOT ELIGIBLE FOR A LICENSE PURSUANT TO THIS
17 SECTION UNLESS THE CATERER'S FOOD ESTABLISHMENT IS LICENSED
18 PURSUANT TO PART 16 OF ARTICLE 4 OF TITLE 25, C.R.S.

19

20 (2) (a) A CATERER SHALL NOT SELL ALCOHOL BEVERAGES AT A
21 PLACE OPEN TO THE PUBLIC UNLESS A SPECIAL EVENT PERMIT HAS BEEN
22 OBTAINED PURSUANT TO ARTICLE 48 OF THIS TITLE FOR THE CATERED
23 EVENT OR A HOTEL AND RESTAURANT LICENSE HAS BEEN ISSUED FOR THE
24 SERVICE OF ALCOHOL BEVERAGES AT THE CATERER'S FOOD
25 ESTABLISHMENT.

26 (b) A CATERER SHALL NOT SERVE ALCOHOL BEVERAGES FOR
27 CONSUMPTION UNLESS THE CATERER IS ALSO SERVING FOOD.

1 (3) A CATERER SELLING ALCOHOL BEVERAGES PURSUANT TO THIS
2 SECTION SHALL PURCHASE SUCH ALCOHOL BEVERAGES FROM A
3 WHOLESALER LICENSED PURSUANT TO THIS ARTICLE; EXCEPT THAT A
4 CATERER MAY PURCHASE UP TO ONE THOUSAND DOLLARS' WORTH OF
5 ALCOHOL BEVERAGES DURING A CALENDAR YEAR FROM A RETAIL LIQUOR
6 STORE LICENSED PURSUANT TO THIS ARTICLE. THE WHOLESALER SHALL
7 DELIVER THE ALCOHOL BEVERAGES TO THE LICENSED FOOD
8 ESTABLISHMENT.

9 (4) (a) EACH CATERER'S LICENSE IS GRANTED FOR SPECIFIC
10 PREMISES AND ISSUED IN THE NAME OF EITHER THE OWNER OR MANAGER
11 OF THE CATERING BUSINESS, BUT THE CATERER MAY ALSO SERVE ALCOHOL
12 AT THE CLIENT'S CHOSEN PLACE OF SERVICE.

13 (b) EACH CATERER LICENSEE SHALL MANAGE OR HAVE A SEPARATE
14 AND DISTINCT MANAGER AND SHALL REGISTER THE MANAGER OF EACH
15 LIQUOR-LICENSED PREMISES WITH THE STATE AND THE LOCAL LICENSING
16 AUTHORITY. NO PERSON SHALL BE A REGISTERED MANAGER FOR MORE
17 THAN ONE CATERER'S LICENSE.

18 (c) THE REGISTERED MANAGER FOR EACH CATERER'S LICENSE OR
19 THE CATERER'S LICENSEE SHALL PURCHASE MALT, VINOUS, OR SPIRITUOUS
20 LIQUORS FOR ONE LICENSED PREMISES ONLY, AND SUCH PURCHASES SHALL
21 BE SEPARATE AND DISTINCT FROM PURCHASES FOR ANY OTHER CATERER'S
22 LICENSE.

23 (d) WHEN A PERSON CEASES TO BE A REGISTERED MANAGER OF A
24 CATERER'S LIQUOR-LICENSED PREMISES, FOR WHATEVER REASON, THE
25 CATERER'S LICENSEE SHALL NOTIFY THE LICENSING AUTHORITIES WITHIN
26 FIVE DAYS AND SHALL DESIGNATE A NEW REGISTERED MANAGER WITHIN
27 THIRTY DAYS.

1 (5) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS
2 SUBSECTION (5), THE CATERER SHALL NOTIFY THE LOCAL LICENSING
3 AUTHORITY WHERE AN EVENT WILL OCCUR AT LEAST ONE WEEK BEFORE
4 THE EVENT IF THE EVENT IS OCCURRING AT A PLACE OF SERVICE OUTSIDE
5 THE JURISDICTION OF THE LOCAL LICENSING AUTHORITY WHERE THE
6 CATERER'S FOOD ESTABLISHMENT IS LICENSED. THE LICENSEE SHALL GIVE
7 THE NOTICE ON A STANDARD FORM PROVIDED BY THE STATE LICENSING
8 AUTHORITY AND TRANSMITTED BY ELECTRONIC MAIL, FIRST-CLASS MAIL,
9 OR FACSIMILE TO THE CLERK OF THE MUNICIPALITY OR COUNTY WHERE
10 THE EVENT OR EVENTS WILL BE HELD.

11 (b) SHOULD AN EVENT BE SCHEDULED AT A TIME THAT IS LESS
12 THAN ONE WEEK BEFORE THE EVENT, THE LICENSEE SHALL DIRECTLY
13 NOTIFY THE CLERK OF THE MUNICIPALITY OR COUNTY WHERE THE EVENT
14 OR EVENTS WILL BE HELD BY FACSIMILE OR ELECTRONIC MAIL.

15 **SECTION 5.** 12-47-501 (1), Colorado Revised Statutes, is
16 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

17 **12-47-501. State fees.** (1) The following license fees shall be
18 paid to the department of revenue annually in advance:

19 (s) FOR EACH CATERER'S LICENSE, THREE HUNDRED TWENTY-FIVE
20 DOLLARS.

21 **SECTION 6.** 12-47-409 (3), Colorado Revised Statutes, is
22 amended to read:

23 **12-47-409. Beer and wine license.** (3) It is unlawful for any
24 owner, part owner, shareholder, or person interested directly or indirectly
25 in a beer and wine license to conduct, own either in whole or in part, or
26 be directly or indirectly interested in any other business licensed pursuant
27 to this article; except that such a person may have an interest in a license

1 described in section ~~12-47-401 (1) (j) to (1) (t)~~ 12-47-401 (1) (j) TO (1)
2 (u), or 12-47-410 (1) or in a financial institution referred to in section
3 12-47-308 (4).

4 **SECTION 7.** 12-47-410 (5), Colorado Revised Statutes, is
5 amended to read:

6 **12-47-410. Bed and breakfast permit.** (5) It is unlawful for any
7 owner, part owner, shareholder, or person interested directly or indirectly
8 in a bed and breakfast permit to conduct, own either in whole or in part,
9 or be directly or indirectly interested in any other business licensed
10 pursuant to this article; except that a person regulated under this section
11 may have an interest in other bed and breakfast permits, in a license
12 described in section ~~12-47-401 (1) (j) to (1) (t)~~, 12-47-401 (1) (j) TO (1)
13 (u), or in a financial institution referred to in section 12-47-308 (4).

14 **SECTION 8.** 12-47-411 (13) (b), Colorado Revised Statutes, is
15 amended to read:

16 **12-47-411. Hotel and restaurant license.**
17 (13) (b) Notwithstanding paragraph (a) of this subsection (13), an owner,
18 part owner, shareholder, or person interested directly or indirectly in a
19 hotel and restaurant license may conduct, own either in whole or in part,
20 or be directly or indirectly interested in a license described in section
21 ~~12-47-401 (1) (j) to (1) (t)~~ 12-47-401 (1) (j) TO (1) (u), or 12-47-410 (1)
22 or in a financial institution referred to in section 12-47-308 (4).

23 **SECTION 9.** 12-47-412 (3), Colorado Revised Statutes, is
24 amended to read:

25 **12-47-412. Tavern license.** (3) It is unlawful for any owner, part
26 owner, shareholder, or person interested directly or indirectly in tavern
27 licenses to conduct, own either in whole or in part, or be directly or

1 indirectly interested in any other business licensed pursuant to this article;
2 except that such a person may have an interest in a license described in
3 section ~~12-47-401 (1) (j) to (1) (t)~~ 12-47-401 (1) (j) TO (1) (u), or
4 12-47-410 (1) or in a financial institution referred to in section 12-47-308
5 (4).

6 **SECTION 10.** 12-47-413 (2) (b), Colorado Revised Statutes, is
7 amended to read:

8 **12-47-413. Optional premises license.** (2) (b) Notwithstanding
9 paragraph (a) of this subsection (2), an owner, part owner, shareholder,
10 or person interested directly or indirectly in an optional premises license
11 may own, either in whole or in part, or be directly or indirectly interested
12 in a license described in section ~~12-47-401 (1) (j) to (1) (t)~~ 12-47-401 (1)
13 (j) TO (1)(u), or 12-47-410 (1) or in a financial institution referred to in
14 section 12-47-308 (4).

15 **SECTION 11.** 12-47-415 (5) (b), Colorado Revised Statutes, is
16 amended to read:

17 **12-47-415. Brew pub license.** (5) (b) Notwithstanding
18 paragraph (a) of this subsection (5), a person interested directly or
19 indirectly in a brew pub license may conduct, own either in whole or in
20 part, or be directly or indirectly interested in a license described in section
21 ~~12-47-401 (1) (j) to (1) (t)~~ 12-47-401 (1) (j) TO (1) (u), or 12-47-410 (1)
22 or in a financial institution referred to in section 12-47-308 (4).

23 **SECTION 12.** 12-47-416 (4) (a), Colorado Revised Statutes, is
24 amended to read:

25 **12-47-416. Club license - legislative declaration.** (4) It is
26 unlawful for any owner, part owner, shareholder, or person interested
27 directly or indirectly in a club license to conduct, own either in whole or

1 in part, or be directly or indirectly interested in any other business
2 licensed pursuant to this article; except that:

3 (a) Such a person may have an interest in an arts license or an
4 airline public transportation system license granted under this article, A
5 CATERER'S LICENSE, or in a financial institution referred to in section
6 12-47-308 (4);

7 **SECTION 13.** 12-47-420 (5) (b), Colorado Revised Statutes, is
8 amended to read:

9 **12-47-420. Vintner's restaurant license.** (5) (b) A person
10 interested directly or indirectly in a vintner's restaurant license may
11 conduct, own either in whole or in part, or be directly or indirectly
12 interested in a license described in section ~~12-47-401 (1) (j) to (1) (t)~~
13 12-47-401 (1) (j) TO (1) (u), or 12-47-410 (1) or in a financial institution
14 referred to in section 12-47-308 (4).

15 **SECTION 14.** 12-47-505 (1), Colorado Revised Statutes, is
16 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

17 **12-47-505. Local license fees.** (1) The following license fees
18 shall be paid to the treasurer of the municipality, city and county, or
19 county where the licensed premises is located annually in advance:

20 (p) FOR EACH CATERER'S LICENSE, FIVE HUNDRED DOLLARS.

21 **SECTION 15.** 12-48-103 (2) (a), Colorado Revised Statutes, is
22 amended to read:

23 **12-48-103. Grounds for issuance of special permits.** (2) (a) A
24 special event permit may be issued under this section notwithstanding the
25 fact that the special event is to be held on premises licensed under the
26 provisions of section 12-47-403, 12-47-403.5, 12-47-416, 12-47-417, ~~or~~
27 12-47-422, ~~OR~~ 12-47-423. The holder of a special event permit issued

1 pursuant to this subsection (2) shall be responsible for any violation of
2 article 47 of this title.

3 **SECTION 16.** 12-48-102, Colorado Revised Statutes, is amended
4 BY THE ADDITION OF A NEW SUBSECTION to read:

5 **12-48-102. Qualifications of organizations for permit -**
6 **qualifications of municipalities or municipalities owning arts facilities**
7 **- qualifications of candidates.** (3) A SPECIAL EVENT PERMIT MAY BE
8 ISSUED TO A CATERER LICENSED UNDER ARTICLE 47 OF THIS TITLE IF THE
9 CATERER IS CATERING AN EVENT FOR AN ORGANIZATION THAT IS
10 QUALIFIED FOR A SPECIAL EVENT PERMIT UNDER SUBSECTION (1) OR (2) OF
11 THIS SECTION. THE CATERER SHALL APPLY AS THE AGENT OF THE
12 ORGANIZATION BUT THE PERMIT IS ISSUED UNDER THE CATERER'S
13 ALCOHOL LICENSE.

14 **SECTION 17.** 12-48-105, Colorado Revised Statutes, is amended
15 BY THE ADDITION OF A NEW SUBSECTION to read:

16 **12-48-105. Restrictions related to permits.** (6) IF A CATERER
17 IS SELLING ALCOHOL BEVERAGES AT A SPECIAL EVENT, THE CATERER
18 SHALL APPLY FOR THE PERMIT UNDER SECTION 12-48-102 (3).

19 **SECTION 18. Act subject to petition - effective date.** This act
20 shall take effect at 12:01 a.m. on the day following the expiration of the
21 ninety-day period after final adjournment of the general assembly (August
22 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a
23 referendum petition is filed pursuant to section 1 (3) of article V of the
24 state constitution against this act or an item, section, or part of this act
25 within such period, then the act, item, section, or part shall not take effect
26 unless approved by the people at the general election to be held in

1 November 2010 and shall take effect on the date of the official
2 declaration of the vote thereon by the governor.