

**First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 11-1067.01 Jery Payne

SENATE BILL 11-273

SENATE SPONSORSHIP

Steadman,

HOUSE SPONSORSHIP

Massey,

Senate Committees
Business, Labor and Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING AUTHORIZATION TO CONSUME ALCOHOL BEVERAGES**
102 **WITHIN A FESTIVAL AREA.**

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 allows local authorities to create entertainment districts. A promotional association may create a festival area within a district. Within festival areas a person may buy an alcohol beverage from an attached vendor and consume the alcohol within the area. A festival area must have a qualified promotional association that represents the vendors,

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.*

and vendors must be approved to be attached. Standards are set for approving both the promotional association and the vendors. The local authority may impose procedures and fees for approval and remove the authorization for violations.

The promotional association must submit annual reports to the local licensing authority and remove alcohol beverages from the festival area at closing. The vendors and the promotional association are prohibited from:

- ! Employing servers and security agents who have not completed an appropriate training program;
- ! Selling or providing an alcohol beverage to a customer for the festival area unless the container is less than 24 ounces, is disposable, and contains the name of the vendor in at least 16-point font;
- ! Operating the festival area during hours the licensed premises cannot legally sell alcohol;
- ! Operating the festival area in an area that exceeds the maximum authorized by statute or by the local licensing authority;
- ! Selling or giving alcohol to a person who is under 21 years of age, a visibly intoxicated person, or a known habitual drunkard; or
- ! Permitting a visibly intoxicated person to loiter within the festival area.

A person is prohibited from consuming alcohol within the festival area unless it was purchased from an attached, licensed premises.

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 (7.5) "ENTERTAINMENT DISTRICT" MEANS AN AREA LOCATED
8 WITHIN A MUNICIPALITY THAT IS DESIGNATED AS ITS ENTERTAINMENT
9 DISTRICT OF NO MORE THAN ONE HUNDRED ACRES CONTAINING AT LEAST
10 FIFTY THOUSAND SQUARE FEET OF PREMISES LICENSED AS A TAVERN,

1 HOTEL AND RESTAURANT, BREW PUB, RETAIL GAMING TAVERN, OR
2 VINTNER'S RESTAURANT WHEN THE DISTRICT IS CREATED.

3 (8.5) "FESTIVAL AREA" MEANS AN AREA DESIGNED AS A COMMON
4 AREA IN AN ENTERTAINMENT DISTRICT APPROVED BY THE GOVERNING
5 BODY OF THE MUNICIPALITY THAT USES PHYSICAL BARRIERS TO CLOSE THE
6 AREA TO MOTOR VEHICLE TRAFFIC AND LIMIT PEDESTRIAN ACCESS.

7 (24.5) "PROMOTIONAL ASSOCIATION" MEANS AN ASSOCIATION
8 THAT IS INCORPORATED WITHIN COLORADO, ORGANIZES AND PROMOTES
9 ENTERTAINMENT ACTIVITIES WITHIN A FESTIVAL AREA, AND IS ORGANIZED
10 OR AUTHORIZED BY ONE OR MORE PEOPLE WHO OWN OR LEASE PROPERTY
11 WITHIN AN ENTERTAINMENT DISTRICT.

12 **SECTION 2.** 12-47-301, Colorado Revised Statutes, is amended
13 BY THE ADDITION OF A NEW SUBSECTION to read:

14 **12-47-301. Licensing in general.** (11) (a) THIS SUBSECTION (11)
15 APPLIES ONLY WITHIN AN ENTERTAINMENT DISTRICT THAT A GOVERNING
16 BODY HAS CREATED BY ORDINANCE OR RESOLUTION.

17 (b) A GOVERNING BODY OF A MUNICIPALITY MAY CREATE AN
18 ENTERTAINMENT DISTRICT BY ADOPTING AN ORDINANCE OR RESOLUTION.
19 AN ENTERTAINMENT DISTRICT SHALL NOT EXCEED ONE HUNDRED ACRES.
20 THE ORDINANCE OR RESOLUTION MAY IMPOSE STRICTER LIMITS THAN
21 REQUIRED BY THIS SUBSECTION (11) ON THE SIZE, SECURITY, OR HOURS OF
22 OPERATION OF ANY FESTIVAL AREA CREATED WITHIN THE ENTERTAINMENT
23 DISTRICT.

24 (c) (I) A CERTIFIED PROMOTIONAL ASSOCIATION MAY OPERATE A
25 FESTIVAL AREA WITHIN AN ENTERTAINMENT DISTRICT AND AUTHORIZE THE
26 ATTACHMENT OF A LICENSED PREMISES TO THE FESTIVAL AREA.

27 (II) AN ASSOCIATION OR TAVERN, HOTEL AND RESTAURANT, BREW

1 PUB, RETAIL GAMING TAVERN, OR VINTNER'S RESTAURANT LICENSEE WHO
2 WISHES TO CREATE A PROMOTIONAL ASSOCIATION MAY SUBMIT AN
3 APPLICATION TO THE LOCAL LICENSING AUTHORITY. TO QUALIFY FOR
4 CERTIFICATION, THE PROMOTIONAL ASSOCIATION MUST:

5 (A) HAVE A BOARD OF DIRECTORS;

6 (B) HAVE AT LEAST ONE DIRECTOR FROM EACH LICENSED
7 PREMISES ATTACHED TO THE FESTIVAL AREA ON THE BOARD OF
8 DIRECTORS; AND

9 (C) AGREE TO SUBMIT ANNUAL REPORTS BY JANUARY 31 OF EACH
10 YEAR TO THE LOCAL LICENSING AUTHORITY SHOWING A DETAILED MAP OF
11 THE BOUNDARIES OF THE FESTIVAL AREA, THE FESTIVAL AREA'S HOURS OF
12 OPERATION, A LIST OF ATTACHED LICENSED PREMISES, A LIST OF THE
13 DIRECTORS AND OFFICERS OF THE PROMOTIONAL ASSOCIATION, SECURITY
14 ARRANGEMENTS WITHIN THE FESTIVAL AREA, AND ANY VIOLATION OF THIS
15 ARTICLE COMMITTED BY AN ATTACHED LICENSED PREMISES.

16 (III) THE LOCAL LICENSING AUTHORITY MAY REFUSE TO CERTIFY
17 OR MAY DECERTIFY A PROMOTIONAL ASSOCIATION OF A FESTIVAL AREA IF
18 THE PROMOTIONAL ASSOCIATION:

19 (A) FAILS TO SUBMIT THE REPORT REQUIRED BY
20 SUB-SUBPARAGRAPH (C) OF SUBPARAGRAPH (II) OF THIS PARAGRAPH (c)
21 BY JANUARY 31 OF EACH YEAR;

22 (B) FAILS TO ESTABLISH THAT THE LICENSED PREMISES AND
23 FESTIVAL AREA CAN BE OPERATED WITHOUT VIOLATING THIS ARTICLE OR
24 CREATING A SAFETY RISK TO THE NEIGHBORHOOD; OR

25 (C) VIOLATES SECTION 12-47-909.

26 (d) A PERSON SHALL NOT ATTACH A PREMISES LICENSED UNDER
27 THIS ARTICLE TO A FESTIVAL AREA UNLESS AUTHORIZED BY THE LOCAL

1 LICENSING AUTHORITY.

2 (e) (I) A TAVERN, HOTEL AND RESTAURANT, BREW PUB, RETAIL
3 GAMING TAVERN, OR VINTNER'S RESTAURANT LICENSEE WHO WISHES TO
4 ATTACH TO A FESTIVAL AREA MAY SUBMIT AN APPLICATION TO THE LOCAL
5 LICENSING AUTHORITY. TO QUALIFY, THE LICENSE MUST INCLUDE A
6 REQUEST FOR AUTHORITY TO ATTACH TO THE FESTIVAL AREA FROM THE
7 CERTIFIED PROMOTIONAL ASSOCIATION OF THE FESTIVAL AREA UNLESS
8 THE PROMOTIONAL ASSOCIATION DOES NOT EXIST WHEN THE APPLICATION
9 IS SUBMITTED; IF SO, THE APPLICANT SHALL REQUEST THE AUTHORITY
10 WHEN A PROMOTIONAL ASSOCIATION IS CERTIFIED AND SHALL
11 DEMONSTRATE TO THE LOCAL LICENSING AUTHORITY THAT THE
12 AUTHORITY HAS BEEN OBTAINED BY THE TIME THE APPLICANT'S LICENSE
13 ISSUED UNDER THIS ARTICLE IS RENEWED.

14 (II) THE LOCAL LICENSING AUTHORITY MAY REFUSE TO AUTHORIZE
15 OR REAUTHORIZE A LICENSEE'S ATTACHMENT TO A FESTIVAL AREA IF THE
16 LICENSED PREMISES IS NOT WITHIN OR ON THE PERIMETER OF THE FESTIVAL
17 AREA AND IF THE LICENSEE:

18 (A) FAILS TO OBTAIN OR RETAIN AUTHORITY TO ATTACH TO THE
19 FESTIVAL AREA FROM THE CERTIFIED PROMOTIONAL ASSOCIATION;

20 (B) FAILS TO ESTABLISH THAT THE LICENSED PREMISES AND
21 FESTIVAL AREA CAN BE OPERATED WITHOUT VIOLATING THIS ARTICLE OR
22 CREATING A SAFETY RISK TO THE NEIGHBORHOOD; OR

23 (C) VIOLATES SECTION 12-47-909.

24 (f) A LOCAL LICENSING AUTHORITY MAY ESTABLISH APPLICATION
25 PROCEDURES AND A FEE FOR CERTIFYING A PROMOTIONAL AUTHORITY OR
26 AUTHORIZING ATTACHMENT TO A FESTIVAL AREA. THE AUTHORITY SHALL
27 ESTABLISH THE FEE IN AN AMOUNT DESIGNED TO REASONABLY OFFSET THE

1 COST OF IMPLEMENTING THIS SUBSECTION (11). NOTWITHSTANDING ANY
2 OTHER PROVISION OF THIS ARTICLE, A LOCAL AUTHORITY MAY SET THE
3 HOURS DURING WHICH A FESTIVAL AREA AND ATTACHED LICENSED
4 PREMISES MAY SERVE ALCOHOL AND THE CUSTOMERS MAY CONSUME
5 ALCOHOL.

6 SECTION 3. 12-47-901 (1) (h), Colorado Revised Statutes, is
7 amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

8 12-47-901. Unlawful acts - exceptions. (1) Except as provided
9 in section 18-13-122, C.R.S., it is unlawful for any person:

10 (h) (VI) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS
11 PARAGRAPH (h), IT IS NOT UNLAWFUL FOR ADULT PATRONS OF A LICENSED
12 PREMISES THAT IS ATTACHED TO A FESTIVAL AREA TO CONSUME ALCOHOL
13 BEVERAGES UPON UNLICENSED AREAS WITHIN A FESTIVAL AREA, BUT THIS
14 SUBPARAGRAPH (VI) DOES NOT AUTHORIZE A PATRON TO REMOVE AN
15 ALCOHOL BEVERAGE FROM THE FESTIVAL AREA.

16 SECTION 4. 12-47-908, Colorado Revised Statutes, is amended
17 to read:

18 **12-47-908. Colorado state fair or festival area - consumption**
19 **on premises.** Notwithstanding any other provision of this article, a
20 person who purchases an alcohol beverage for consumption from a
21 vendor licensed pursuant to UNDER this article at THAT IS EITHER
22 ATTACHED TO A FESTIVAL AREA OR LICENSED FOR the fairgrounds of the
23 Colorado state fair authority may leave the licensed premises with the
24 beverage and possess and consume the beverage at any place within the
25 FESTIVAL AREA OR fairgrounds if the person does not remove the
26 beverage from the FESTIVAL AREA OR fairgrounds. This section does not
27 authorize a person to bring into the FESTIVAL AREA OR fairgrounds an

1 alcohol beverage purchased outside of the FESTIVAL AREA OR fairgrounds.

2 **SECTION 5.** Part 9 of article 47 of title 12, Colorado Revised
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
4 read:

5 **12-47-909. Festival areas.** (1) A PROMOTIONAL ASSOCIATION OR
6 ATTACHED LICENSED PREMISES SHALL NOT:

7 (a) EMPLOY A PERSON TO SERVE ALCOHOL BEVERAGES OR PROVIDE
8 SECURITY WITHIN THE FESTIVAL AREA UNLESS THE SERVER HAS
9 COMPLETED THE SERVER AND SELLER TRAINING PROGRAM ESTABLISHED
10 BY THE DIRECTOR OF THE LIQUOR ENFORCEMENT DIVISION OF THE
11 DEPARTMENT OF REVENUE;

12 (b) SELL OR PROVIDE AN ALCOHOL BEVERAGE TO A CUSTOMER FOR
13 USE WITHIN THE FESTIVAL AREA BUT NOT WITHIN THE LICENSED PREMISES
14 IN A CONTAINER THAT IS LARGER THAN SIXTEEN OUNCES;

15 (c) SELL OR PROVIDE AN ALCOHOL BEVERAGE TO A CUSTOMER FOR
16 USE WITHIN THE FESTIVAL AREA BUT NOT WITHIN THE LICENSED PREMISES
17 UNLESS THE CONTAINER IS DISPOSABLE AND CONTAINS THE NAME OF THE
18 VENDOR IN AT LEAST TWENTY-FOUR-POINT FONT;

19 (d) PERMIT CUSTOMERS TO LEAVE THE LICENSED PREMISES WITH
20 AN ALCOHOL BEVERAGE UNLESS THE BEVERAGE CONTAINER COMPLIES
21 WITH PARAGRAPHS (b) AND (c) OF THIS SUBSECTION (1);

22 (e) OPERATE THE FESTIVAL AREA DURING HOURS THE LICENSED
23 PREMISES CANNOT SELL ALCOHOL UNDER THIS ARTICLE OR THE
24 LIMITATIONS IMPOSED BY THE LOCAL LICENSING AUTHORITY;

25 (f) OPERATE THE FESTIVAL AREA IN AN AREA THAT EXCEEDS THE
26 MAXIMUM AUTHORIZED BY THIS ARTICLE OR BY THE LOCAL LICENSING
27 AUTHORITY;

1 (g) SELL, SERVE, DISPOSE OF, EXCHANGE, OR DELIVER, OR PERMIT
2 THE SALE, SERVING, GIVING, OR PROCURING OF, AN ALCOHOL BEVERAGE
3 TO A VISIBLY INTOXICATED PERSON OR TO A KNOWN HABITUAL
4 DRUNKARD;

5 (h) SELL, SERVE, DISPOSE OF, EXCHANGE, OR DELIVER OR PERMIT
6 THE SALE, SERVING, OR GIVING OF AN ALCOHOL BEVERAGE TO A PERSON
7 UNDER TWENTY-ONE YEARS OF AGE; OR

8 (i) PERMIT A VISIBLY INTOXICATED PERSON TO LOITER WITHIN THE
9 FESTIVAL AREA.

10 (2) THE PROMOTIONAL ASSOCIATION SHALL PROMPTLY REMOVE
11 ALL ALCOHOL BEVERAGES FROM THE FESTIVAL AREA AT THE END OF THE
12 HOURS OF OPERATION.

13 (3) A PERSON SHALL NOT CONSUME ALCOHOL WITHIN THE
14 FESTIVAL AREA UNLESS IT WAS PURCHASED FROM AN ATTACHED,
15 LICENSED PREMISES.

16 **SECTION 6. Act subject to petition - effective date -**
17 **applicability.** (1) This act shall take effect at 12:01 a.m. on the day
18 following the expiration of the ninety-day period after final adjournment
19 of the general assembly (August 10, 2011, if adjournment sine die is on
20 May 11, 2011); except that, if a referendum petition is filed pursuant to
21 section 1 (3) of article V of the state constitution against this act or an
22 item, section, or part of this act within such period, then the act, item,
23 section, or part shall not take effect unless approved by the people at the
24 general election to be held in November 2012 and shall take effect on the
25 date of the official declaration of the vote thereon by the governor.

26 (2) The provisions of this act shall apply to acts committed on or
27 after the applicable effective date of this act.