



## **2021 Colorado Law Changes**

### **Liquor Law**

#### **House Bill 1027: Continue Alcohol Beverage Takeout and Delivery**

**Sponsors:** Representatives Roberts (D-Steamboat Springs) and Larson (R-Ken Caryl); Senators Bridges (D-Littleton) and Priola (R-Henderson)

**What It Means for Restaurants:** The bill allows on-premises liquor licensees to continue to sell alcohol for takeout and delivery until July 1, 2025.

The bill includes the following:

- Extends alcohol for takeout and delivery from a restaurant until July 1, 2025
- Allows a restaurant to sell alcohol for takeout and delivery between the hours of 7 a.m. and midnight
- After the pandemic State of Emergency is lifted, limits how much alcohol restaurants can sell for takeout and delivery, per transaction, to:
  - One liter of spirits
  - Two 750-ml bottles of wine
  - Two six-packs of beer
- Allows cities to create outdoor communal dining areas where two or more restaurants are allowed to attach their liquor licenses and then sell and serve alcohol in that outdoor dining area.

#### **Senate Bill 82: Alcohol Beverage Festival for Tastings and Sales**

**Sponsors:** Senators Priola (R- Henderson) and Pettersen (D- Lakewood); Representatives Mullica (D- Northglenn) and Williams (R- El Paso County)

**What It Means for Restaurants:** This bill allows liquor licensees, including restaurants, to hold up to nine festivals annually. We supported this bill because it opens another important revenue stream for restaurants as we look ahead to pandemic recovery. Prior to this bill, this allowance was reserved only for wine manufactures and limited wineries.

### **Plastics**

#### **House Bill 1162: Management of Plastic Products**



**Sponsors:** Representatives Valdez (D- Denver) and Cutter (D- Jefferson County); Senators Gonzales (D- Denver) and Garcia (D- Pueblo)

**What It Means for Restaurants:** This bill limits and/or regulates single-use plastics. It was introduced with three primary components, including a ban on polystyrene products, a ban on plastic bags, and the removal of the state preemption that prohibits local governments from regulating single-use plastics. We were opposed to the bill primarily because of the removal of the state preemption language. Local governments traditionally do not have the same extensive review processes as state legislation, meaning local government plastics regulations could lead to unintended consequences. Furthermore, allowing local governments to independently regulate plastics will result in a patchwork of laws across the state, leading to confusion for operators. We prefer statewide regulations to avoid that confusion and facilitate compliance.

We worked with the sponsors in the House to adopt two amendments: one to remove local control and one to exempt restaurants from the plastic-bag ban. We wanted to give restaurants the option to use single-use plastic bags after hearing concerns from members regarding the potential dangers of contaminants on reusable bags that could be transferred to ready-to-eat foods. After the adoption of these two amendments, we moved to a neutral position.

Once the bill was in the Senate, that chamber adopted an amendment that put local control back into the bill, so we shifted to an opposed position. Despite our efforts, the bill passed with local control included.

**Compliance Deadlines:** Starting January 1, 2024, the polystyrene container ban will go into effect. If you have purchased polystyrene containers before January 1, 2024 and you have them in your existing stock, you can distribute the remaining inventory *but you cannot purchase anything new*.

Also, starting July 1, 2024, local governments can begin to consider plastic ordinances that are more restrictive than the state regulations.

## Taxes

### **House Bill 1265: Qualified Retailer Retain Sales Tax for Assistance**

**Sponsors:** Representatives Mullica (D- Northglenn) and Van Winkle (R- Highlands Ranch); Senators Pettersen (D- Lakewood) and Woodward (R- Loveland)

**What It Means for Restaurants:** This bill continues the industry-specific sales tax relief that we saw in November and December 2020 and January and February 2021. Foodservice industry



members, such as restaurants, bars, food trucks, and caterers, can withhold up to \$2,000 in sales and use tax collections they would have otherwise had to remit to the state for the months of June, July, and August 2021.

### **Senate Bill 130: Local Authority for Business Personal Property Tax Exemption**

**Sponsors:** Senators Holbert (R- Parker) and Pettersen (D- Lakewood); Representatives Van Winkle (R- Highlands Ranch) and Bird (D- Westminster)

**What It Means for Restaurants:** This bill allows local jurisdictions to exempt up to 100% of business personal property from the levy and collection of property taxation for the 2021 property tax year. We supported the bill as it will give local governments the flexibility to exempt business personal property to provide much needed assistance to businesses in their jurisdictions.

### **COVID-19 Assistance**

#### **House Bill 1302: Continue COVID-19 Small Business Grant Program**

**Sponsors:** Representatives Herod (D- Denver) and Daugherty (D- Arvada); Senator Winter (D- Westminster)

**What It Means for Restaurants:** This bill appropriates \$15 million from the state general fund to continue the COVID-19 grant program established under [SB20-222](#). The bill also simplifies the documentation and verification required of a business to demonstrate need, particularly for smaller awards and smaller businesses. Businesses with fewer than 25 employees, measured as full-time equivalent, who have been affected by economic hardship caused by COVID-19 are eligible. Businesses must demonstrate losses related to COVID-19 by providing either a self-certification or financial documentation that the small business's financial losses are equal to or greater than the amount requested, up to the maximum grant amount. A small business that self-certifies its loss and does not provide financial documentation may not receive a grant amount greater than \$5,000.

### **Senate Bill 291: Economic Recovery and Relief Cash Fund**

**Sponsors:** Senators Fenberg (D- Boulder) and Holbert (R- Parker); Representatives Roberts (D- Steamboat Springs) and Van Winkle (R- Highland Ranch)



**What It Means for Restaurants:** This bill appropriates \$40 million of the funds the state received from the federal American Rescue Plan Act to establish an economic recovery and relief cash fund. \$10 million of the funds appropriated must be used to incentivize businesses to locate in rural Colorado. The remaining \$30 million in funds must be used for:

- Assistance to small businesses
- Assistance to individuals and households
- Assistance to nonprofit organizations
- Public expenditures for COVID-19 prevention and response
- Administrative costs associated with COVID-19 public health programs
- Aid to impacted industries
- Assistance to unemployed workers
- Contributions to the unemployment compensation fund

## General Business

### Senate Bill 35: Restrictions on Third-Party Food Delivery Services

**Sponsors:** Senator Rodriguez (D-Denver) and Representative Bird (D-Westminster)

**What It Means for Restaurants:** This bill prohibits a third-party delivery company (think DoorDash, Uber Eats, GrubHub, Postmates, etc.) from conducting takeout/delivery services for that restaurant without that restaurant's expressed written consent or participating in "non-partner agreement" activities. The CRA supported this legislation as it allows restaurants to maintain the service model they feel is appropriate for their business.

### Senate Bill 91: Credit Transaction Charge Limitations

**Sponsors:** Senators Liston (R-Colorado Springs) and Rodriguez (D-Denver); Representatives Bird (D-Westminster) and Larson (R-Ken Caryl)

**What It Means for Restaurants:** This bill would remove the prohibition on retail establishments from charging customers credit card processing fees, allowing restaurants and other retailers the option to shift those credit card processing fees to the consumer. *This bill would not mandate any new business activities, so restaurants that do not wish to take advantage of this allowance will not be impacted.*

If a restaurant chooses to take advantage of the new allowance, the charge back to the customer can be no more than 2% and the restaurant must post a sign, with specific language dictated by the state, informing the customer of this allowance. Additionally, this allowance is



limited to credit cards. Retailers cannot charge it for payments of cash, check, debit card, or gift card.