



# Increase Allowable Liquor Store Locations

Placed on the ballot by citizen initiative • Passes with a majority vote

## Proposition 124 proposes amending the Colorado statutes to:

- allow retail liquor stores to apply to state and local governments to open additional locations on a phased-in schedule, with no limit on the number of permissible locations after 2037.

## What Your Vote Means

**YES** A “yes” vote on Proposition 124 allows retail liquor stores to apply for and, if approved, increase the number of locations over time, with no limit on the number of locations after 2037.

**NO** A “no” vote on Proposition 124 retains current law that limits retail liquor stores to a total of three locations in the state through 2026, and a total of four locations thereafter.

## Summary and Analysis for Proposition 124

Currently, retail liquor stores are limited to three locations per licensee, with four locations allowed beginning in 2027. Under this measure, retail liquor stores would be allowed to apply for the same number of locations as liquor-licensed drugstores (grocery stores with a pharmacy that sell beer, wine, and spirits), as shown in Table 1.

Any new locations are required to be at least 1,500 feet away from other retail liquor stores. Additionally, in order to

open a new retail liquor store location, licensees must follow the current state and local government licensing protocols related to background checks, documentation, and a public hearing on the needs and desires of the neighborhood. Additional information about retail liquor stores can be found in the summary and analysis for Proposition 125.

This measure does not impact grocery and convenience stores that currently sell only beer, which are allowed to have an unlimited number of locations.

**Table 1**  
**Maximum Retail Liquor Store Locations Under Current Law and Under Proposition 124**

Timeframe	Retail Liquor Stores*		Liquor-Licensed Drugstores**
	Current Law	Proposition 124	
Prior to January 1, 2017	1	N/A	1
January 1, 2017 – December 31, 2021	2	N/A	5
January 1, 2022 – December 31, 2026	3	8	8
January 1, 2027 – December 31, 2031	4	13	13
January 1, 2032 – December 31, 2036	4	20	20
After January 1, 2037	4	Unlimited	Unlimited

\*Only stores licensed prior to 2016 may apply for additional locations, both under current law and under this measure.

\*\*Grocery stores with pharmacies licensed to sell all types of alcohol, including beer and other fermented malt beverages (e.g., hard seltzer and hard lemonade), wine and other vinous liquors (e.g., wine coolers, sake, cider, and mead), and spirits. New licensees must buy out two retail liquor stores, including all stores within a 1,500 feet radius (approximately three or four city blocks), or 3,000 feet in small communities.

For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022 election, go to the Colorado Secretary of State’s elections center web site hyperlink for ballot and initiative information:

<https://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

### Argument For Proposition 124

- 1) This measure brings parity to retail liquor stores that have been disadvantaged by the limited number of allowed locations. Currently, grocery store chains that are licensed to sell beer, wine, and spirits are permitted many more locations than retail liquor stores, with unlimited locations beginning in 2037. Meanwhile, retail liquor stores are limited to a total of four locations beginning in 2027. Proposition 124 addresses a long-term competitive disadvantage for retail liquor stores relative to large grocery store chains.

### Argument Against Proposition 124

- 1) Proposition 124 creates a disadvantage for small, locally owned liquor stores that may not have the capacity or desire to expand, and instead benefits large retail liquor store chains that have more resources. Current law is designed to ensure that neighborhood liquor stores can continue to compete with other retail liquor stores. Many of these small businesses are owned by minorities and women, who may lose customers as a result of increased competition from large retail liquor store chains.

### Fiscal Impact for Proposition 124

**State revenue.** The measure may increase state revenue from new retail liquor store licenses and ongoing renewals; however, the net impact of the change is assumed to be less than \$10,000 per year. Revenue is from state and local liquor licensing fees and is split between state cash funds and the General Fund.

**State spending.** The measure minimally increases workload for the Liquor Enforcement Division in the Department of Revenue to perform rulemaking, process applications for new retail liquor stores, and conduct enforcement.

**Local government.** The measure will minimally increase workload for local licensing authorities to process applications for new retail liquor stores and revenue from local application and licensing fees.