

**CITY CLERK'S OFFICE MEMORANDUM
#10-2022**

DATE: Nov. 14, 2022
TO: Honorable Mayor Meredith Leighty and City Council Members
THROUGH: Heather Geyer, City Manager *hmg*
FROM: Johanna Small, City Clerk *JS*
Lisa Andrews, Sr. Deputy City Clerk – Licensing Administrator
SUBJECT: CB-1997 – Manager Registration for Liquor Licensed Establishments

PURPOSE

To consider CB-1997, an ordinance on first reading amending Section 18-2-3 of the Municipal Code regarding manager registration for liquor licensed establishments.

BACKGROUND

During the 2022 Legislative Session, the Colorado General Assembly passed House Bill 22-1415 (“HB 1415”) related to managers of liquor licensed establishments. HB 1415 affects how a change in managers of businesses holding a liquor license is registered or reported to the local and State licensing authorities, removes the ability of the local and State licensing authorities to deny a manager registration based upon the character, record, and reputation of the proposed manager, allows licensees holding multiple liquor licenses to appoint one manager to oversee multiple establishments, and reduces the fees related to manager changes.

City Attorney Corey Hoffmann previously distributed a legal memorandum to City Council regarding the impact of HB 1415. A copy of the legal memo is being provided separately for Council’s reference.

The following table provides a summary of the rules:

	Previous Rule	New Rule
Registration vs. Reporting	Licensees required to register new manager with local and State authorities within 30 days of the change	Licensees required to report new manager to local and State authorities within 30 days of the change
Penalty	Potential license suspension for failure to register manager change	No penalty for failure to report manager change
Authority Review	Proposed manager subject to background investigation, including fingerprinting for criminal history review. Authorities could deny a registration based upon the individual’s character, record, and reputation.	No authority review; manager change is administratively accepted if filing is complete and fees are paid.
Multiple Premises	A separate and distinct manager required for each establishment	One manager may manage multiple establishments.
Fees	\$75	\$30

While State regulations regarding manager reporting are limited to liquor licenses for on-premises consumption, local regulations are proposed to require manager change reporting for all liquor licensed establishments. This would allow City staff to have current point-of-contact information for all liquor licenses.

The passage of HB 1415 requires an amendment to Section 18-2-3 of the Municipal Code to maintain compliance with the Colorado Liquor Code.

The draft ordinance was presented to the Liquor Licensing Authority at its Nov. 3, 2022 meeting. The authority approved Liquor Licensing Authority Resolution #22-03, recommending City Council adoption of the draft ordinance.

BUDGET/TIME IMPLICATIONS

The fees related to processing manager changes would be reduced from \$75 to \$30. Due to the elimination of authority review, staff time related to processing the changes would be reduced and the fee reduction is appropriate. Based on previous activity, staff anticipates approximately 11 manager change reports per year.

If CB-1997 is approved on first reading, a public hearing and second reading of the proposed ordinance would be scheduled for Nov. 28, 2022. A revised fee schedule would be presented at the Nov. 28, 2022, meeting to be considered by Council upon the adoption of CB-1997.

STAFF RECOMMENDATION

Staff recommends approval of CB-1997 on first reading.

STAFF REFERENCE

If Council members have any questions, please contact Johanna Small, City Clerk, at jsmall@northglenn.org or 303.450.8757.

ATTACHMENTS

1. House Bill 22-1415
2. Northglenn Liquor Licensing Authority Resolution #22-03

CB-1997 – Manager Registration for Liquor Licensed Establishments

An Act

HOUSE BILL 22-1415

BY REPRESENTATIVE(S) Bird and McKean, Bernett, Carver, Geitner, Hooton, Lindsay, McCluskie, Pico, Ricks, Roberts, Sandridge, Snyder; also SENATOR(S) Zenzinger and Lundeen, Holbert, Kirkmeyer, Smallwood, Woodward.

CONCERNING ELIMINATION OF THE REQUIREMENT THAT CERTAIN BUSINESSES LICENSED TO SELL ALCOHOL BEVERAGES FOR CONSUMPTION ON THE LICENSED PREMISES REGISTER A MANAGER OF THE LICENSED PREMISES WITH THE STATE LICENSING AUTHORITY.

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

SECTION 1. In Colorado Revised Statutes, 44-3-301, **amend** (8) as follows:

44-3-301. Licensing in general. (8) Each licensee holding a fermented malt beverage on-premises license or on- and off-premises license, beer and wine license, HOTEL AND RESTAURANT LICENSE, tavern license, lodging and entertainment license, club license, arts license, or racetrack license shall manage the premises himself or herself or employ a separate and distinct manager on the premises and shall report the name of the manager to the state and local licensing authorities. The licensee shall

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

report any change in managers to the state and local licensing authorities within thirty days after the change. ~~It is unlawful for the licensee to fail to report the name of or any change in managers as required by this subsection (8). The failure to report is grounds for suspension of the license~~ WHEN A HOTEL AND RESTAURANT, TAVERN, OR LODGING AND ENTERTAINMENT LICENSEE REPORTS A CHANGE IN MANAGER TO THE STATE AND LOCAL LICENSING AUTHORITY, THE LICENSEE SHALL PAY:

(a) A THIRTY-DOLLAR FEE TO THE STATE LICENSING AUTHORITY; AND

(b) A THIRTY-DOLLAR FEE TO THE LOCAL LICENSING AUTHORITY.

SECTION 2. In Colorado Revised Statutes, 44-3-413, **amend** (10); and **repeal** (9), (11), (12), and (13) as follows:

44-3-413. Hotel and restaurant license - definitions - rules.

~~(9) Each hotel and restaurant licensee shall manage or have a separate and distinct manager and shall register the manager of each liquor-licensed premises with the state and the local licensing authority. No person shall be a registered manager for more than one hotel and restaurant license.~~

(10) The ~~registered~~ manager for each hotel and restaurant license, the hotel and restaurant licensee, or an employee or agent of the hotel and restaurant licensee shall purchase alcohol beverages for one licensed premises only, and the purchases shall be separate and distinct from purchases for any other hotel and restaurant license.

~~(11) When a person ceases to be a registered manager of a hotel and restaurant license, for whatever reason, the hotel and restaurant licensee shall notify the licensing authorities within five days and shall designate a new registered manager within thirty days.~~

~~(12) Either the state or the local licensing authority may refuse to accept any person as a registered manager unless the person is satisfactory to the respective licensing authorities as to character, record, and reputation. In determining a registered manager's character, record, and reputation, the state or local licensing authority may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency.~~

~~(13) The hotel and restaurant licensee shall pay a registration fee not to exceed seventy-five dollars to the state and to the local licensing authority for actual and necessary expenses incurred in establishing the character, record, and reputation of each registered manager.~~

SECTION 3. In Colorado Revised Statutes, 44-3-414, **amend** (5); and **repeal** (4), (6), (7), and (8) as follows:

~~**44-3-414. Tavern license.** (4) Each tavern licensee shall manage or have a separate and distinct manager for each licensed premises and shall register the manager of each licensed premises with both the state and the local licensing authority. No person shall be a registered manager for more than one tavern license.~~

~~(5) The registered manager for each tavern license, the tavern licensee, or an employee or agent of the tavern licensee shall purchase alcohol beverages for one licensed premises only, and the purchases shall be separate and distinct from purchases for any other tavern license.~~

~~(6) When a person ceases to be a registered manager for a tavern license, for whatever reason, the tavern licensee shall notify the licensing authorities within five days and shall designate a new registered manager within thirty days.~~

~~(7) The state licensing authority or the local licensing authority may refuse to accept any person as a registered manager unless the person is satisfactory to the respective licensing authorities as to character, record, and reputation. In determining a registered manager's character, record, and reputation, the state or local licensing authority may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency.~~

~~(8) The tavern licensee shall pay a registration fee not to exceed seventy-five dollars for actual and necessary expenses incurred in determining the character, record, and reputation of each registered manager. Such fee shall be paid to both the state and the local licensing authority.~~

SECTION 4. In Colorado Revised Statutes, 44-3-428, **amend** (4) as follows:

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44-3-428. Lodging and entertainment license. (4) (a) ~~Each lodging and entertainment facility licensee shall manage or have a separate and distinct manager for each licensed premises and shall register the manager of each licensed premises with both the state and the local licensing authority. A person shall not be a registered manager for more than one lodging and entertainment license.~~

(b) ~~The registered manager for each lodging and entertainment license, the lodging and entertainment facility licensee, or an employee or agent of the lodging and entertainment facility licensee shall purchase alcohol beverages for one licensed premises only, and the purchases shall be separate and distinct from purchases for any other lodging and entertainment license.~~

(c) ~~When a person ceases to be a registered manager for a lodging and entertainment license, the lodging and entertainment facility licensee shall notify the licensing authorities within five days and shall designate a new registered manager within thirty days.~~

(d) ~~The state licensing authority or the local licensing authority may refuse to accept any person as a registered manager unless the person is satisfactory to the respective licensing authorities as to character, record, and reputation. In determining a registered manager's character, record, and reputation, the state or local licensing authority may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by the agency.~~

(e) ~~The lodging and entertainment facility licensee shall pay a registration fee, not to exceed seventy-five dollars, for actual and necessary expenses incurred in determining the character, record, and reputation of each registered manager. The lodging and entertainment facility licensee shall pay the fee to both the state and the local licensing authority.~~

SECTION 5. In Colorado Revised Statutes, 44-3-901, **amend** (6)(m) as follows:

44-3-901. Unlawful acts - exceptions - definitions. (6) It is unlawful for any person licensed to sell at retail pursuant to this article 3 or article 4 of this title 44:

(m) To require a wholesaler to make delivery to any premises other than the specific hotel and restaurant premises where the alcohol beverage is to be sold and consumed if the person is a hotel and restaurant licensee or the registered manager of a hotel and restaurant license requires the delivery;

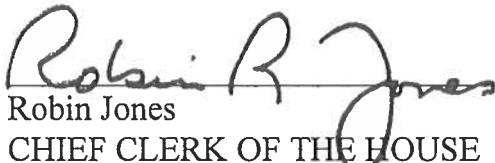
SECTION 6. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.



Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Steve Fenberg
PRESIDENT OF
THE SENATE



Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES



Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED June 7, 2022 4:15 pm
(Date and Time)



Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO

NORTHGLENN LIQUOR LICENSING AUTHORITY

RESOLUTION NO.


22-03
Series 2022

A RESOLUTION RECOMMENDING CERTAIN PROPOSED CHANGES TO ARTICLE 2 OF CHAPTER 18 OF THE NORTHGLENN MUNICIPAL CODE REGARDING MANAGERS OF LIQUOR LICENSED ESTABLISHMENTS

BE IT RESOLVED BY THE LIQUOR LICENSING AUTHORITY OF THE CITY OF NORTHGLENN, THAT:

Section 1. The Northglenn Municipal Code amendments proposed attached hereto as Exhibit A, which would amend Article 2 of Chapter 18 of the Northglenn Municipal Code, are hereby endorsed by the Liquor Licensing Authority and forwarded to the City Council for its consideration with a recommendation of approval.

DATED, at Northglenn, Colorado, this 3rd day of November, 2022.


MICHAEL OLIVIERI
Chairperson

ATTEST:


LISA ANDREWS, CMC
Deputy City Clerk

APPROVED AS TO FORM:


HILARY M. GRAHAM
Attorney to the Authority

SPONSORED BY

COUNCILMEMBER'S BILL

ORDINANCE NO.

No. _____
Series of 2022

Series of 2022

A BILL FOR AN ORDINANCE AMENDING SECTION 18-2-3 OF THE NORTHGLENN MUNICIPAL CODE CONCERNING MANAGER REGISTRATION FOR LIQUOR LICENSED ESTABLISHMENTS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. Section 18-2-3 of the Northglenn Municipal Code is amended to read as follows:

Section 18-2-3. Manager Registration

- (a) Each licensee holding holding a fermented malt beverage off-premises, Club, Tavern, or Lodging and Entertainment Facility, arts, beer and wine, brew pub, hotel and restaurant, lodging and entertainment, racetrack, retail liquor store, or vintner's restaurant license shall manage such premises himself or herself or employ a ~~separate and distinct~~ manager on the premises and shall report the name of such manager to the Licensing Authority. Such licensee shall report any change in managers to the Licensing Authority within thirty (30) days after any change, hire, or transfer of any manager to the licensee's premises.
- ~~(b) It is unlawful for the licensee to fail to report the name of or any change in managers as required by subsection (a), and such a failure shall be grounds for suspension of the license.~~
- ~~(e)~~(b) Manager registrations pursuant to this section shall be accompanied by a non-refundable registration fee in ~~the amount of \$75.00~~ an amount determined by the City in a separate resolution.

INTRODUCED, READ AND ORDERED POSTED this ____ day of _____, 2022.

MEREDITH LEIGHTY
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

PASSED ON SECOND AND FINAL READING this ____ day of _____,
2022.

MEREDITH LEIGHTY
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney

SPONSORED BY: MAYOR LEIGHTY

COUNCIL MEMBER'S BILL

ORDINANCE NO.

No. CB-1997
Series of 2022

Series of 2022

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Section 18-2-3. Manager Registration.

- (a) Each licensee holding a fermented malt beverage off-premises, club, tavern, or lodging and entertainment facility, ARTS, BEER AND WINE, BREW PUB, HOTEL AND RESTAURANT, LODGING AND ENTERTAINMENT, RACETRACK, RETAIL LIQUOR STORE, OR VINTNER'S RESTAURANT LICENSE shall manage such premises himself or herself or employ a ~~separate and distinct~~ manager on the premises and shall report the name of such manager to the Licensing Authority. Such licensee shall report any change in managers to the Licensing Authority within thirty (30) days after any change, hire, or transfer of any manager to the licensee's premises.
- ~~(b) It is unlawful for the licensee to fail to report the name of or any change in managers as required by subsection (a), and such a failure shall be grounds for suspension of the license.~~
- ~~(e)~~(b) Manager registrations pursuant to this section shall be accompanied by a non-refundable registration fee in ~~the amount of \$75.00~~ AN AMOUNT DETERMINED BY THE CITY IN A SEPARATE RESOLUTION.

INTRODUCED, READ AND ORDERED POSTED this ____ day of _____, 2022.

MEREDITH LEIGHTY
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

PASSED ON SECOND AND FINAL READING this ____ day of _____,
2022.

MEREDITH LEIGHTY
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney