

# Special Event Permits

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## **What is a Special Event Permit?**

Special Event Permits issued by the Colorado Department of Revenue, Liquor Enforcement Division, and/or a local liquor licensing authority, allow qualified non-profit entities or political candidates to sell, serve, or distribute alcohol beverages in connection with fund raising events. Because of their temporary nature, needs and desires (reasonable requirements of the neighborhood) are not considered by the local licensing authority as a condition of issuance. Application for a Special Event Permit is made directly with the local licensing authority (city/county/state Officials) having jurisdiction over the place of the event.

## **Who can qualify for a permit? (12-48-102, C.R.S.)**

A special event permit may be issued to an organization, whether or not presently licensed under articles 46 and/or 47 of title 12:

- which has been incorporated under the laws of this state for purposes of social, fraternal, patriotic, political, or athletic nature, and not for pecuniary gain, OR
- which is a regularly chartered branch, lodge, or chapter of a national organization or society organized for such purposes and being nonprofit in nature, OR
- which is a regularly established religious or philanthropic institution, OR
- which is a state institution of higher education (includes each principal campus of a state system of higher education)
- to any political candidate who has filed the necessary reports and statements with the secretary of state pursuant to article 45 of title 1, C.R.S.

A special event permit may also be issued to any municipality owning arts facilities at which productions or performances of an artistic or cultural nature are presented for use at such facilities.

## **How many Special Event Permits can a qualified non-profit organization obtain?**

Fifteen (15) days per calendar year.

## **Grounds for issuance of a Special Event Permit (12-48-103, C.R.S.)**

A Special Event Permit for the sale of malt, vinous, and spirituous liquors may not be issued if the proposed licensed location is within 500 feet of any public or parochial school or the principal campus of any college, university or seminary. However, **this restriction does not**

**apply to events that are held during those hours in which no school classes are scheduled** (See Regulation 47-1006).

Nothing shall be construed to prohibit the sale or dispensing of malt, vinous, or spirituous liquor on any closed street, highway, or public byway for which a special event permit has been issued (See Section 12-48-103(3), C.R.S.).

A special event permit may be issued under this section even though the event is to be held on premises licensed under the provisions of section 12-47-403 (Limited Winery License), 12-47-103.5 (Wine Festival Permit), 12-47-416 (Club License), 12-47-417 (Arts License), or 12-47-422 (Art Gallery Permit). The holder of a special event permit issued pursuant to this section shall be responsible for any violation of Article 47 of Title 12, of the Colorado Revised Statutes (commonly known as the Colorado Liquor Code).

### **The application process:**

Application for a Special Event Permit must be made on forms provided by the Liquor Enforcement Division, Department of Revenue. All permit applications must be verified by oath or affirmation through an officer of the applicant, and submitted to the respective local licensing authority at least 30 days prior to the date of the event and must include the following:

- Proof of qualified non-profit status:

Certificate of non-profit status and authority to do business in Colorado, as issued by the Colorado Secretary of State, OR

Copy of the organization's charter

- A diagram of the area for which the permit will be issued (this diagram must reflect the physical structure (i.e., bars, walls, partitions, entrances, exits, etc.) and a narrative of how this area will be controlled, (i.e., fences, ropes, barbed wire, walls, etc.). Applicants must be able to demonstrate that all alcohol beverages will remain within the proposed licensed area and that all other "private" alcohol beverages will NOT be brought onto the licensed area.
- Evidence that the applicant has possession of, or authorization to use, the premises for which the permit is sought (e.g. deed, lease, letter, etc.). The applicant must have possession or written authorization to use the premises for the entire duration for which the permit is issued.
- Even though these permits are issued to non-profit organizations, the retail sale of alcohol beverages to consumers is still subject to state and local sales taxes. Applicants should contact the Department of Revenue at (303) 238-7378 to determine the correct method of remitting the state sales tax.
- A check for the appropriate permit fee.

## **Filing of the application**

The application and required attachments, as noted above, must be filed with the local licensing authority not less than 30 days prior to the date of the special event. The local licensing authority may waive this time frame for good cause shown (Regulation 47-1002(G)).

## **Can the functions of a local licensing authority concerning special events be assigned to an administrative officer representing that authority?**

Yes, the local licensing authority may assign all or any portion of its functions to an administrative officer (See 12-48-107(4), C.R.S.)

## **After the application is filed, what happens next?**

The local licensing authority will prepare a public notice suitable for posting. This notice must be conspicuously posted upon the premises for which the permit is sought. This notice must contain the name and address of the applicant, the procedure for protesting the permit, and the date the permit will be considered by the local licensing authority. This notice must be conspicuously posted at the proposed location for at least 10 days before a hearing may be held (See 12-48-106(2), C.R.S.).

## **Is a Formal Hearing Required?**

The local licensing authority "shall" cause a hearing to be held IF, after investigation and upon review of the contents of any protest filed by affected persons, sufficient grounds appear to exist for denial of a permit. Protests must be filed within 10 days from the date of the posting. Any hearing held shall be held at least 10 days after the initial posting of the notice, AND notice thereof shall be provided to the applicant AND any person who has filed a protest. The requirements for a hearing (record creation, etc.) are the same as for other administrative hearings.

In summary, you do NOT have to hold a hearing if no one has protested the permit or your investigation did NOT disclose other sufficient grounds to deny it. However, it is suggested that upon a determination of no opposition, the applicant be advised of its responsibility to comply with the Colorado Liquor Code. This advisement should include, but may not be limited to issues such as:

- Licenses/permits required and the posting requirements
- Hours and location of the event
- Establishment of control over the areas of storage, service, consumption and possession of alcohol beverages
- Types of alcohol beverages that may be sold or served for ON premises consumption only
- Age requirements
- Visible intoxication prohibitions
- Other local requirements (zoning, local permits required, etc.) (See 12-48-107(3), C.R.S.)

## **After approval by the local licensing authority, what happens next?**

A local authority may elect not to notify the state licensing authority for the purpose of obtaining the state licensing authority's approval or disapproval of an application for special event permit. Any local authority electing not to notify the state licensing authority shall promptly act upon each application for special event permit.

- The local licensing authority acting as the sole reviewer of the application shall report to the Liquor Enforcement Division, within ten (10) days from issuance of a permit, the name of the permitted organization, the address of the permitted location, and the permitted dates of alcohol beverage service.
- The Liquor Enforcement Division shall maintain on its public website the statewide permitting activity, which the local authority shall review prior to its approval and issuance of permits in order to ensure compliance with section 12-48-105(3), C.R.S. regarding the maximum number of permits that may be issued to an organization each calendar year.
- If a local licensing authority elects to notify the state licensing authority for the purpose of obtaining the state licensing authority's approval or disapproval of an application for special event permit, the permit application shall be accompanied by the applicable state permit fees and shall be submitted to the state licensing authority not less than ten (10) days prior to the date of the event.
- The holder of any type of special event permit issued by either licensing authority, shall post such permit upon the premises covered by such permit and any authorized non-contiguous storage areas, and it shall produce evidence of the permit to any law enforcement officer.

## **Denial, Suspension, or Revocation of a Special Events Permit**

Whenever a written complaint is filed with the state or local licensing authority or shall otherwise come to the attention of the licensing authority, that a violation of the provisions of article 48 occurred, and the special event permittee, its agents, employees, or its members, violated the provisions of articles 46, 47, or 48, of title 12, C.R.S., upon proper investigation of such charges the licensing authority may upon notice and hearing, suspend or revoke such special event permit and may further order the denial of future applications for another special event permit to be submitted by the same organization.

On rare occasions, the Division will recommend denial of the special event application and request that the state licensing authority issue a Notice of Proposed Denial. Recommendations for denial will be made when the applicant:

- has not met statutory requirements, or
- when violations of the Colorado Liquor/Beer/Special Events Codes are likely to result if a permit is issued, or
- when the applicant's principals have been shown to be of character or record that is unsuitable to the state licensing authority.

## **What can a Special Event Permit holder sell?**

Depending on which permit the organization applies for, a Special Event Permit holder is authorized to sell EITHER 3.2% beer (fermented malt beverages) OR malt, vinous and spirituous liquors. Beverages are sold by the drink, for consumption ON the premises only (See Section 12-48-101, C.R.S.).

The Colorado Liquor Code does not prohibit Special Event Permit holders from selling other lawful items of commerce in connection with a Special Event Permit. However, permit holders may NOT sell alcohol beverages in sealed containers and/or allow removal of the beverages from the licensed area.

## **Food Requirements for a Special Event Permit**

Special Event Permit holders must have sandwiches or other food snacks available during all hours of service of malt, spirituous, or vinous liquors, but prepared meals need not be served; however, full meals are not required (See Section 12-48-105(5), C.R.S.).

## **When can Special Event Permit holder sell, serve, or distribute alcohol beverages?**

3.2% beer (fermented malt beverage) permits: 5:00 a.m. until 12 midnight on the same day of the event.

Malt, vinous and spirituous liquor permits: 7:00 a.m., the day of the event, until 2:00 a.m., the day immediately following the date of the event (See Section 12-48-105, C.R.S.).

## **What are the age requirements for employees or volunteers of the Special Event Permit holder?**

Persons at least 18 years of age, but not 21 years of age, may sell, serve, dispense or distribute alcohol beverages as long as they are under the supervision of a person at least 21 years of age (See Reg. 47-1012).

## **What is the age required to purchase alcohol beverages from a Special Event Permit holder?**

Persons must be at least 21 years of age to purchase, possess, and consume alcohol beverages in Colorado (See Section 12-47-901(1)(a), C.R.S.).

## **Where can a Special Event Permit holder purchase the alcohol beverages they are authorized to sell?**

Alcohol beverages sold in connection with a Special Event Permit may be purchased from a Colorado-licensed wholesaler, brew pub, vintner's restaurant, limited winery, retail liquor store, or liquor-licensed drugstore (Regulation 47-1016).

## **Are multiple locations on the same day permitted under a single permit?**

No, the permit is issued for a specific location and is not valid at any other location (See

Section 12-48-105(1), C.R.S.).

Events at multiple locations on the same day require separate permits, except when the event is being held in a series of private homes within the same neighborhood, in which case copies may be made for each home. The applicant must identify the additional private residences upon initial application (See Regulation 47-1008).

**When is a Special Event Permit NOT required, even though alcohol beverages are going to be sold or served?**

Section 12-48-108, C.R.S. contains an exemption for a qualified organization when it serves alcohol beverages to members of the organization and their guests, **ONLY**, at a private function held by the organization on unlicensed premises and not sold by the drink. Any admission or other charge required to be paid, or given, as a condition of entry or participation in the event must be uniform to all, regardless of whether the member or their guests decide to consume alcohol beverages.

Non-profit organizations holding fundraising events at permanently licensed retail premises, with public access, are not required to obtain a Special Events Permit. In this case, authorized alcohol beverage suppliers must invoice all alcohol beverages to the retail licensee, not the non-profit organization.

A Club licensee which only allows access to its members and guests, and an Arts licensee, which only sells or serves alcohol beverages during artistic or cultural performances, are required to obtain a Special Events Permit at the Club or Arts licensed premises **when they hold events that allow public access.** (See Section 12-48-103(2) C.R.S.)

**Can I accept donated alcohol beverages to sell or serve with my special event permit?**

**YES.** Alcohol beverages may be donated by Colorado-licensed wholesalers, micro-breweries, brewpubs, vintner's restaurants, retail liquor stores, and in-state wineries, if such beverages are used for hospitality and/or fund raising purposes, and are not resold by the drink. Alcohol beverages received from other non-licensed or private sources may not be sold, served or consumed at a special events permit.

Colorado Suppliers may provide financial support and/or services for public-service or non-profit fund raising activities to those organizations that qualify for a special events permit. However, no support may be conditioned upon the present or future purchase of alcohol beverages or the exclusive sale of a supplier's products at future events. Suppliers may also share in the costs of advertisements, signs, promotional materials and items of a similar nature used in connection with a non-profit special event permit. Suppliers may also rent dispensing equipment to a special event permittee at fair market value and may sell glassware, cups and similar items at a minimum of cost (See Regulations 47-316 and 47-322).

When an event, for which the alcohol donations are solicited, is held at a retail location licensed for on-premises consumption (other than a Limited winery, Wine Festival permit, Club license, Arts license, or Art Gallery permit – see below under “Can a special event permit occur on a licensed premises?”) the supplier shall invoice the retailer at no cost for alcohol

beverage products intended for the event, if the retail licensee consents to such an arrangement. Any such donated product which is unused must be returned by the retailer to the wholesaler as soon as practicable after the event. If the unused product is not returned, then the wholesaler must charge the retailer at least the minimum of cost for those products.

Only authorized suppliers can donate alcohol when the event is held at a retail location licensed for on-premises consumption. Therefore, donations from a retailer liquor store or liquor licensed drug store cannot be used.

### **Can a special event permit occur on a licensed premises?**

**YES (but only at certain license types).** A special event permit can be held at the following licensed premises types: Limited winery pursuant to 12-47-403, Wine Festival pursuant to 12-47-403.5, Club pursuant to 12-47-416, Arts pursuant to 12-47-417, or Art Gallery permit pursuant to 12-47-422. The holder of a special event permit issued pursuant to this subsection (2) shall be responsible for any violation of article 47 of this title. (C.R.S. 12-48-103(2)(a)).

### **Can a special events permit be issued in connection with a casino or poker night?**

**NO.** Casino nights (*an event involving the payment or risking of something of value, for a chance to win something*) were determined by the court as illegal gambling. (*See the Central City Opera House v. Dept of Revenue, et al.*). Texas Hold-Em Tournaments may also constitute illegal gambling. Non-profits should contact the appropriate district attorney as what activities that attorney deems illegal gambling

Raffles, however, may be conducted if the non-profit organization has acquired a Bingo and Raffles license from the Department of State, Licensing and Elections Division.

### **Where can alcohol for a special event permit be stored?**

Permit holders may store alcohol beverage stock in areas outside the designated event area approved by the respective licensing authorities under the following conditions (Regulation 47-1016):

- The application included the address of proposed storage locations and a diagram of said premises.
- The application included evidence of the permit holder's lawful possession of the storage premises by way of deed, lease, rental, or other arrangement and specifying the terms of storage.
- The proposed location is not a location licensed pursuant to articles 46 or 47 of title 12, C.R.S.
- The applicant acknowledges that state and local law enforcement authorities have the right of inspection of each storage area that is used for permitted events.

### **Posting of Permits and Licenses Required?**

All licenses and permits required must be posted in a conspicuous place on the licensed area for the general public to observe. The licenses and permits required include, but are not limited to the following:

Special Event Permit –State (if applicable)

Special Event Permit - City

Minor Warning Sign

State Sales Tax License

Other local licenses as required. (check with the local authority)

### **Special Event Permit Filing Checklist**

- Completed Special Events Application
- Appropriate Permit Fee
- Deed, Lease, or written authorization to use premises
- Diagram of premises with a written narrative describing how the applicant will control the area.
- Certificate of Incorporation, as issued by the Colorado Secretary of State, dated within the last 2 years preceding the date of the application, verifying that the applicant is a qualified non-profit organization and is in good standing within the state of Colorado.