

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 26-0708.01 Brita Darling x2241

SENATE BILL 26-114

SENATE SPONSORSHIP

Marchman and Bright,

HOUSE SPONSORSHIP

Titone and Soper,

Senate Committees

Business, Labor, & Technology
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING A SPIRITUOUS LIQUOR MANUFACTURER'S SALES ROOMS.**

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://leg.colorado.gov>.)

Under current law, a licensed manufacturer of spirituous liquors (manufacturer) may conduct tastings of and sell the manufacturer's own spirituous liquors at the manufacturer's licensed premises or at one other approved sales room location. The bill authorizes the manufacturer to also conduct tastings of and sell the manufacturer's spirituous liquors at up to 2 approved other sales room locations.

The bill authorizes a manufacturer to apply for a permit from the state licensing authority to serve and sell alcohol beverages acquired from

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

a licensed wholesaler at the manufacturer's premises or a sales room location. A copy of the permit application must be sent to the local licensing authority for comment, posted for 45 days in a conspicuous place at the location that is the subject of the application, and published in a local newspaper of general circulation.

Before issuing the permit, the state licensing authority shall consider:

- A response from the local licensing authority concerning impacts on the surrounding neighborhood, including traffic, noise, and distance from schools;
- Whether zoning, fire, and other requirements have been met; and
- Public comments, if any.

The state licensing authority shall not issue the permit unless the applicant affirms that they have complied with local zoning restrictions, including requirements for distance from schools.

If the permit application is approved:

- The manufacturer must serve sandwiches and light snacks if selling and serving alcohol beverages acquired from a wholesaler licensed in the state; and
- The proceeds from the sale of alcohol beverages acquired from wholesalers must not account for more than 50% of the gross annual revenue from alcohol beverage sales.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-3-402, **amend**
3 (7)(a); and **add (7)(d)** as follows:

4 **44-3-402. Manufacturer's license - rules.**

5 (7) (a) (I) (A) A manufacturer of spirituous liquors licensed
6 pursuant to this section may conduct tastings and sell to customers
7 spirituous liquors of its own manufacture on ~~its~~ THE MANUFACTURER'S
8 licensed premises and at one other approved sales room location at no
9 additional cost. A sales room location may be included in the license at
10 the time of the original license issuance or by supplemental application.
11 If the licensed premises includes multiple noncontiguous locations, the
12 manufacturer may operate a sales room on only one of those

1 noncontiguous locations.

2 (B) A MANUFACTURER OF SPIRITUOUS LIQUORS LICENSED
3 PURSUANT TO THIS SECTION SHALL APPLY TO A LOCAL LICENSING
4 AUTHORITY FOR APPROVAL OF A PERMIT TO SERVE AND SELL ALCOHOL
5 BEVERAGES ACQUIRED FROM WHOLESALERS LICENSED IN THE STATE
6 PURSUANT TO SECTION 44-3-407 AT THE LICENSED PREMISES AND ANY
7 SALES ROOM APPROVED PURSUANT TO SUBSECTION (7)(a)(I)(A) OF THIS
8 SECTION. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (7)(a)(II) OF
9 THIS SECTION, THE MANUFACTURER SHALL ONLY SERVE OR SELL ALCOHOL
10 BEVERAGES ACQUIRED FROM SUCH WHOLESALERS FOR ON-PREMISES
11 CONSUMPTION AND NOT FOR OFF-PREMISES CONSUMPTION OR FOR
12 TAKEOUT AND DELIVERY PURSUANT TO SECTION 44-3-911 (4)(c)(V). A
13 MANUFACTURER MUST OBTAIN A SEPARATE PERMIT FOR EACH LOCATION
14 WHERE ACTIVITIES THAT ARE AUTHORIZED BY THIS SUBSECTION
15 (7)(a)(I)(B) OCCUR. IN DETERMINING WHETHER TO APPROVE A PERMIT, A
16 LOCAL LICENSING AUTHORITY SHALL ONLY EVALUATE THE
17 CONSIDERATIONS SET FORTH IN SECTIONS 44-3-301 (2)(a), 44-3-311,
18 44-3-312, AND 44-3-313. A PERMIT ISSUED UNDER THIS SUBSECTION
19 (7)(a)(I)(B) IS VALID FOR ONE YEAR AFTER THE DATE OF ISSUANCE UNLESS
20 REVOKED OR SUSPENDED PURSUANT TO SECTION 44-3-306 OR 44-3-601.
21 THE STATE LICENSING AUTHORITY SHALL DETERMINE THE FORM AND
22 MANNER OF A PERMIT APPLICATION SUBMITTED PURSUANT TO THIS
23 SUBSECTION (7)(a)(I)(B).

24 (C) UPON APPROVAL OF A PERMIT FROM THE LOCAL LICENSING
25 AUTHORITY PURSUANT TO SUBSECTION (7)(a)(I)(B) OF THIS SECTION, A
26 MANUFACTURER OF SPIRITUOUS LIQUORS LICENSED PURSUANT TO THIS
27 SECTION SHALL APPLY TO THE STATE LICENSING AUTHORITY FOR A PERMIT

1 TO SERVE AND SELL ALCOHOL BEVERAGES ACQUIRED FROM WHOLESALERS
2 LICENSED IN THIS STATE PURSUANT TO SECTION 44-3-407 AT THE LICENSED
3 PREMISES AND ANY SALES ROOM APPROVED PURSUANT TO SUBSECTION
4 (7)(a)(I)(A) OF THIS SECTION. EXCEPT AS OTHERWISE PROVIDED IN
5 SUBSECTION (7)(a)(II) OF THIS SECTION, THE MANUFACTURER SHALL ONLY
6 SERVE OR SELL ALCOHOL BEVERAGES ACQUIRED FROM SUCH
7 WHOLESALERS FOR ON-PREMISES CONSUMPTION AND NOT FOR
8 OFF-PREMISES CONSUMPTION OR FOR TAKEOUT AND DELIVERY PURSUANT
9 TO SECTION 44-3-911 (4)(c)(V). THE STATE LICENSING AUTHORITY SHALL
10 DETERMINE THE FORM AND MANNER OF A PERMIT APPLICATION SUBMITTED
11 PURSUANT TO THIS SUBSECTION (7)(a)(I)(C). IF THE STATE LICENSING
12 AUTHORITY APPROVES A PERMIT APPLICATION FILED PURSUANT TO THIS
13 SUBSECTION (7)(a)(I)(C): THE MANUFACTURER OF SPIRITUOUS LIQUORS
14 SHALL HAVE SANDWICHES AND LIGHT SNACKS AVAILABLE FOR
15 CONSUMPTION AT ITS LICENSED PREMISES AND ANY APPROVED SALES
16 ROOM, BUT NEED NOT HAVE MEALS AVAILABLE FOR CONSUMPTION; AND
17 THE PROCEEDS DERIVED FROM SALES OF ALCOHOL BEVERAGES ACQUIRED
18 FROM SUCH WHOLESALERS MUST NOT EXCEED FIFTY PERCENT OF THE
19 MANUFACTURER'S GROSS ANNUAL REVENUE FROM ALCOHOL BEVERAGE
20 SALES. A PERMIT ISSUED UNDER THIS SUBSECTION (7)(a)(I)(C) IS VALID
21 UNTIL THE EXPIRATION OF THE PERMIT ISSUED BY THE LOCAL LICENSING
22 AUTHORITY PURSUANT TO SUBSECTION (7)(a)(I)(B) OF THIS SECTION OR
23 FOR ONE YEAR AFTER THE DATE OF ISSUANCE, WHICHEVER IS SOONER,
24 UNLESS THE PERMIT IS REVOKED OR SUSPENDED PURSUANT TO SECTION
25 44-3-306 OR 44-3-601.

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(II) A manufacturer of spirituous liquors licensed pursuant to this

1 section that operates a sales room AND THAT DOES NOT OBTAIN A PERMIT
2 PURSUANT TO SUBSECTIONS (7)(a)(I)(B) AND (7)(a)(I)(C) OF THIS SECTION
3 FOR THE SALES ROOM TO SERVE AND SELL ALCOHOL BEVERAGES ACQUIRED
4 FROM WHOLESALERS LICENSED IN THIS STATE may purchase and use
5 common alcohol modifiers, including vermouth, amaros, and liqueurs, to
6 combine with spirituous liquors to produce cocktails for consumption on
7 or off the sales room premises. A manufacturer that uses an alcohol
8 modifier pursuant to this subsection (7)(a)(II) shall combine the modifier
9 with a spirituous liquor produced by the manufacturer. A manufacturer
10 shall not sell an alcohol modifier that has not been combined with a
11 spirituous liquor. The state licensing authority may adopt rules necessary
12 to implement and administer this subsection (7)(a)(II).

13 (d) THE STATE LICENSING AUTHORITY MAY ADOPT RULES TO
14 IMPLEMENT THIS SUBSECTION (7).

15 SECTION 2. In Colorado Revised Statutes, 44-3-505, add (1)(s)
16 and (4)(a)(VI) as follows:

17 **44-3-505. Local license fees.**

18 (1) The applicant shall pay the following license fees to the
19 treasurer of the municipality, city and county, or county where the
20 licensed premises is located annually in advance:

21 (s) FOR EACH PERMIT ISSUED TO SERVE AND SELL ALCOHOL
22 BEVERAGES ACQUIRED FROM WHOLESALERS LICENSED IN THE STATE
23 PURSUANT TO SECTION 44-3-407 AT A MANUFACTURER'S LICENSED
24 PREMISES IN ACCORDANCE WITH SECTION 44-3-402, FIVE HUNDRED
25 DOLLARS.

26 (4) (a) Each application for a license provided for in this article 3
27 and article 4 of this title 44 filed with a local licensing authority must be

1 accompanied by an application fee in an amount determined by the local
2 licensing authority to cover actual and necessary expenses, subject to the
3 following limitations:

4 (VI) (A) FOR A NEW PERMIT ISSUED TO SERVE AND SELL ALCOHOL
5 BEVERAGES ACQUIRED FROM WHOLESALERS LICENSED IN THE STATE
6 PURSUANT TO SECTION 44-3-407 AT A MANUFACTURER'S LICENSED
7 PREMISES IN ACCORDANCE WITH SECTION 44-3-402, AN AMOUNT NOT TO
8 EXCEED ONE THOUSAND DOLLARS, SET BY THE LOCAL LICENSING
9 AUTHORITY; AND

10 (B) FOR A RENEWAL APPLICATION FOR A PERMIT ISSUED TO SERVE
11 AND SELL ALCOHOL BEVERAGES ACQUIRED FROM WHOLESALERS LICENSED
12 IN THE STATE PURSUANT TO SECTION 44-3-407 AT A MANUFACTURER'S
13 LICENSED PREMISES IN ACCORDANCE WITH SECTION 44-3-402, AN AMOUNT
14 NOT TO EXCEED ONE HUNDRED DOLLARS, SET BY THE LOCAL LICENSING
15 AUTHORITY; EXCEPT THAT AN EXPIRED PERMIT RENEWAL AMOUNT MUST
16 NOT EXCEED FIVE HUNDRED DOLLARS.

17 **SECTION 3. Act subject to petition - effective date.** This act
18 takes effect at 12:01 a.m. on the day following the expiration of the
19 ninety-day period after final adjournment of the general assembly (August
20 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
21 referendum petition is filed pursuant to section 1 (3) of article V of the
22 state constitution against this act or an item, section, or part of this act
23 within such period, then the act, item, section, or part will not take effect
24 unless approved by the people at the general election to be held in
25 November 2026 and, in such case, will take effect on the date of the
26 official declaration of the vote thereon by the governor.