



Legislative Council Staff

Research Note

Version: Final

Date: 5/19/2016

Bill Number

Senate Bill 16-143

Sponsors

Senator Hill
Representative Pabon

Short Title

**Reduce Distiller Wholesaler
Liquor Licensing Fees**

Research Analyst

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Status

This research note reflects the final version of the bill which becomes effective on August 10, 2016, assuming no referendum petition is filed.

Summary

Under current law, the annual license fee for a distillery or rectifier (spirits) manufacturer's license and for a wholesaler's liquor (wine and spirits) license is \$1,050. The bill sets the fees as follows:

- from August 10, 2016, to August 10, 2017, the fee for a spirits manufacturing license is \$675 and the fee for a wholesaler's liquor license is \$800; and
- after August 10, 2017, the fee for a spirits manufacturing license is \$300 and a wholesaler's liquor license is \$550.

Background

Colorado's Liquor Code is based on a three-tiered system, requiring separate licenses for manufacturers, wholesalers, and retailers. In 2012, the Liquor Enforcement Division (LED) within the Colorado Department of Revenue determined that Colorado law provided that wine or spirits manufacturers did not need to obtain a separate wholesaler's license to sell their product directly to retailers. In 2015, the division reversed its position and now requires that wine and spirits manufacturers (except for limited wineries) obtain a wholesale license to self-distribute, including selling to a retailer and donating any goods for special events.

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Senate Action

Senate Business, Labor, and Technology Committee (March 14, 2016). At the hearing, a representative of the Colorado Distiller's Guild testified in support of the bill. The committee referred the bill, unamended, to the Senate Finance Committee.

Senate Finance Committee (March 17, 2016). The committee referred the bill to the Senate Appropriations Committee, unamended.

Senate Appropriations Committee (April 29, 2016). The committee referred the bill to the Senate Committee of the Whole, unamended.

Senate second reading (April 29, 2016). The Senate passed the bill on second reading with no amendments.

Senate third reading (May 2, 2016). The Senate passed the bill on third reading with no amendments.

House Action

House Business Affairs and Labor Committee (May 3, 2016). The committee referred the bill to the House Finance Committee, unamended.

House Finance Committee (May 4, 2016). At the hearing, a representative of the Colorado Distillers Guild testified in support of the bill, and a representative of the Department of Revenue responded to committee questions. The committee adopted amendment L.002 and referred the bill to the House Appropriations Committee, as amended. Amendment L.002 specified that between August 10, 2016, and August 10, 2017, the fee for a spirits manufacturing license is \$675 and the fee for a wholesaler's liquor license is \$800. After August 10, 2017, the fee for a spirits manufacturing license is \$300 and a wholesaler's liquor license is \$550.

House Appropriations Committee (May 9, 2016). The committee referred the bill, unamended, to the House Committee of the Whole.

House second reading (May 10, 2016). The House adopted the House Finance Committee report and passed the bill on second reading, as amended.

House third reading (May 11, 2016). The House passed the bill on third reading with no amendments.