

CHAPTER 195

REVENUE - ACTIVITIES REGULATION

SENATE BILL 21-082

BY SENATOR(S) Priola and Pettersen, Bridges, Gardner, Jaquez Lewis, Lundeen, Moreno, Smallwood, Winter;
 also REPRESENTATIVE(S) Mullica and Williams, Baisley, Bennett, Bockenfeld, Boesenecker, Cutter, Gray, Herod, Hooton,
 Jackson, Kipp, McCluskie, McCormick, Michaelson Jenet, Ortiz, Pico, Sandridge, Snyder, Titone, Valdez A., Van Winkle.

AN ACT

CONCERNING AUTHORIZATION FOR CERTAIN ALCOHOL BEVERAGE LICENSE HOLDERS TO HOLD FESTIVALS FOR ALCOHOL BEVERAGE RETAIL ACTIVITY, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

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

44-3-301. Licensing in general. (3) (a) Each license issued under this article 3 and article 4 of this title 44 is separate and distinct. It is unlawful for any person to exercise any of the privileges granted under any license other than the license the person holds or for any licensee to allow any other person to exercise the privileges granted under the licensee's license, except as provided in section 44-3-402 (3), 44-3-403 (2)(a), 44-3-404, or 44-3-417 (1)(b). A separate license must be issued for each specific business or business entity and each geographic location, and in the license the particular alcohol beverages the applicant is authorized to manufacture or sell must be named and described. For purposes of this section, a resort complex with common ownership, a campus liquor complex, a hotel and restaurant licensee with optional premises, an optional premises licensee for optional premises located on an outdoor sports and recreational facility, and a ~~wine~~ festival at which more than one licensee participates pursuant to a ~~wine~~ festival permit is considered a single business and location.

SECTION 2. In Colorado Revised Statutes, 44-3-404, **amend** (1), (2), (4) introductory portion, (5), (6), and (7); and **add** (9) and (10) as follows:

44-3-404. Festival permit - rules. (1) (a) A ~~wine~~ PERSON LISTED IN SUBSECTION (9) OF THIS SECTION MAY FILE A festival permit application ~~may be filed~~ with the

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.

state licensing authority. ~~by any limited winery licensee or by any manufacturer licensee that is licensed to manufacture vinous liquors.~~ The applicant shall MUST:

(I) Specify the licensed premises for the first of the ~~wine~~ festivals to be held; ~~which application shall be filed~~

(II) FILE THE APPLICATION at least ten business days before the festival is to be held; ~~The applicant shall~~ AND

(III) Include a twenty-five dollar annual processing fee with the application filed with the state licensing authority.

(b) (I) A LOCAL LICENSING AUTHORITY MAY CREATE A LOCAL PERMIT FOR FESTIVALS; EXCEPT THAT A LIMITED WINERY LICENSEE OR WINERY LICENSEE NEED NOT OBTAIN A LOCAL PERMIT TO PARTICIPATE IN OR HOLD A FESTIVAL. IF A LOCAL LICENSING AUTHORITY DOES NOT CREATE A LOCAL PERMIT UNDER THIS SUBSECTION (1)(b), AN APPLICANT NEED NOT OBTAIN A LOCAL PERMIT UNDER THIS SUBSECTION (1)(b) TO CONDUCT FESTIVALS.

(II) IF A LICENSEE IS APPLYING FOR BOTH A FESTIVAL PERMIT AND A SPECIAL EVENT LIQUOR PERMIT ISSUED UNDER ARTICLE 5 OF THIS TITLE 44, THE LICENSEE NEED NOT APPLY FOR ANY LOCAL PERMIT ESTABLISHED IN ACCORDANCE WITH SUBSECTION (1)(b)(I) OF THIS SECTION.

(c) ~~Such fee shall entitle the permittee to use the wine festival permit for twelve months after the date of issuance, so long as the permittee notifies the state licensing authority and the appropriate local licensing authority of the location of all other wine festivals under this permit at least ten business days before any such festival is to be held. A wine festival permit shall entitle the permittee to hold no more than nine wine festivals during the twelve-month period.~~ IF A FESTIVAL PERMITTEE NOTIFIES THE STATE LICENSING AUTHORITY AND THE APPROPRIATE LOCAL LICENSING AUTHORITY OF THE LOCATION OF AND DATES OF EACH FESTIVAL AT LEAST TEN BUSINESS DAYS BEFORE HOLDING THE FESTIVAL, THE PERMITTEE MAY HOLD UP TO, BUT NO MORE THAN, NINE FESTIVALS DURING THE TWELVE MONTHS AFTER THE FESTIVAL PERMIT IS ISSUED.

(2) ~~The applicant shall be the licensee filing the application, but any wine festival permit that is issued as a result of such application shall be considered to be jointly held by the permittee and the participating limited winery licensees or manufacturer licensees that are licensed to manufacture vinous liquors.~~ THE LICENSEE THAT HOLDS THE FESTIVAL MUST FILE THE APPLICATION FOR THE PERMIT, BUT OTHER LICENSEES MAY JOINTLY PARTICIPATE UNDER THE PERMIT ISSUED TO THE LICENSEE THAT APPLIED FOR THE PERMIT.

(4) The state licensing authority may deny a ~~wine~~ festival permit or supplemental application for any of the following reasons:

(5) After the issuance of an initial ~~wine~~ festival permit, all supplemental applications that are complete and filed in a timely manner ~~shall be~~ ARE deemed approved unless the state licensing authority provides the permittee with a notice of denial at least seventy-two hours prior to the date of the event.

(6) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE 3, the permittee and participating licensees are authorized to use the licensed premises jointly to conduct ~~wine~~ ALCOHOL BEVERAGE tastings and ~~sell any vinous liquors manufactured by a Colorado limited winery or manufacturer licensed to manufacture vinous liquors.~~ No ~~wine~~ TO ENGAGE IN THE SAME RETAIL SALES OF ALCOHOL BEVERAGES THAT THE PERMITTEE AND PARTICIPATING LICENSEES ARE AUTHORIZED TO CONDUCT AT THEIR LICENSED PREMISES. A festival permit ~~shall~~ DOES NOT authorize the permittee to use the licensed premises for more than seventy-two hours for any one ~~wine~~ festival.

(7) If a violation of this article 3 occurs during a ~~wine~~ festival and the licensee responsible for the violation can be identified, the STATE OR LOCAL LICENSING AUTHORITY MAY CHARGE AND IMPOSE APPROPRIATE PENALTIES ON THE licensee. ~~may be charged and the appropriate penalties shall apply.~~ If the responsible party cannot be identified, the state licensing authority may send a written notice to every licensee identified on the permit application and may fine each the same dollar amount, which ~~amount shall~~ FINE MUST not exceed twenty-five dollars per licensee or two hundred dollars in the aggregate. ~~No~~ A joint fine levied pursuant to this subsection (7) ~~shall~~ DOES NOT apply to the revocation of the licensee's license under section 44-3-601.

(9) THIS SECTION APPLIES TO A PERSON LICENSED UNDER SECTION 44-3-402, 44-3-403, 44-3-407, 44-3-411, 44-3-413, 44-3-414, 44-3-417, 44-3-422, OR 44-3-426.

(10) THE STATE LICENSING AUTHORITY MAY ADOPT RULES NECESSARY TO IMPLEMENT AND ADMINISTER THIS SECTION.

SECTION 3. In Colorado Revised Statutes, 44-5-103, **amend** (1)(b) as follows:

44-5-103. Grounds for issuance of special permits. (1) (b) If a violation of this article 5 or article 3 of this title 44 occurs during a special event ~~wine~~ festival and the responsible licensee can be identified, ~~such~~ THE STATE OR LOCAL LICENSING AUTHORITY MAY CHARGE AND IMPOSE APPROPRIATE PENALTIES ON THE licensee. ~~may be charged and the appropriate penalties may apply.~~ If the responsible licensee cannot be identified, the state licensing authority may send written notice to every licensee identified on the permit applications and may fine each the same dollar amount. The fine shall not exceed twenty-five dollars per licensee or two hundred dollars in the aggregate. ~~No~~ A joint fine levied pursuant to this subsection (1)(b) ~~shall~~ DOES NOT apply to the revocation of a ~~limited wineries~~ LICENSEE'S license under section 44-3-601.

SECTION 4. Appropriation. (1) For the 2021-22 state fiscal year, \$511,210 is appropriated to the department of revenue. This appropriation is from the liquor enforcement division and state licensing authority cash fund created in section 44-6-101, C.R.S. To implement this act, the department may use this appropriation as follows:

(a) \$10,634 for use by the executive director's office for the purchase of legal services;

(b) \$35,370 for use by the executive director's office for vehicle lease payments;

(c) \$363,038 for use by the liquor and tobacco enforcement division for personal services, which amount is based on an assumption that the division will require an additional 6.2 FTE; and

(d) \$102,168 for use by the liquor and tobacco enforcement division for operating expenses.

(2) For the 2021-22 state fiscal year, \$10,634 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(a) of this section and is based on an assumption that the department of law will require an additional 0.1 FTE. To implement this act, the department of law may use this appropriation to provide legal services for the department of revenue.

(3) For the 2021-22 state fiscal year, \$35,370 is appropriated to the department of personnel. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(b) of this section. To implement this act, the department of personnel may use this appropriation for vehicle replacement lease/purchase.

SECTION 5. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 28, 2021