# First Regular Session Seventy-third General Assembly STATE OF COLORADO

## **PREAMENDED**

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

LLS NO. 21-0275.01 Duane Gall x4335

**HOUSE BILL 21-1044** 

### **HOUSE SPONSORSHIP**

Hooton and Larson,

### SENATE SPONSORSHIP

Bridges and Gardner,

#### **House Committees**

#### **Senate Committees**

Business Affairs & Labor Finance Appropriations

	A BILL FOR AN ACT
101	CONCERNING ALLOWING A MANUFACTURER OF VINOUS LIQUORS TO
102	MAINTAIN LICENSED PREMISES CONSISTING OF MULTIPLE
103	NONCONTIGUOUS LOCATIONS, AND, IN CONNECTION
104	THEREWITH, MAKING AN APPROPRIATION.

## **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 <a href="http://leg.colorado.gov">http://leg.colorado.gov</a>.)

The bill allows a winery that holds a manufacturer's or limited winery license to maintain licensed premises comprising up to 5 noncontiguous locations within a 10-mile radius. The department of

revenue must approve an application for the use of a proposed noncontiguous location if the alcohol and tobacco tax and trade bureau of the United States department of the treasury has approved the description and diagram of the premises at that location, subject to proof of compliance with local codes and zoning requirements.

Any additional noncontiguous locations that fall outside the approved boundaries of an entertainment district or a common consumption area are excluded from that district or area, and any noncontiguous location that is to be used as a sales room is subject to individual approval for use as a sales room. Only one sales room may be located at a noncontiguous location.

1 Be it enacted by the General Assembly of the State of Colorado: 2 SECTION 1. In Colorado Revised Statutes, 44-3-103, amend 3 (38) as follows: 44-3-103. **Definitions.** As used in this article 3 and article 4 of 4 5 this title 44, unless the context otherwise requires: 6 (38) (a) "Premises" means a distinct and definite location, which 7 may include a building, a part of a building, a room, or any other definite 8 contiguous area. 9 (b) NOTWITHSTANDING SUBSECTION (38)(a) OF THIS SECTION, FOR 10 A WINERY AUTHORIZED TO MANUFACTURE VINOUS LIQUORS PURSUANT TO 11 SECTION 44-3-402 OR 44-3-403, THE LICENSED PREMISES MAY INCLUDE UP 12 TO TWO NONCONTIGUOUS LOCATIONS, ALL OF WHICH ARE USED FOR 13 MANUFACTURING PURPOSES, WITHIN A RADIUS OF TEN MILES. 14 **SECTION 2.** In Colorado Revised Statutes, 44-3-301, amend 15 (3)(a) and (11)(d); and **add** (2)(c) as follows: 16 **44-3-301.** Licensing in general. (2) (c) THE STATE LICENSING 17 AUTHORITY SHALL APPROVE THE PROPOSED PREMISES FOR A WINERY 18 APPLYING PURSUANT TO SECTION 44-3-402 OR 44-3-403, WHICH PREMISES 19 INCLUDES UP TO TWO NONCONTIGUOUS LOCATIONS USED FOR

-2-

1	MANUFACTURING VINOUS LIQUORS, OR A MODIFICATION OF THE LICENSED
2	PREMISES OF A WINERY LICENSED PURSUANT TO SECTION 44-3-402 OR
3	44-3-403 TO INCLUDE UP TO TWO NONCONTIGUOUS LOCATIONS USED FOR
4	MANUFACTURING VINOUS LIQUORS IF THE ALCOHOL AND TOBACCO TAX
5	AND TRADE BUREAU OF THE UNITED STATES DEPARTMENT OF THE
6	TREASURY HAS APPROVED THE DESCRIPTION AND DIAGRAM OF THE
7	PROPOSED OR MODIFIED PREMISES. ADDITIONALLY, WITH THE INITIAL
8	LICENSE APPLICATION THAT INCLUDES NONCONTIGUOUS LOCATIONS
9	WITHIN THE PROPOSED PREMISES OR A SUBSEQUENT APPLICATION TO
10	MODIFY THE PREMISES TO INCLUDE NONCONTIGUOUS LOCATIONS, THE
11	WINERY LICENSEE MUST SUBMIT PROOF FROM THE MUNICIPALITY IN WHICH
12	THE PREMISES IS LOCATED OF COMPLIANCE WITH ALL APPLICABLE ZONING,
13	BUILDING, FIRE, AND OTHER REQUIREMENTS FOR OCCUPANCY AND
14	OPERATION. THE STATE LICENSING AUTHORITY MAY, BY RULE, ESTABLISH
15	A ONE-TIME APPLICATION FEE AND AN ANNUAL RENEWAL FEE, NEITHER OF
16	WHICH MAY EXCEED FIVE HUNDRED DOLLARS PER LOCATION, FOR
17	APPLICATIONS UNDER THIS SUBSECTION (2)(c).
18	(3) (a) (I) Each license issued under this article 3 and article 4 of
19	this title 44 is separate and distinct. It is unlawful for any person to
20	exercise any of the privileges granted under any license other than the
21	license the person holds or for any licensee to allow any other person to
22	exercise the privileges granted under the licensee's license, except as
23	provided in section 44-3-402 (3), 44-3-403 (2)(a), 44-3-404, or 44-3-417
24	(1)(b). A separate license must be issued for each specific business or
25	business entity and each geographic location, and in the license the
26	particular alcohol beverages the applicant is authorized to manufacture or
27	sell must be named and described.

-3-

1	(II) For purposes of this section, EACH OF THE FOLLOWING IS
2	CONSIDERED A SINGLE BUSINESS AND LOCATION:
3	(A) A resort complex with common ownership;
4	(B) A campus liquor complex;
5	(C) A hotel and restaurant licensee with optional premises;
6	(D) An optional premises licensee for optional premises located
7	on an outdoor sports and recreational facility;
8	(E) A WINERY LICENSED PURSUANT TO SECTION 44-3-402 OR
9	44-3-403 THAT HAS NONCONTIGUOUS LOCATIONS INCLUDED IN THE
10	LICENSED PREMISES; and
11	(F) A wine festival at which more than one licensee participates
12	pursuant to a wine festival permit. is considered a single business and
13	<del>location.</del>
14	(11) (d) A person shall not attach a premises licensed under this
15	article 3 to a common consumption area unless authorized by the local
16	licensing authority. ANY NONCONTIGUOUS LOCATION INCLUDED IN THE
17	LICENSED PREMISES OF A WINERY LICENSED PURSUANT TO SECTION
18	44-3-402 or 44-3-403 that falls outside the approved boundaries
19	OF AN ENTERTAINMENT DISTRICT OR A COMMON CONSUMPTION AREA
20	AUTHORIZED PURSUANT TO THIS SUBSECTION (11) SHALL NOT BE
21	INCLUDED AS PART OF A CERTIFIED PROMOTIONAL ASSOCIATION OR
22	ENTERTAINMENT DISTRICT EVEN THOUGH THE LICENSED PREMISES OF
23	THAT WINERY IS WITHIN THE ENTERTAINMENT DISTRICT.
24	SECTION 3. In Colorado Revised Statutes, 44-3-402, amend
25	(2)(a) as follows:
26	44-3-402. Manufacturer's license. (2) (a) A winery licensed
27	pursuant to this section may conduct tastings and sell vinous liquors of its

-4- 1044

1	own manufacture, as well as other vinous liquors manufactured by other
2	Colorado wineries licensed pursuant to this section or section 44-3-403,
3	on the licensed premises of the winery and at one other approved sales
4	room location at no additional cost, whether included in the license at the
5	time of the original license issuance or by supplemental application. IF
6	THE LICENSED PREMISES INCLUDES MULTIPLE NONCONTIGUOUS
7	LOCATIONS, THE WINERY MAY OPERATE A SALES ROOM ON ONLY ONE OF
8	THOSE NONCONTIGUOUS LOCATIONS. ANY ADDITIONAL SALES ROOM
9	OPERATED ON A NONCONTIGUOUS LOCATION OF THE LICENSED PREMISES
10	MUST BE APPROVED IN ACCORDANCE WITH THE PROCESS OUTLINED IN
11	SUBSECTION (2)(c) OF THIS SECTION.
12	SECTION 4. In Colorado Revised Statutes, 44-3-403, amend
13	(2)(e)(I)(A) as follows:
14	<b>44-3-403.</b> Limited winery license - rules. (2) A limited winery
15	licensee is authorized:
16	(e) (I) (A) Except as provided in subsection (2)(e)(I)(B) of this
17	section and subject to subsection (2)(e)(II) of this section, to conduct
18	tastings and sell vinous liquors of its own manufacture, as well as vinous
19	liquors manufactured by other Colorado wineries, on the licensed
20	premises of the limited winery and up to five other approved sales room
21	locations, whether included in the license at the time of the original
22	license issuance or by supplemental application. IF THE LICENSED
23	PREMISES INCLUDES MULTIPLE NONCONTIGUOUS LOCATIONS, THE
24	LICENSEE MAY OPERATE A SALES ROOM ON ONLY ONE OF THOSE
25	NONCONTIGUOUS LOCATIONS. ANY ADDITIONAL SALES ROOM OPERATED
26	ON A NONCONTIGUOUS LOCATION OF THE LICENSED PREMISES MUST BE
27	APPROVED AS ONE OF THE LICENSEE'S ADDITIONAL SALES ROOMS ALLOWED

-5- 1044

1	UNDER THIS SUBSECTION (2)(e)(1)(A) IN ACCORDANCE WITH THE PROCESS
2	OUTLINED IN SUBSECTION (2)(e)(II) OF THIS SECTION.
3	<b>SECTION 5.</b> Appropriation. (1) For the 2021-22 state fiscal
4	year, \$13,247 is appropriated to the department of revenue for use by the
5	liquor and tobacco enforcement division. This appropriation is from the
6	liquor enforcement division and state licensing authority cash fund
7	created in section 44-6-101, C.R.S. To implement this act, the division
8	may use this appropriation as follows:
9	(a) \$8,747 for personal services, which amount is based on an
10	assumption that the division will require an additional 0.2 FTE; and
11	(b) \$4,500 for operating expenses.
12	SECTION 6. Act subject to petition - effective date. This act
13	takes effect at 12:01 a.m. on the day following the expiration of the
14	ninety-day period after final adjournment of the general assembly; except
15	that, if a referendum petition is filed pursuant to section 1 (3) of article V
16	of the state constitution against this act or an item, section, or part of this
17	act within such period, then the act, item, section, or part will not take
18	effect unless approved by the people at the general election to be held in
19	November 2022 and, in such case, will take effect on the date of the
20	official declaration of the vote thereon by the governor.

-6- 1044