

First Regular Session
Seventy-third General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 21-0003.02 Jery Payne x2157

SENATE BILL 21-082

SENATE SPONSORSHIP

Priola and Pettersen, Bridges, Gardener, Jaquez Lewis, Lundeen, Moreno, Smallwood, Winter

HOUSE SPONSORSHIP

Mullica and Williams,

Senate Committees
Business, Labor, & Technology
Finance
Appropriations

House Committees
Business Affairs & Labor
Finance
Appropriations

A BILL FOR AN ACT

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

HOUSE
2nd Reading Unamended
May 12, 2021

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>.)

SENATE
Amended 3rd Reading
April 5, 2021

Under current law, a limited winery or a wine manufacturer may obtain a permit to hold up to 9 wine festivals in 12 months, with each festival lasting no longer than 72 hours. Other limited wineries and wine

SENATE
Amended 2nd Reading
April 1, 2021

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

manufacturers may participate in the wine festival. Wine tastings and retail sales are conducted at a wine festival.

The bill authorizes the following to also hold festivals where they can conduct joint tastings and engage in any retail operations authorized by their licenses or permits:

- A retail liquor store licensee;
- A beer and wine licensee;
- A hotel and restaurant licensee;
- A tavern licensee;
- A retail gaming tavern licensee;
- A brew pub licensee;
- An arts licensee;
- A vintner's restaurant licensee;
- A distillery pub licensee;
- A winery or limited winery operating a sales room;
- A spirits manufacturer operating a sales room; and
- A beer manufacturer operating a sales room.

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

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

4 **44-3-301. Licensing in general.** (3)(a) Each license issued under
5 this article 3 and article 4 of this title 44 is separate and distinct. It is
6 unlawful for any person to exercise any of the privileges granted under
7 any license other than the license the person holds or for any licensee to
8 allow any other person to exercise the privileges granted under the
9 licensee's license, except as provided in section 44-3-402 (3), 44-3-403
10 (2)(a), 44-3-404, or 44-3-417(1)(b). A separate license must be issued for
11 each specific business or business entity and each geographic location,
12 and in the license the particular alcohol beverages the applicant is
13 authorized to manufacture or sell must be named and described. For
14 purposes of this section, a resort complex with common ownership, a
15 campus liquor complex, a hotel and restaurant licensee with optional
16 premises, an optional premises licensee for optional premises located on

1 an outdoor sports and recreational facility, and a ~~wine~~ festival at which
2 more than one licensee participates pursuant to a ~~wine~~ festival permit is
3 considered a single business and location.

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

7 **44-3-404. Festival permit - rules.** (1) (a) A ~~wine~~ PERSON LISTED
8 IN SUBSECTION (9) OF THIS SECTION MAY FILE A festival permit application
9 ~~may be filed~~ with the state licensing authority. ~~by any limited winery~~
10 ~~licensee or by any manufacturer licensee that is licensed to manufacture~~
11 ~~vinous liquors.~~ The applicant ~~shall~~ MUST:

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

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

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

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

25 (II) IF A LICENSEE IS APPLYING FOR BOTH A FESTIVAL PERMIT AND
26 A SPECIAL EVENT LIQUOR PERMIT ISSUED UNDER ARTICLE 5 OF THIS TITLE
27 44, THE LICENSEE NEED NOT APPLY FOR ANY LOCAL PERMIT ESTABLISHED

1 IN ACCORDANCE WITH SUBSECTION (1)(b)(I) OF THIS SECTION.

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

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

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

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

1 prior to the date of the event.

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

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

23 (9) THIS SECTION APPLIES TO A PERSON LICENSED UNDER SECTION
24 44-3-402, 44-3-403, 44-3-407, 44-3-411, 44-3-413, 44-3-414, 44-3-417,
25 44-3-422, OR 44-3-426.

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

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

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

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

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

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

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

27 (d) \$102,168 for use by the liquor and tobacco enforcement

1 division for operating expenses.

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

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

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