



Legislative Council Staff

Research Note

Version: Final

Date: 1/27/2016

Bill Number

Senate Bill 16-053

Sponsors

***Senator Hill
Representative Pabon***

Short Title

***Limited Self-distribution By
Spirits Manufacturers***

Research Analyst

Elizabeth Burger (x6272)

Status

The bill was postponed indefinitely by the Senate Business, Labor, and Technology Committee on January 27, 2016.

Summary

Under current law, spirits manufacturers must have a separate wholesaler's license in order to sell their product to a retailer. This bill allows a spirits manufacturer to annually sell up to 9,000 liters of each spirit of its own manufacture to retailers without a separate wholesaler's license.

Background

The Colorado Liquor Code requires that businesses producing or manufacturing beer, wine, or spirits obtain a manufacturer's license. The law also provides that manufacturers may sell beer, wine, or spirits directly to retailers if they also obtain a wholesaler's license.

In 2012, the Liquor Enforcement Division 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 2014, the division reversed its position, and now maintains that spirits manufacturers must obtain a wholesale license to self-distribute spirits.

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Senate Action

Senate Business, Labor, and Technology Committee (January 27, 2016). At the hearing, representatives from the Colorado Distillers Guild and Liquor Enforcement Division within the Department of Revenue testified regarding the bill. Representatives of the Colorado Beer Distributors Association, Wine and Spirit Wholesalers of Colorado, and Colorado Brewers Guild testified in opposition to the bill as drafted. The committee postponed the bill indefinitely.

Relevant Research

Legislative Council Staff, *Colorado Laws Regulating Alcoholic Beverages*, Issue Brief, August 2015: <http://tinyurl.com/hdx6luu>