



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1055

FINAL FISCAL NOTE

Drafting Number:	LLS 20-0370	Date:	June 22, 2020
Prime Sponsors:	Rep. Garnett; Liston Sen. Bridges; Priola	Bill Status:	Signed into Law
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Bill Topic: VINTNER'S RESTAURANT ALTERNATING PROPRIETOR

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill allows vintner's restaurants to be approved by the state licensing authority as alternating proprietor licensed premises. The bill increases state workload and revenue by a minimal amount on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the enacted bill.

Summary of Legislation

The bill allows vintner's restaurants to apply to the state licensing authority to be authorized as an alternating proprietor licensed premises. Vintner's restaurants manufacturing wine on an alternating proprietor premises may not conduct retail sales at that premises. The bill also makes it unlawful for a vintner's restaurant to manufacture alcohol anywhere other than their licensed premises and the authorized alternating proprietor licensed premises.

Background

Under current law, licensed breweries, wineries, distilleries, limited wineries, and brewpubs may be authorized by the state licensing authority as an alternating proprietor licensed premises. This authorization allows another licensee to manufacture and store the same type of alcohol on the alternating proprietor premises. As of January 2, 2020, there are 34 alternating proprietor licensed premises.

A vintner's restaurant is a retail establishment that manufacturers up to 250,000 gallons of wine per year and sells food and alcohol for consumption on the premises. Wine manufactured by the vintner's restaurant may sold for off-premises consumption, on-premises consumption, or to licensed wholesalers for distribution to retailers. As of January 2, 2020, there are 12 licensed vintner's restaurants in Colorado.

Comparable Crime Analysis

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or changes an element of an existing crime. This bill creates an exception to the prohibition on manufacturing alcohol at locations other than the licensed premises for vintner's restaurants. From FY 2016-17 through FY 2018-19, zero offenders have been sentenced and convicted for this offense; therefore, the fiscal note assumes that there will continue to be minimal or no additional criminal case filings or convictions for this offense under the bill. Because the bill is not expected to have a tangible impact on criminal justice-related revenue or expenditures at the state or local levels, these potential impacts are not discussed further in this fiscal note.

State Revenue

The bill increases state revenue to the Liquor Enforcement Division Cash Fund by a minimal amount beginning in FY 2020-21. The application fee for an alternating proprietor licensed premises is \$150. Due to the small number of licensed vintner's restaurants, any revenue increase is expected to be minimal. Fee revenue is subject to TABOR.

State Expenditures

The bill increases workload for the Liquor Enforcement Division in the Department of Revenue to process additional requests from vintner's restaurants to be authorized as an alternating proprietor licensed premises. Due to the small number of licensed vintner's restaurants, the workload is expected to be minimal and can be accomplished within current appropriations.

Under the March 2020 Legislative Council Staff Economic and Revenue Forecast, the state is not expected to collect revenue above the TABOR limit in either FY 2020-21 or FY 2021-22, and refund obligations are not anticipated for these years. The bill does not change these expectations.

Effective Date

The bill was signed into law by the Governor on March 11, 2020, and takes effect September 14, 2020, assuming no referendum petition is filed.

State and Local Government Contacts

Counties Municipalities Revenue