

**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. 21-0275.01 Duane Gall x4335

HOUSE BILL 21-1044

HOUSE SPONSORSHIP

Hooton and Larson, Arndt, Bird, Garnett, Gray, Lontine, Lynch, McCormick, Ortiz, Pico, Ricks, Valdez D.

SENATE SPONSORSHIP

Bridges and Gardner,

House Committees

Business Affairs & Labor
Finance
Appropriations

Senate Committees

Finance
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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 <http://leg.colorado.gov>.)

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

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.

SENATE
2nd Reading Unamended
April 23, 2021

HOUSE
3rd Reading Unamended
March 29, 2021

HOUSE
Amended 2nd Reading
March 26, 2021

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:

4 **44-3-103. Definitions.** As used in this article 3 and article 4 of
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

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.

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 ~~location.~~

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

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 **44-3-403. 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

1 UNDER THIS SUBSECTION (2)(e)(I)(A) IN ACCORDANCE WITH THE PROCESS
2 OUTLINED IN SUBSECTION (2)(e)(II) OF THIS SECTION.

3 **SECTION 5. 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.