

CHAPTER 165

REVENUE - ACTIVITIES REGULATION

HOUSE BILL 21-1044

BY REPRESENTATIVE(S) Hooton and Larson, Arndt, Bird, Gray, Lontine, Lynch, McCormick, Ortiz, Pico, Ricks, Valdez D., Garnett;
also SENATOR(S) Bridges and Gardner, Cooke, Ginal, Liston, Lundeen, Moreno, Pettersen, Priola, Scott, Simpson, Smallwood, Sonnenberg, Woodward, Garcia.

AN ACT

CONCERNING ALLOWING A MANUFACTURER OF VINOUS LIQUORS TO MAINTAIN LICENSED PREMISES CONSISTING OF MULTIPLE NONCONTIGUOUS LOCATIONS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 44-3-103, **amend** (38) as follows:

44-3-103. Definitions. As used in this article 3 and article 4 of this title 44, unless the context otherwise requires:

(38) (a) "Premises" means a distinct and definite location, which may include a building, a part of a building, a room, or any other definite contiguous area.

(b) NOTWITHSTANDING SUBSECTION (38)(a) OF THIS SECTION, FOR A WINERY AUTHORIZED TO MANUFACTURE VINOUS LIQUORS PURSUANT TO SECTION 44-3-402 OR 44-3-403, THE LICENSED PREMISES MAY INCLUDE UP TO TWO NONCONTIGUOUS LOCATIONS, BOTH OF WHICH ARE USED FOR MANUFACTURING PURPOSES, WITHIN A RADIUS OF TEN MILES.

SECTION 2. In Colorado Revised Statutes, 44-3-301, **amend** (3)(a) and (11)(d); and **add** (2)(c) as follows:

44-3-301. Licensing in general. (2) (c) THE STATE LICENSING AUTHORITY SHALL APPROVE THE PROPOSED PREMISES FOR A WINERY APPLYING PURSUANT TO SECTION 44-3-402 OR 44-3-403, WHICH PREMISES INCLUDES UP TO TWO NONCONTIGUOUS LOCATIONS USED FOR MANUFACTURING VINOUS LIQUORS, OR A MODIFICATION OF

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

THE LICENSED PREMISES OF A WINERY LICENSED PURSUANT TO SECTION 44-3-402 OR 44-3-403 TO INCLUDE UP TO TWO NONCONTIGUOUS LOCATIONS USED FOR MANUFACTURING VINOUS LIQUORS 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 PROPOSED OR MODIFIED PREMISES. ADDITIONALLY, WITH THE INITIAL LICENSE APPLICATION THAT INCLUDES NONCONTIGUOUS LOCATIONS WITHIN THE PROPOSED PREMISES OR A SUBSEQUENT APPLICATION TO MODIFY THE PREMISES TO INCLUDE NONCONTIGUOUS LOCATIONS, THE WINERY LICENSEE MUST SUBMIT PROOF FROM THE MUNICIPALITY IN WHICH THE PREMISES IS LOCATED OF COMPLIANCE WITH ALL APPLICABLE ZONING, BUILDING, FIRE, AND OTHER REQUIREMENTS FOR OCCUPANCY AND OPERATION. THE STATE LICENSING AUTHORITY MAY, BY RULE, ESTABLISH A ONE-TIME APPLICATION FEE AND AN ANNUAL RENEWAL FEE, NEITHER OF WHICH MAY EXCEED FIVE HUNDRED DOLLARS PER LOCATION, FOR APPLICATIONS UNDER THIS SUBSECTION (2)(c).

(3) (a) (I) Each license issued under this article 3 and article 4 of this title 44 is separate and distinct. It is unlawful for any person to exercise any of the privileges granted under any license other than the license the person holds or for any licensee to allow any other person to exercise the privileges granted under the licensee's license, except as provided in section 44-3-402 (3), 44-3-403 (2)(a), 44-3-404, or 44-3-417 (1)(b). A separate license must be issued for each specific business or business entity and each geographic location, and in the license the particular alcohol beverages the applicant is authorized to manufacture or sell must be named and described.

(II) For purposes of this section, EACH OF THE FOLLOWING IS CONSIDERED A SINGLE BUSINESS AND LOCATION:

(A) A resort complex with common ownership;

(B) A campus liquor complex;

(C) A hotel and restaurant licensee with optional premises;

(D) An optional premises licensee for optional premises located on an outdoor sports and recreational facility;

(E) A WINERY LICENSED PURSUANT TO SECTION 44-3-402 OR 44-3-403 THAT HAS NONCONTIGUOUS LOCATIONS INCLUDED IN THE LICENSED PREMISES; and

(F) A wine festival at which more than one licensee participates pursuant to a wine festival permit. ~~is considered a single business and location.~~

(11) (d) A person shall not attach a premises licensed under this article 3 to a common consumption area unless authorized by the local licensing authority. ANY NONCONTIGUOUS LOCATION INCLUDED IN THE LICENSED PREMISES OF A WINERY LICENSED PURSUANT TO SECTION 44-3-402 OR 44-3-403 THAT FALLS OUTSIDE THE APPROVED BOUNDARIES OF AN ENTERTAINMENT DISTRICT OR A COMMON CONSUMPTION AREA AUTHORIZED PURSUANT TO THIS SUBSECTION (11) SHALL NOT BE INCLUDED AS PART OF A CERTIFIED PROMOTIONAL ASSOCIATION OR ENTERTAINMENT DISTRICT EVEN THOUGH THE LICENSED PREMISES OF THAT WINERY

IS WITHIN THE ENTERTAINMENT DISTRICT.

SECTION 3. In Colorado Revised Statutes, 44-3-402, **amend** (2)(a) as follows:

44-3-402. Manufacturer's license. (2) (a) A winery licensed pursuant to this section may conduct tastings and sell vinous liquors of its own manufacture, as well as other vinous liquors manufactured by other Colorado wineries licensed pursuant to this section or section 44-3-403, on the licensed premises of the winery and at one other approved sales room location at no additional cost, whether included in the license at the time of the original license issuance or by supplemental application. IF THE LICENSED PREMISES INCLUDES MULTIPLE NONCONTIGUOUS LOCATIONS, THE WINERY MAY OPERATE A SALES ROOM ON ONLY ONE OF THOSE NONCONTIGUOUS LOCATIONS. ANY ADDITIONAL SALES ROOM OPERATED ON A NONCONTIGUOUS LOCATION OF THE LICENSED PREMISES MUST BE APPROVED IN ACCORDANCE WITH THE PROCESS OUTLINED IN SUBSECTION (2)(c) OF THIS SECTION.

SECTION 4. In Colorado Revised Statutes, 44-3-403, **amend** (2)(e)(I)(A) as follows:

44-3-403. Limited winery license - rules. (2) A limited winery licensee is authorized:

(e) (I) (A) Except as provided in subsection (2)(e)(I)(B) of this section and subject to subsection (2)(e)(II) of this section, to conduct tastings and sell vinous liquors of its own manufacture, as well as vinous liquors manufactured by other Colorado wineries, on the licensed premises of the limited winery and up to five other approved sales room locations, whether included in the license at the time of the original license issuance or by supplemental application. IF THE LICENSED PREMISES INCLUDES MULTIPLE NONCONTIGUOUS LOCATIONS, THE LICENSEE MAY OPERATE A SALES ROOM ON ONLY ONE OF THOSE NONCONTIGUOUS LOCATIONS. ANY ADDITIONAL SALES ROOM OPERATED ON A NONCONTIGUOUS LOCATION OF THE LICENSED PREMISES MUST BE APPROVED AS ONE OF THE LICENSEE'S ADDITIONAL SALES ROOMS ALLOWED UNDER THIS SUBSECTION (2)(e)(I)(A) IN ACCORDANCE WITH THE PROCESS OUTLINED IN SUBSECTION (2)(e)(II) OF THIS SECTION.

SECTION 5. Appropriation. (1) For the 2021-22 state fiscal year, \$13,247 is appropriated to the department of revenue for use by the liquor and tobacco enforcement division. This appropriation is from the liquor enforcement division and state licensing authority cash fund created in section 44-6-101, C.R.S. To implement this act, the division may use this appropriation as follows:

(a) \$8,747 for personal services, which amount is based on an assumption that the division will require an additional 0.2 FTE; and

(b) \$4,500 for operating expenses.

SECTION 6. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or

part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 21, 2021