



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-132: SPIRITUOUS LIQUOR MANUFACTURER TASTINGS CONDUCT

Prime Sponsors:

Sen. Marchman; Gonzales J.
Rep. Soper; Titone

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Fiscal note status: The revised fiscal note reflects the introduced bill, as amended by the Senate Business, Labor, and Technology Committee.

Summary Information

Overview. The bill expands the number of allowable tasting rooms operated by spirits manufacturers and allows them to sell alcohol that they did not manufacture.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- TABOR Refunds

Appropriations. For FY 2025-26, the bill requires an appropriation of \$19,106 to the Department of Revenue.

**Table 1
State Fiscal Impacts**

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$23,104	\$11,850
State Expenditures	\$23,104	\$11,850
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$23,104	\$11,850
Change in State FTE	0.2 FTE	0.1 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
 State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$23,104	\$11,850
Total Revenue	\$23,104	\$11,850

**Table 1B
 State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$19,106	\$9,851
Federal Funds	\$0	\$0
Centrally Appropriated	\$3,998	\$1,999
Total Expenditures	\$23,104	\$11,850
Total FTE	0.2 FTE	0.1 FTE

Summary of Legislation

Under current law, spirits manufacturers may operate a sales room on their licensed premises and one other location to sell spirits that they manufactured. The bill allows spirits manufacturers to operate up to three sales rooms and creates a new permit which allows them to sell alcoholic beverages acquired from wholesalers. These new permit holders may not derive more than 50 percent of their gross revenues from sales of alcoholic beverages that they do not manufacture. The bill also removes the requirement that cocktails made for tastings in one of these sales rooms include a spirit produced by the manufacturer.

State Revenue

The bill will increase state revenue from liquor fees by about \$23,000 in FY 2025-26 and by \$12,000 in FY 2026-27 and ongoing. The Liquor Enforcement Division within the Department of Revenue is expected to adjust its fee structures to cover the increased expenditures to implement the bill, as outlined in the State Expenditures section. License fees are subject to TABOR. Additional revenue will be credited to the Liquor Enforcement Division Cash Fund.

State Expenditures

The bill increases state expenditures in the Department of Revenue by about \$23,000 in FY 2025-26 and by \$12,000 in FY 2026-27 and ongoing. These costs, paid from the Liquor Enforcement Division Cash Fund, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of Revenue

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$16,270	\$8,135
Hourly Wages for Minor Operatives	\$2,244	\$2,244
Computer Programming	\$1,120	\$0
Centrally Appropriated Costs	\$5,996	\$1,999
Total Costs	\$23,104	\$11,850
Total FTE	0.2 FTE	0.1 FTE

Department of Revenue

The Department of Revenue requires staff, minor operatives, and computer programming to implement the bill.

Staff

Assuming the bill results in approximately 130 new sales rooms, 0.2 FTE Criminal Investigator in FY 2025-26 will perform initial inspections and compliance checks, anticipated to require 3 hours total per sales room. In FY 2026-27 and ongoing, 0.1 Criminal Investigator will conduct annual compliance checks at each location, anticipated to require 1 hour each. All Criminal Investigators work in pairs for initial inspections and compliance checks for safety reasons.

Hourly Wages for Minor Operatives

DOR will require 78 hours annually for a minor operative, at a cost of \$22 per hour, to assist with compliance checks for the new sales rooms to ensure alcohol is not being sold to minors.

Computer Programming

In order to create the new permit, DOR will require approximately 40 hours of software development and user testing, estimated at \$28 per hour resulting in \$1,120 for FY 2025-26 only.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table above.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the March 2025 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2025-26, the bill requires an appropriation of \$19,106 from the Liquor Enforcement Division Cash Fund to the Department of Revenue, and 0.2 FTE.

State and Local Government Contacts

Counties

Revenue

Municipalities

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).