

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 26-0708.01 Brita Darling x2241

SENATE BILL 26-114

SENATE SPONSORSHIP

Marchman and Bright,

HOUSE SPONSORSHIP

Titone and Soper,

Senate Committees
Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING A SPIRITUOUS LIQUOR MANUFACTURER'S SALES ROOMS.**

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>.)

Under current law, a licensed manufacturer of spirituous liquors (manufacturer) may conduct tastings of and sell the manufacturer's own spirituous liquors at the manufacturer's licensed premises or at one other approved sales room location. The bill authorizes the manufacturer to also conduct tastings of and sell the manufacturer's spirituous liquors at up to 2 approved other sales room locations.

The bill authorizes a manufacturer to apply for a permit from the state licensing authority to serve and sell alcohol beverages acquired from

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

a licensed wholesaler at the manufacturer's premises or a sales room location. A copy of the permit application must be sent to the local licensing authority for comment, posted for 45 days in a conspicuous place at the location that is the subject of the application, and published in a local newspaper of general circulation.

Before issuing the permit, the state licensing authority shall consider:

- A response from the local licensing authority concerning impacts on the surrounding neighborhood, including traffic, noise, and distance from schools;
- Whether zoning, fire, and other requirements have been met; and
- Public comments, if any.

The state licensing authority shall not issue the permit unless the applicant affirms that they have complied with local zoning restrictions, including requirements for distance from schools.

If the permit application is approved:

- The manufacturer must serve sandwiches and light snacks if selling and serving alcohol beverages acquired from a wholesaler licensed in the state; and
- The proceeds from the sale of alcohol beverages acquired from wholesalers must not account for more than 50% of the gross annual revenue from alcohol beverage sales.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-3-402, **amend**
3 (7)(a) as follows:

4 **44-3-402. Manufacturer's license - rules.**

5 (7) (a) (I) (A) A manufacturer of spirituous liquors licensed
6 pursuant to this section may conduct tastings and sell to customers
7 spirituous liquors of its own manufacture on ~~its~~ THE MANUFACTURER'S
8 licensed premises and at ~~one~~ UP TO TWO other approved sales room
9 ~~location~~ LOCATIONS at no additional cost. A sales room location may be
10 included in the license at the time of the original license issuance or by
11 supplemental application. If the licensed premises includes multiple
12 noncontiguous locations, the manufacturer may operate a sales room on

1 ~~only one~~ UP TO TWO of those noncontiguous locations.

2 (B) A MANUFACTURER OF SPIRITUOUS LIQUORS LICENSED
3 PURSUANT TO THIS SECTION THAT CONDUCTS TASTINGS PURSUANT TO THIS
4 SUBSECTION (7) MAY APPLY TO THE STATE LICENSING AUTHORITY FOR A
5 PERMIT TO SERVE AND SELL ALCOHOL BEVERAGES ACQUIRED FROM
6 WHOLESALERS LICENSED IN THIS STATE PURSUANT TO SECTION 44-3-407
7 AT THE MANUFACTURER'S LICENSED PREMISES AND AT UP TO TWO
8 APPROVED SALES ROOMS. THE STATE LICENSING AUTHORITY MAY
9 DETERMINE THE FORM AND MANNER OF A PERMIT APPLICATION SUBMITTED
10 PURSUANT TO THIS SUBSECTION (7)(a)(I)(B). IF THE STATE LICENSING
11 AUTHORITY APPROVES A PERMIT APPLICATION FILED PURSUANT TO THIS
12 SUBSECTION (7)(a)(I)(B): THE MANUFACTURER OF SPIRITUOUS LIQUORS
13 SHALL HAVE SANDWICHES AND LIGHT SNACKS AVAILABLE FOR
14 CONSUMPTION ON THE SALES ROOM PREMISES, BUT NEED NOT HAVE MEALS
15 AVAILABLE FOR CONSUMPTION; AND THE PROCEEDS DERIVED FROM SALES
16 OF ALCOHOL BEVERAGES ACQUIRED FROM WHOLESALERS MUST NOT
17 EXCEED FIFTY PERCENT OF THE MANUFACTURER'S GROSS ANNUAL
18 REVENUE FROM ALCOHOL BEVERAGE SALES.

19 (C) A MANUFACTURER SHALL SEND A COPY OF THE PERMIT
20 APPLICATION SUBMITTED PURSUANT TO SUBSECTION (7)(a)(I)(B) OF THIS
21 SECTION TO THE LOCAL LICENSING AUTHORITY, POST THE PERMIT
22 APPLICATION IN A CONSPICUOUS PLACE AT THE LOCATION THAT IS THE
23 SUBJECT OF THE PERMIT APPLICATION FOR A PERIOD OF FORTY-FIVE DAYS,
24 AND PUBLISH THE PERMIT APPLICATION ONCE IN A NEWSPAPER OF
25 GENERAL CIRCULATION IN THE COUNTY WITH JURISDICTION OVER THE
26 LOCATION, BEFORE THE STATE LICENSING AUTHORITY DETERMINES
27 WHETHER TO ISSUE THE PERMIT.

1 (D) THE LOCAL LICENSING AUTHORITY MAY SUBMIT A RESPONSE
2 TO THE PERMIT APPLICATION. IN DETERMINING WHETHER TO ISSUE THE
3 PERMIT, THE STATE LICENSING AUTHORITY MUST CONSIDER: THE
4 RESPONSE, IF ANY, FROM THE LOCAL LICENSING AUTHORITY CONCERNING
5 WHETHER THE PERMITTED ACTIVITY WILL IMPACT TRAFFIC, NOISE,
6 PARKING, HOURS OF OPERATION, TRASH AND CROWD MANAGEMENT, OR
7 OTHER NEIGHBORHOOD CONCERNS IN A MANNER INCONSISTENT WITH
8 LOCAL REGULATIONS OR ORDINANCES, WHICH IMPACTS MAY BE
9 DETERMINED BY THE LOCAL LICENSING AUTHORITY WITHOUT REQUIRING
10 A PUBLIC HEARING; WHETHER LOCAL PERMIT REQUIREMENTS HAVE BEEN
11 SATISFIED, INCLUDING FIRE, ZONING, AND BUILDING CODES; AND PUBLIC
12 COMMENT, IF THE LOCAL LICENSING AUTHORITY PROVIDES A FORMAL
13 OPPORTUNITY FOR PUBLIC COMMENT. IF THE LOCAL LICENSING AUTHORITY
14 DOES NOT SUBMIT A RESPONSE TO THE STATE LICENSING AUTHORITY
15 WITHIN FORTY-FIVE DAYS AFTER THE LICENSEE SUBMITS ITS PERMIT
16 APPLICATION TO THE STATE LICENSING AUTHORITY, THE STATE LICENSING
17 AUTHORITY SHALL DEEM THAT THE LOCAL LICENSING AUTHORITY HAS
18 DETERMINED THAT THE PERMIT DOES NOT IMPACT THE SURROUNDING
19 AREA IN A MANNER THAT IS INCONSISTENT WITH LOCAL REGULATIONS OR
20 ORDINANCES OR THAT CANNOT BE SUFFICIENTLY MITIGATED BY THE
21 APPLICANT.

22 (E) THE STATE LICENSING AUTHORITY SHALL NOT GRANT
23 APPROVAL FOR A PERMIT DESCRIBED IN SUBSECTION (7)(a)(I)(B) OF THIS
24 SECTION UNLESS THE APPLICANT AFFIRMS TO THE STATE LICENSING
25 AUTHORITY THAT THE APPLICANT HAS COMPLIED WITH LOCAL ZONING
26 RESTRICTIONS, INCLUDING REQUIREMENTS RELATING TO DISTANCE FROM
27 SCHOOLS.

1 (F) IF THE STATE LICENSING AUTHORITY ISSUES THE PERMIT, THE
2 MANUFACTURER SHALL DISPLAY THE PERMIT WITH THE MANUFACTURER'S
3 LICENSE AT THE LOCATION THAT IS THE SUBJECT OF THE ISSUED PERMIT.

4 (II) A manufacturer of spirituous liquors licensed pursuant to this
5 section that operates a sales room AND THAT DOES NOT OBTAIN A PERMIT
6 PURSUANT TO SUBSECTION (7)(a)(I)(B) OF THIS SECTION FOR THE SALES
7 ROOM TO SERVE AND SELL ALCOHOL BEVERAGES ACQUIRED FROM
8 WHOLESALERS LICENSED IN THIS STATE may purchase and use common
9 alcohol modifiers, including vermouth, amaros, and liqueurs, to combine
10 with spirituous liquors to produce cocktails for consumption on or off the
11 sales room premises. A manufacturer that uses an alcohol modifier
12 pursuant to this subsection (7)(a)(II) shall combine the modifier with a
13 spirituous liquor produced by the manufacturer. A manufacturer shall not
14 sell an alcohol modifier that has not been combined with a spiritous
15 liquor. The state licensing authority may adopt rules necessary to
16 implement and administer this subsection (7)(a)(II).

17 **SECTION 2. Act subject to petition - effective date.** This act
18 takes effect at 12:01 a.m. on the day following the expiration of the
19 ninety-day period after final adjournment of the general assembly (August
20 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
21 referendum petition is filed pursuant to section 1 (3) of article V of the
22 state constitution against this act or an item, section, or part of this act
23 within such period, then the act, item, section, or part will not take effect
24 unless approved by the people at the general election to be held in
25 November 2026 and, in such case, will take effect on the date of the
26 official declaration of the vote thereon by the governor.