



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-114: SPIRITUOUS LIQUOR MFR SALES ROOMS & OTHER ALCOHOL

Prime Sponsors:

Sen. Marchman; Bright
Rep. Titone; Soper

Fiscal Analyst:

John Armstrong, 303-866-6289
john.armstrong@coleg.gov

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Fiscal note status: The revised fiscal note reflects the reengrossed bill.

Summary Information

Overview. The bill creates a new permit for spirits manufacturers that allows them to serve and sell alcoholic beverages acquired from wholesalers at sales rooms.

Types of impacts. The bill is projected to affect the following areas beginning in FY 2026-27:

- Minimal State Workload
- Local Government

Appropriations. No appropriation is required.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Fund sources for these impacts are identified in the tables below.

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 these manufacturers to apply to a local licensing authority for a new annual permit which allows them to serve and sell alcoholic beverages acquired from wholesalers for on-premise consumption. Upon approval of the local licensing authority, the licensee may apply for the state permit.

These new permit holders may not derive more than 50 percent of their gross revenue from sales of alcoholic beverages from beverages that they do not manufacture, and must serve sandwiches and light snacks at the sales rooms.

The local licensing fee to allow manufacturers to sell alcoholic beverages acquired at wholesale is \$500. The application fee cannot exceed \$1,000 for an initial application and cannot exceed \$100 for a renewal.

Assumptions

The fiscal note assumes 50 percent of existing sales rooms, 40 entities, will apply for this permit.

State Revenue

The bill will minimally increase state revenue to the Liquor Enforcement Division (LED) Cash Fund from state permit application fees and renewals. The fee amounts will be set by LED as part of broader fee setting. These funds are subject to TABOR.

State Expenditures

LED staff will process these new applications and enforce the 50 percent sales requirement. Assuming half of sales rooms apply for the permit, this increases workload in the LED by 160 hours, which represents 0.1 FTE of a compliance investigator, which can be absorbed.

Local Government

The bill will increase revenue and expenditures to local governments through additional fees processed by local licensing authorities. Local licensing authorities may have increased workload to file responses to permit applications for additional permits to sell and serve beverages purchased at wholesale. This additional workload will vary by jurisdiction, but is assumed to be minimal.

Effective Date

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

State and Local Government Contacts

Counties

Revenue

Municipalities (cml)

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](#).