# 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

**Fiscal Analyst:**
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**Bill Outcome:** Postponed Indefinitely
**Drafting number:** LLS 25-0809

**Version:** Final Fiscal Note
**Date:** July 15, 2025

**Fiscal note status:** The final fiscal note reflects the reengrossed bill. This bill was postponed indefinitely by the House Business Affairs & Labor Committee on May 1, 2025; therefore, the impacts identified in this analysis do not take effect.

### Summary Information

**Overview.** The bill would have expanded the number of allowable tasting rooms operated by spirits manufacturers and allowed them to sell alcohol that they did not manufacture.

**Types of impacts.** The bill was projected to affect the following areas in FY 2025-26:

- State Revenue
- State Expenditures
- TABOR Refunds

**Appropriations.** The bill would have required an appropriation of $30,723 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 | $32,907 | $0 |
| State Expenditures | $32,907 | $0 |
| Transferred Funds | $0 | $0 |
| Change in TABOR Refunds | $32,907 | $0 |
| Change in State FTE | 0.1 FTE | 0.0 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 | $32,907 | $0 |
| **Total Revenue** | **$32,907** | **$0** |

**Table 1B**
**State Expenditures**

| Fund Source | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|---|---:|---:|
| General Fund | $0 | $0 |
| Cash Funds | $30,723 | $0 |
| Federal Funds | $0 | $0 |
| Centrally Appropriated | $2,184 | $0 |
| **Total Expenditures** | **$32,907** | **$0** |
| **Total FTE** | **0.1 FTE** | **0.0 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 two sales rooms and creates a new permit which allows them to serve and 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, and must serve sandwiches and light snacks. Copies of the permit application must be posted in the location under consideration for 30 days and published in a local newspaper before the state licensing authority issues the permit for the new sales room. If approved, the permit will be displayed with the manufacturer's license.

The bill also removes the requirement that cocktails made for tastings at the sales rooms include a spirit produced by the manufacturer.

## State Revenue

The bill will increase state revenue from liquor frees by about $33,000 in FY 2025-26 only. The Liquor Enforcement Division (LED) 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 (DOR) by about $33,000 in FY 2025-26 only. 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 | $10,123 | $0 |
| Newspaper Publication Costs | $20,600 | $0 |
| Centrally Appropriated Costs | $2,184 | $0 |
| **Total Costs** | **$32,907** | **$0** |
| **Total FTE** | **0.1 FTE** | **0.0 FTE** |

### Department of Revenue

DOR requires staff and newspaper publication costs to implement the bill. Workload to handle the additional sales rooms applications and enforcement is expected to be minimal and can be accomplished within current resources.

#### Staff

Assuming the bill results in approximately 103 new sales rooms, the LED requires 0.1 FTE Program Manager in FY 2025-26 only to create published notices and work with the appropriate local newspapers to ensure publication and payment.

#### Newspaper Publishing Costs

The LED will publish applications for sales room permits in local newspapers as required by the bill. The fiscal note assumes that 103 applications will be posted in FY 2025-26 only, averaging a cost of $200 per newspaper notice. Costs in subsequent years are expected to be minimal.

### 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 $30,723 from the Liquor Enforcement Division Cash Fund to the Department of Revenue, and 0.1 FTE.

## State and Local Government Contacts

Counties

Municipalities

Revenue