



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 fiscal note reflects the introduced bill.

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 \$26,649 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 | \$32,645 | \$12,378 |
| State Expenditures | \$32,645 | \$12,378 |
| Transferred Funds | \$0 | \$0 |
| Change in TABOR Refunds | \$32,645 | \$12,378 |
| Change in State FTE | 0.3 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 | \$32,645 | \$12,378 |
| Total Revenue | \$32,645 | \$12,378 |

**Table 1B
State Expenditures**

| Fund Source | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|---------------------------|-----------------------------------|--------------------------------|
| General Fund | \$0 | \$0 |
| Cash Funds | \$26,649 | \$10,379 |
| Federal Funds | \$0 | \$0 |
| Centrally Appropriated | \$5,996 | \$1,999 |
| Total Expenditures | \$32,645 | \$12,378 |
| Total FTE | 0.3 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 five sales rooms and to sell alcoholic beverages acquired from wholesalers. 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 \$32,645 in FY 2025-26 and by \$12,378 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 \$33,000 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 | \$24,405 | \$8,135 |
| Hourly Wages for Minor Operatives | \$2,244 | \$2,244 |
| Centrally Appropriated Costs | \$5,996 | \$1,999 |
| Total Costs | \$32,645 | \$12,378 |
| Total FTE | 0.3 FTE | 0.1 FTE |

Staff

The Department of Revenue requires staff to implement the bill. Assuming the bill results in approximately 170 new sales rooms, 0.3 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 102 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.

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 December 2024 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 \$26,649 from the Liquor Enforcement Division Cash Fund to the Department of Revenue, and 0.3 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](#).