

## CHAPTER 196

---

**PROFESSIONS AND OCCUPATIONS**

---

## SENATE BILL 05-095

BY SENATOR(S) Tupa, Taylor, Wiens, and Williams;  
also REPRESENTATIVE(S) Buescher, Butcher, Hoppe, Marshall, Rose, and Boyd.

**AN ACT****CONCERNING THE REGULATION OF PRODUCERS OF VINOUS LIQUORS.**

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

**SECTION 1.** 12-47-103 (15), Colorado Revised Statutes, is amended, and the said 12-47-103 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

**12-47-103. Definitions.** As used in this article and article 46 of this title, unless the context otherwise requires:

(6.5) "COLORADO GROWN" MEANS WINE PRODUCED FROM ONE HUNDRED PERCENT COLORADO-GROWN GRAPES, OTHER FRUITS, OR OTHER AGRICULTURAL PRODUCTS CONTAINING NATURAL SUGAR, INCLUDING HONEY, MANUFACTURED BY A WINERY THAT IS LOCATED IN COLORADO AND LICENSED PURSUANT TO PART 3 OF THIS ARTICLE.

(15) "Limited winery" means any establishment manufacturing not more than one hundred thousand gallons, or the metric equivalent thereof, of vinous liquors annually ~~which uses not less than seventy-five percent Colorado-grown products in the manufacture of such vinous liquors~~ WITHIN COLORADO.

**SECTION 2.** 12-47-403 (1), (2) (a), and (2) (e), Colorado Revised Statutes, are amended, and the said 12-47-403 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

**12-47-403. Limited winery license.** (1) A COLORADO limited winery license shall be granted by the state licensing authority to an applicant that certifies that it will manufacture NOT MORE THAN ONE HUNDRED THOUSAND GALLONS, OR THE METRIC EQUIVALENT THEREOF, OF vinous liquors ~~and that it will utilize not less than~~

---

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

~~fifty percent Colorado-grown produce for the first five years of its winery operation and not less than seventy-five percent thereafter. A limited winery license shall also be granted to an applicant that certifies that it is planting, or has contracted for the production from, Colorado vineyard or fruit acreage that will produce in sufficient quantity to enable the applicant to meet the percentage utilization requirement within five years. Limited wineries shall be granted an exemption from these percentage utilization requirements whenever the state licensing authority determines, upon its own motion or at the request of a limited winery, that weather conditions, pest infestations, plant disease epidemics, or other natural causes have reduced the quantity or quality of Colorado-grown produce to an extent that renders compliance with these percentage utilization requirements infeasible, or that the price per ton of a specific Colorado-grown grape offered to limited wineries for contract exceeds one hundred twenty percent of the average of that grape's price per ton, as derived from the average shown in the annual grape crop report published by the California department of agriculture for Napa, Sonoma, and Mendocino counties. In addition, whenever ninety percent of the Colorado-grown produce harvest is less than seventy-five percent of the combined manufacturing capacity of Colorado limited wineries, the state licensing authority shall allow a proportionate reduction in the percentage utilization requirements WITHIN COLORADO. Each limited winery licensee shall annually certify to the state licensing authority its compliance with this subsection (1) and shall be subject to revocation of its license for false certification.~~

(2) A limited winery licensee is authorized:

(a) To manufacture ~~grape or fruit~~ vinous liquors;

(e) To conduct ~~tasting~~ TASTINGS and sell vinous liquors of its own manufacture, as well as vinous liquors manufactured by other Colorado ~~limited~~ wineries, on the licensed premises of the limited winery and up to five other licensed premises, whether included in the license at the time of the original license or by supplemental application;

(2.3) IN ORDER TO ENCOURAGE AND MAINTAIN THE INTEGRITY AND AUTHENTICITY OF COLORADO'S VITICULTURAL IDENTITY, SUPPORT THE WINE-GRAPE AND FRUIT GROWING INDUSTRIES IN COLORADO, AND INFORM THE CONSUMER OF THE SOURCE OF GRAPES AND FRUIT USED BY COLORADO LIMITED WINERIES TO PRODUCE VINOUS LIQUORS, THE LIQUOR ENFORCEMENT DIVISION SHALL, AFTER CONSULTATION WITH THE COLORADO WINE INDUSTRY AND OTHER INTERESTED PARTIES FROM THE ALCOHOL BEVERAGE INDUSTRY, WITHIN ONE YEAR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (2.3), ENACT RULES FOR THE IMPLEMENTATION, STANDARDIZATION, AND ENFORCEMENT OF APPELLATION LABELING REQUIREMENTS THAT ARE CONSISTENT WITH, AND, WITH RESPECT TO THE ORIGIN OF THE GRAPES AND OTHER FRUIT USED TO MANUFACTURE THE VINOUS LIQUOR, MORE INFORMATIVE THAN CURRENTLY REQUIRED BY FEDERAL WINE LABELING REGULATIONS, 27 CFR, CHAPTER 1, PART 4, "LABELING AND ADVERTISING OF WINE" AND RELATED REGULATIONS. COLORADO'S LABELING REGULATIONS SHALL APPLY TO A MANUFACTURER LICENSED PURSUANT TO SECTION 12-47-402, C.R.S., OR A COLORADO LIMITED WINERY LICENSED UNDER THIS SECTION IN THE MANUFACTURE OF THE VINOUS LIQUOR CONTAINED IN THE LABELED BOTTLE. HONEY WINE, INCLUDING HONEY WINE FLAVORED WITH FRUIT, HERBS, OR SPICES, SHALL BE EXEMPT FROM THE LABELING REQUIREMENTS INCLUDED IN THIS SECTION.

(2.7) (a) A WINERY MAY AFFIX THE PHRASE "COLORADO GROWN" TO BOTTLES OF WINE DESCRIBED IN SECTION 12-47-103 (6.5).

(b) EFFECTIVE JULY 1, 2006, IT SHALL BE UNLAWFUL FOR A COLORADO WINERY TO MAKE ANY MISLEADING STATEMENT ON ITS PRODUCT LABEL REGARDING THE ORIGIN OF GRAPES, FRUIT, OR OTHER AGRICULTURAL PRODUCTS USED TO MAKE VINOUS LIQUOR. THIS PARAGRAPH (b) SHALL NOT BE CONSTRUED TO APPLY TO THE WINERY'S NAME OR ADDRESS OR TO AN APPELLATION ALLOWED UNDER FEDERAL REGULATIONS.

**SECTION 3.** 12-47-403.5 (1), (2), (6), (7), and (8), Colorado Revised Statutes, are amended to read:

**12-47-403.5. Wine festival permit.** (1) A wine festival permit application may be filed with the state licensing authority by any limited winery licensee OR BY ANY MANUFACTURER LICENSEE THAT IS LICENSED TO MANUFACTURE VINOUS LIQUORS. The applicant shall specify the licensed premises for the first of the wine festivals to be held, which application shall be filed at least ten business days before such festival is to be held. The applicant shall include a twenty-five dollar annual processing fee with the application filed with the state licensing authority. Such fee shall entitle the permittee to use the wine festival permit for twelve months ~~from~~ AFTER the date of issuance, so long as such permittee notifies the state licensing authority and the appropriate local licensing authority of the location of all other wine festivals under this permit at least ten business days before any such festival is to be held. A wine festival permit shall entitle the permittee to hold no more than nine wine festivals during the twelve-month period.

(2) The applicant shall be the ~~limited winery~~ licensee filing the application, but any wine festival permit that is issued as a result of such application shall be considered to be jointly held by the permittee and the participating limited winery licensees OR MANUFACTURER LICENSEES THAT ARE LICENSED TO MANUFACTURE VINOUS LIQUORS.

(6) The permittee and participating ~~limited winery~~ licensees are authorized to use the licensed premises jointly to conduct wine tastings and sell any vinous liquors manufactured by a Colorado limited winery OR MANUFACTURER LICENSED TO MANUFACTURE VINOUS LIQUORS. No wine festival permit shall authorize the permittee to use the licensed premises for more than seventy-two hours for any one wine festival.

(7) If a violation of this article occurs during a wine festival and the ~~limited winery~~ licensee responsible for the violation can be identified, such licensee may be charged and the appropriate penalties shall apply. If the responsible party cannot be identified, the state licensing authority may send a written notice to every licensee identified on the permit application and may fine each the same dollar amount, which amount shall not exceed twenty-five dollars per licensee or two hundred dollars in the aggregate. No joint fine levied pursuant to this subsection (7) shall apply to the revocation of the ~~limited winery~~ licensee's license under section 12-47-601.

(8) A joint fine levied pursuant to subsection (7) of this section shall not create or increase civil liability under section 12-47-801 (3) for a participating ~~limited winery~~ licensee or create joint liability for such a licensee.

**SECTION 4. Repeal.** 35-29.5-106, Colorado Revised Statutes, is repealed.

**SECTION 5. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 1, 2005