

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0008

Date: February 7, 2013

Prime Sponsor(s): Rep. Priola

Bill Status: House Business, Labor, Economic and Workforce Development

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TITLE: CONCERNING REVISIONS TO THE STATUTES GOVERNING LICENSES FOR THE SALE OF ALCOHOL BEVERAGES IN COLORADO, AND, IN CONNECTION THEREWITH, PERMITTING FERMENTED MALT BEVERAGE RETAIL LICENSEES TO SELL CRAFT BEER, PERMITTING ALCOHOL BEVERAGE RETAILERS TO OBTAIN MULTIPLE LICENSES, PROHIBITING THE SALE OF CAFFEINATED ALCOHOL BEVERAGES, AND PROHIBITING THE SALE OF ALCOHOL BEVERAGES CONTAINING MORE THAN TEN PERCENT ALCOHOL BY PERSONS LICENSED TO SELL FERMENTED MALT BEVERAGES.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

Current law contains a separate category of licenses for establishments manufacturing or selling fermented malt beverages, beer with an alcohol content of 3.2 percent or less by weight, as distinguished from licenses that permit the manufacture or sale of other alcoholic beverages with higher alcohol content. Persons licensed under the *Colorado Beer Code* may manufacture or sell only fermented malt beverages, while persons licensed under the *Colorado Liquor Code* may manufacture or only sell full-strength beer, wine and spirits.

This bill allows grocery and convenience stores and other retailers that have fermented malt beverage licenses to sell craft beer. Craft beer is defined as beer with an alcohol content in excess of 3.2 percent by weight or 4 percent alcohol by volume that is manufactured by a craft brewer that produces no more than six million barrels per year. Fermented malt beverage licensees are still prohibited from selling other types of alcoholic beverages, including craft beer containing more than 10 percent alcohol by volume. These stores are required to provide training to their employees on the requirements for selling alcoholic beverages and checking age identification.

Current law limits a retail liquor store or liquor-licensed drugstore licensee to owning an interest in only one retail liquor store or liquor-licensed drugstore, respectively. The bill expands those limits to five retail liquor stores or liquor-licensed drugstore licenses.

Finally, the bill prohibits the importation, production, manufacture, distribution, sale or serving of caffeinated alcohol beverages. These are defined as fermented malt beverages or malt liquor that include at least 0.5 percent alcohol by volume, are sold in pre-mixed container, and contain caffeine or other stimulants.

State Expenditures

The Liquor Enforcement Division in the DOR will establish a system to identify the brew pubs and manufacturers that produce craft beers. This can be accomplished within existing appropriations.

Local Government Impact

If the number of licensed retail liquor stores declines as a result of this bill, it will have an impact on the local licensing fees but, as addressed above, the amount of such a reduction is unknown.

Departments Contacted

Counties

Local Affairs

Municipalities

Revenue