

NOTE: The governor signed this measure on 5/9/2014.

An Act

HOUSE BILL 14-1034

BY REPRESENTATIVE(S) Williams, Becker, Gerou, Ginal, Holbert, Hullinghorst, Kagan, Labuda, McCann, Pabon, Rosenthal, Ryden, Saine, Schafer, Young;
also SENATOR(S) Jahn, Guzman, Johnston, Kefalas, Kerr, Rivera, Steadman, Tochtrop.

CONCERNING THE CREATION OF A WINE PACKAGING PERMIT TO ALLOW CERTAIN ALCOHOL BEVERAGE LICENSEES TO PACKAGE WINE PRODUCED BY ANOTHER WINE MANUFACTURER, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 12-47-103, **add** (22.5) and (38.5) as follows:

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

(22.5) "PACKAGE", "PACKAGED", OR "PACKAGING" MEANS THE PROCESS BY WHICH WINE IS BOTTLED, CANNED, KEGGED, OR OTHERWISE PACKED INTO A SEALED CONTAINER.

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

(38.5) "TAX-PAID WINE" MEANS VINOUS LIQUORS ON WHICH FEDERAL EXCISE TAXES HAVE BEEN PAID.

SECTION 2. In Colorado Revised Statutes, 12-47-401, **amend** (1) introductory portion; and **add** (1) (u) as follows:

12-47-401. Classes of licenses. (1) For the purpose of regulating the manufacture, sale, and distribution of alcohol beverages, the state licensing authority in its discretion, upon application in the prescribed form made to it, may issue and grant to the applicant a license OR PERMIT from any of the following classes, subject to the provisions and restrictions provided by this article:

(u) WINE PACKAGING PERMIT.

SECTION 3. In Colorado Revised Statutes, **add** 12-47-423 as follows:

12-47-423. Wine packaging permit - limitations - rules.

(1) (a) THE STATE LICENSING AUTHORITY MAY ISSUE A WINE PACKAGING PERMIT TO A WINERY LICENSED UNDER SECTION 12-47-402, A LIMITED WINERY LICENSED UNDER SECTION 12-47-403, OR A WHOLESALER LICENSED UNDER SECTION 12-47-406 THAT ALLOWS THE LICENSED WINERY, LIMITED WINERY, OR WHOLESALER TO PACKAGE TAX-PAID WINE MANUFACTURED BY ANOTHER WINERY OR MANUFACTURER.

(b) A LICENSED WINERY, LIMITED WINERY, OR WHOLESALER THAT OBTAINS A WINE PACKAGING PERMIT UNDER THIS SECTION SHALL:

(I) TAKE POSSESSION AND CUSTODY OF THE TAX-PAID WINE THAT IT PACKAGES; AND

(II) RETURN THE PACKAGED TAX-PAID WINE EITHER TO THE ORIGINAL MANUFACTURER OF THE TAX-PAID WINE OR TO THE ORIGINAL MANUFACTURER'S LICENSED WHOLESALER; EXCEPT THAT, IF THE ORIGINAL MANUFACTURER'S WHOLESALER OBTAINS A WINE PACKAGING PERMIT PURSUANT TO THIS SECTION, THE WHOLESALER NEED NOT RETURN THE PACKAGED TAX-PAID WINE TO THE ORIGINAL MANUFACTURER.

(2) A LICENSED WINERY OR LIMITED WINERY THAT OBTAINS A WINE

PACKAGING PERMIT PURSUANT TO THIS SECTION SHALL NOT SELL OR DISTRIBUTE TAX-PAID WINE IT PACKAGES:

(a) TO A PERSON LICENSED TO SELL ALCOHOL BEVERAGES AT RETAIL, FOR CONSUMPTION ON OR OFF THE LICENSED PREMISES, UNDER SECTION 12-47-407, 12-47-408, 12-47-409, 12-47-410, 12-47-411, 12-47-412, 12-47-413, 12-47-414, 12-47-415, 12-47-416, 12-47-417, 12-47-418, 12-47-419, 12-47-420, OR 12-47-422; OR

(b) DIRECTLY TO A CONSUMER.

(3) THE STATE LICENSING AUTHORITY MAY ADOPT RULES AS NECESSARY TO IMPLEMENT AND ADMINISTER THIS SECTION.

SECTION 4. In Colorado Revised Statutes, 12-47-501, **amend** (1) introductory portion, (2) (a) (XIII), and (2) (a) (XIV); and **add** (1) (s) and (2) (a) (XV) as follows:

12-47-501. State fees. (1) The following license AND PERMIT fees shall be paid to the department of revenue annually in advance:

(s) FOR EACH WINE PACKAGING PERMIT, TWO HUNDRED DOLLARS.

(2) (a) The state licensing authority shall establish fees for processing the following types of applications, notices, or reports required to be submitted to the state licensing authority:

(XIII) Expired license renewal applications pursuant to section 12-47-302; ~~and~~

(XIV) Notice of change of name or trade name pursuant to section 12-47-301 and rules adopted pursuant to that section; AND

(XV) APPLICATIONS FOR WINE PACKING PERMITS PURSUANT TO SECTION 12-47-423.

SECTION 5. Appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the liquor enforcement division and state licensing authority cash fund created in section 24-35-401, Colorado Revised Statutes, not otherwise appropriated,

to the department of revenue, for the fiscal year beginning July 1, 2014, the sum of \$5,202, or so much thereof as may be necessary, to be allocated for the implementation of this act as follows:

(a) \$1,082 to the liquor and tobacco enforcement division for personal services; and

(b) \$4,120 for the purchase of computer center services.

(2) In addition to any other appropriation, there is hereby appropriated to the governor - lieutenant governor - state planning and budgeting, for the fiscal year beginning July 1, 2014, the sum of \$4,120, or so much thereof as may be necessary, for allocation to the office of information technology, for the provision of computer center services for the department of revenue related to the implementation of this act. Said sum is from reappropriated funds received from the department of revenue out of the appropriation made in paragraph (b) of subsection (1) of this section.

SECTION 6. 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.

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Morgan Carroll
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO