

More on Legislative Changes from the 2018 Session Which Could Impact Wineries

Of particular note for wineries:

- **SB18-067** will allow certain non-profit organizations to bring sealed containers of alcohol onto a licensed premises and to remove those containers from the licensed premises for the purposes of holding an auction or similar activity for fund-raising purposes.
- **SB18-079** classifies sake as wine.
- **SB18-124** removes the 30 day waiting period required before manufacturers and importers bring a new product into the Colorado market.
- **SB18-173** reduces the requirements for customers to remove a resealed, partially consumed bottle of wine from the licensed premises from offering a full meal to simply offering "sandwiches and light snacks," which includes crackers, so virtually every winery sales room would qualify for "cork and carry" now.

The Governor has not yet signed **SB18-243**, the bill that brings about sweeping changes to the beer market. If that bill becomes law, LED will schedule separate classes on the changes initiated by the law in the weeks to come.

Primarily SB18-243 codifies the implements of the repeal of the legal distinction between "fermented malt beverage" (3.2% or "repeal" beer) and "malt liquor" (full-strength beer) that occurs on January 1, 2019 as a result of SB16-197. Most of the changes in this bill impact grocery and convenience stores that currently sell only 3.2% beer and will continue to only sell beer.

SOME of the changes in the bill that will impact wineries, if the bill is signed by the Governor, will

- allow supplier representatives--and that includes wineries--to pour product for consumers at a public tasting in a retail liquor store (RLS) or a liquor-licensed drug store (LLDS, the license for a grocery store to sell beer, wine and spirits);

- expand the hours and number of days an RLS or LLDS can conduct public tastings;
- allow an RLS or LLDS to store unused product left over at the end of a public tasting for a future tasting;
- prohibit below cost sales for an RLS and LLDS but will extend the same limited exceptions for below cost sales to both types of retail stores;
- prohibit RLS and LLDS licensees with multiple locations operated under a consolidated corporate entity from commingling purchases for multiple licensed premises into a larger deal for a deeper discount--meaning you cannot offer a volume discount to all Kroger for the total purchases of all Kroger's LLDS licenses. Instead you can only offer a volume discount for the goods delivered to one single license location.
- include "fermented malt beverages" in the statewide prohibition against the public consumption of alcohol, unless a state or local government entity authorizes public consumption of any type of alcohol, including wine, but only if the government entity passes a law to that effect.

Click on the link to SB18-243 above to monitor whether the Governor signs it.