

LDO NO. 77 0538/1

First Regular Session  
Fifty-first General Assembly HOUSE BILL NO.

STATE OF COLORADO

Note date of 7/1/77  
7/  
Winiarski letter  
1/5/76

BY REPRESENTATIVE Burford

A BILL FOR AN ACT

1 CONCERNING LIMITED WINERY LIQUOR LICENSES.

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Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Creates a new category of liquor license permitting the production of a limited amount of wine annually primarily from Colorado-grown fruits and establishes fees and taxes therefor.

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

3 SECTION 1. 12-47-103, Colorado Revised Statutes 1973, as  
4 amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

5 12-47-103. Definitions. (7.5) "limited winery" means any  
6 establishment producing not more than fifty thousand gallons, or  
7 the metric equivalent thereof, of vinous liquors annually which  
8 uses not less than seventy-five percent Colorado-grown fruits in  
9 the production of such wine.

10 SECTION 2. 12-47-112 (1), Colorado Revised Statutes 1973,  
11 as amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to  
12 read:

13 12-47-112. Classes of licenses. (1) (a.1) Limited winery  
14 license;

*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

1 SECTION 3. Article 47 of title 12, Colorado Revised  
2 Statutes 1973, as amended, is amended BY THE ADDITION OF A NEW  
3 SECTION to read:

4 12-47-115.1. Limited winery license. (1) A limited winery  
5 license shall be issued by the state licensing authority to  
6 persons producing not more than fifty thousand gallons, or the  
7 metric equivalent thereof, of vinous liquors annually who use not  
8 less than seventy-five percent Colorado-grown fruits in the  
9 production of such wine for the following purposes only:

10 (a) To produce vinous liquors;

11 (b) To sell vinous liquors of their own manufacture within  
12 this state; but a winer licensed pursuant to this section may  
13 solicit business directly from licensed retailers or consumers by  
14 procuring a wholesaler's license as provided in this article;

15 (c) To sell vinous liquors of their own manufacture within  
16 this state to persons licensed to sell at retail pursuant to this  
17 article without procuring a wholesaler's license;

18 (d) To sell vinous liquors in other states, the laws of  
19 which permit the sale of such liquors;

20 (e) To sell for export to foreign countries if such export  
21 for beverage or medicinal purposes is permitted by the laws of  
22 the United States.

23 (2) Nothing in this article shall prohibit a limited winery  
24 licensee from conducting wine-tasting of vinous liquors of his  
25 own manufacture.

26 SECTION 4. 12-47-123 (1) (a), Colorado Revised Statutes  
27 1973, as amended, is amended BY THE ADDITION OF A NEW

1 SUBPARAGRAPH to read:

2 12-47-123. State license fees. (1) (a) (IV) For each  
3 limited winery, twenty dollars;

4 SECTION 5. 12-47-127 (1) (a), Colorado Revised Statutes  
5 1973, as amended, is amended, and the said 12-47-127 (1) is  
6 further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

7 12-47-127. Excise tax - records. (1) (a) Except as  
8 provided in paragraph PARAGRAPHS (b) AND (b.1) of this subsection  
9 (1), an excise tax at the rate of eight cents per gallon, or the  
10 same per unit volume tax applied to metric measure, on all malt  
11 liquors, six cents per quart or fraction thereof on all vinous  
12 liquors containing fourteen percent or less of alcohol EXCEPT  
13 VINOUS LIQUORS PRODUCED BY A LIMITED WINERY, nine cents per quart  
14 or fraction thereof on all vinous liquors containing more than  
15 fourteen percent of alcohol by volume, EXCEPT VINOUS LIQUORS  
16 PRODUCED BY A LIMITED WINERY, ONE-HALF CENT PER QUART OR FRACTION  
17 THEREOF ON ALL VINOUS LIQUORS PRODUCED BY A LIMITED WINERY  
18 CONTAINING FOURTEEN PERCENT OR LESS OF ALCOHOL, ONE CENT PER  
19 QUART OR FRACTION THEREOF ON ALL VINOUS LIQUORS PRODUCED BY A  
20 LIMITED WINERY CONTAINING MORE THAN FOURTEEN PERCENT OF ALCOHOL  
21 BY VOLUME, and twenty-seven cents per pint or fraction thereof on  
22 all spirituous liquors is imposed, except that the tax upon  
23 spirituous liquors in individual sealed bottles containing two  
24 ounces or less shall be five cents per such bottle, and such  
25 taxes shall be collected on all such respective liquors, not  
26 otherwise exempt from the tax, sold, offered for sale, or used in  
27 this state; except that upon the same liquors only one such tax

1 shall be paid in this state. The manufacturer thereof, or the  
2 first licensee receiving alcoholic liquors in this state if  
3 shipped from without the state, shall be primarily liable for the  
4 payment of such tax; but if such liquor is transported by a  
5 manufacturer or wholesaler to a point outside of the state and  
6 there disposed of, then such manufacturer or wholesaler, upon the  
7 filing with the state licensing authority of a duplicate bill of  
8 lading, invoice, or affidavit showing such transaction, shall not  
9 be subject to the tax provided in this section on such liquor,  
10 and, if such tax has already been paid, it shall be refunded to  
11 said manufacturer or wholesaler.

12 (b) (I) An excise tax on all vinous liquors produced by a  
13 limited winery marketed in metric measure containers containing  
14 fourteen percent or less of alcohol shall be applied at the  
15 following rates:

16	<u>Bottle Size</u>	<u>Tax</u>
17	Less than 1 liter	0.5¢
18	1 liter	0.525¢
19	1.5 liters	0.883¢
20	3 liters	1.32¢

21 (II) An excise tax on all vinous liquors produced by a  
22 limited winery marketed in metric measure containers containing  
23 more than fourteen percent of alcohol by volume shall be applied  
24 at the following rates:

25	<u>Bottle Size</u>	<u>Tax</u>
26	Less than 1 liter	1.0¢
27	1 liter	1.06¢

1	1.5 liters	1.76¢
2	3 liters	2.63¢

3 (III) An excise tax on any metric bottle size other than  
4 those specified in subparagraph (I) or (II) of this paragraph  
5 (b.1) shall be applied at a rate bearing the same proportion to  
6 the tax on the bottle size nearest to but less than the bottle  
7 sought to be taxed as the volume of the bottle sought to be taxed  
8 bears to the volume of the bottle size nearest to but less than  
9 said bottle.

10 (IV) Such excise taxes shall be collected on all vinous  
11 liquors produced by a limited winery, not otherwise exempt from  
12 the tax, sold, offered for sale, or used in this state; except  
13 that upon the same liquors only one such tax shall be paid in  
14 this state. The manufacturer thereof shall be primarily liable  
15 for the payment of such tax; but if such liquor is transported by  
16 such manufacturer to a point outside of the state and there  
17 disposed of, then such manufacturer, upon the filing with the  
18 state licensing authority of a duplicate bill of lading, invoice,  
19 or affidavit showing such transaction, shall not be subject to  
20 the tax provided in this section on such liquor, and, if such tax  
21 has already been paid, it shall be refunded to said manufacturer.

22 SECTION 6. The introductory portion to 12-47-128 (2),  
23 Colorado Revised Statutes 1973, as amended, is amended to read:

24 12-47-128. Unlawful acts. (2) It is unlawful for any  
25 person licensed as a manufacturer OR AS A LIMITED WINERY LICENSEE  
26 pursuant to this article:

27 SECTION 7. 12-47-129 (1) and (2), Colorado Revised Statutes

1 1975, as amended, are amended to read:

2 12-47-129. Unlawful financial assistance. (1) It is  
3 unlawful for any manufacturer, LIMITED WINERY LICENSEE, or  
4 wholesaler or any person, partnership, association, organization,  
5 or corporation interested financially in or with any of said  
6 licensees to be interested financially, directly or indirectly,  
7 in the business of any person licensed to sell at retail pursuant  
8 to this article or for any person licensed to sell at retail  
9 pursuant to this article to be interested financially, directly  
10 or indirectly, in the business of any manufacturer, LIMITED  
11 WINERY LICENSEE, or wholesaler or any person, partnership,  
12 association, organization, or corporation interested in or with  
13 any of the said manufacturers, LIMITED WINERY LICENSEES, or  
14 wholesalers licensed pursuant to this article.

15 (2) It is unlawful for any manufacturer or importer of  
16 vinous or spirituous liquors OR ANY LIMITED WINERY LICENSEE, or  
17 any person, partnership, association, organization, or  
18 corporation interested financially in or with any such  
19 manufacturer, or importer, OR LICENSEE, to be interested  
20 financially, directly or indirectly, in the business of any  
21 wholesale licensee or for any wholesale licensee to be so  
22 interested financially in any such manufacturer, or importer, OR  
23 LICENSEE or ANY other wholesale licensee; but any such licensees  
24 or persons interested financially in or with any other such  
25 licensees or persons on or before July 1, 1969, are exempt from  
26 the provisions of this subsection (2).

27 SECTION 8. Effective date. This act shall take effect July

1 1, 1977.

2 SECTION 9. Safety clause. The general assembly hereby  
3 finds, determines, and declares that this act is necessary for  
4 the immediate preservation of the public peace, health, and  
5 safety.