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Colorado Association of Viticulture and Enology

2026 Legislative Report

The Colorado State Legislature convened on January 14th and adjourned sine die on May 13th, ending the 2026 legislative session. A total of 626 bills were introduced which is 31 less than 2025 and is below the average of 650 bills introduced every year. Due to the $1.5 billion dollar shortfall, fewer bills were introduced and more bills died because of their fiscal impact. The budget forecast came out on June 19th and the outlook is not optimistic.

The Democrats still enjoy a large majority (43-22 in the house and 23-12 in the senate) which is one seat away from a super majority in both chambers. Democrat Governor Jared Polis is termed out but there is a great deal of speculation about a special session. If a special session is called, it will most likely be focused on the budget. However, Polis did not get some of his legacy priorities accomplished this year so some other policy issues may be included. We shall see.

CAVE succeeded in passing, defeating and amending several impactful bills to the on-premise industry. SB-134 would have been a massive win against the entire financial industry and lobby. Colorado is one of the only states in the country to pass swipe fees legislation. On the opposite side of the spectrum, CAVE defeated HB-1271, the alcohol enterprise fees bill for the third time. CAVE also successfully amended the manufacturing distillery bill to require full local control, ensuring parity with vintner's restaurants.

CAVE worked on a wide variety bills so please see below for a breakdown of the main bills we tracked and took positions on.

HB26-1012, *Consumer Protections to Promote Fair Market Pricing*
Rep. Yara Zokaie (D, Ft. Collins)
Sen. William Lindstedt (D, Broomfield)
Position: Monitor
The bill would have required delivery service platforms such as UberEats and GrubHub to display a comparison of the price for the goods to be delivered and the in-store price. It also defined "captive consumer" as a person located where the seller does not have a competitor for the good to services sold, such as airports, concert venues and sporting arenas and made it a deceptive trade practice to sell a good to a consumer for more than the average price of the same good.

Outcome
The bill was the first bill introduced on January 13th and was postponed indefinitely in early March.

HB26-1033, *Expanding the Colorado Cottage Foods Act*
Rep. Ryan Gonzalez (R, Thornton)
Sen. Robert Rodriguez (D, Denver)
Position: Monitor
The bill expands the Colorado Cottage Foods Act to include certain refrigerated products and increases the annual revenue cap from $10,000 per food item to $150,000 total for all items.

Outcome
The bill was amended fairly heavily early on in order to pacify industry concerns so the Tavern League stayed at a monitoring position throughout the process. The bill passed and was signed by the Governor on May 17th.

HB26-1190, *Alcohol Beverage Manufacturer Sales*

Rep. Matt Soper (R, Grand Junction)

Sen. William Lindstedt (D, Broomfield)

Position: Amending

The bill would have allowed all alcohol manufacturing sales rooms (beer, wine and spirits) to sell all alcohol products purchased from a wholesaler provided it stays under a certain production cap in order to qualify for a "craft definition". The original bill did not have any dual licensing provisions in place and although it was discussed, no amendments were pursued so the Tavern League remained opposed.

Outcome

The bill was postponed indefinitely March 25 in the House Business Affairs and Labor Committee.

HB26-1271, *Alcohol Impact and Recovery Enterprises*

Rep. Jamie Jackson (D, Aurora)

Sen. Judy Amabile (D, Boulder)

Position: Oppose

This bill was yet another attempt from previous years but with new sponsors. The bill would create the Alcohol Impact and Recovery Enterprise, originally under the Department of Revenue. The enterprise is authorized to collect fees from manufacturers and wholesaler distributors of alcohol with the understanding the fee would be passed down to the retailer and ultimately, the consumer. The bill lacked the safeguards from last year's version such as small producer exemptions and changes to the enterprise board's makeup and protocol. The bill still clearly violates TABOR by raising the excise tax without voter approval. As with previous years, the Tavern League acknowledges the need for substance abuse prevention and treatment. However, an unconstitutional tax increase in conjunction with an arbitrary fee increase on top of the already spiking operating costs to retailers is an unacceptable solution to this complex issue.

Outcome

This was at least the third attempt of this bill and thanks to a great deal of coordinated effort by the entire liquor industry, we defeated the bill in its first committee. It was postponed indefinitely on March 16th.

HB26-1330, *Alcohol Beverages Entertainment Districts*

Rep. Steven Woodrow (D, Denver)

Sen. Matt Ball (D, Denver)

Position: Monitor

The bill would have made modifications to entertainment districts. It would have removed the 100 acre requirement and changed the square footage restriction from 20,000 square feet of the liquor licensed premise to a combined premises of at least 5,000 square feet for two or more licenses. This was the last attempt from the Governor's Office to "solve" or get closer to solving the serving until 4:00am issue which has been one of Governor Polis' priority issues since 2020.

Outcome

Despite the bill not directly allowing all 4:00am service, Mothers Against Drunk Driving and some law enforcement opposed the bill. The bill passed out of the first House committee and second reading but surprisingly died on third reading on April 2nd.

SB26-094, *Alternating Premises Licensed Premises Alcohol*

Sen. William Lindstedt (D, Broomfield)

Position: Monitor

Under current law, beer and wine manufacturers may obtain an alternating proprietor license, which allows two licensed manufacturers to share a space for wine and beer production. The bill would have allowed spirits manufacturers to obtain this alternating proprietor license, in addition to wine and beer. The bill also would have created a new "alternating premises license" which would be available all manufacturing licenses plus the pub licenses and allows them to manufacture and store alcohol beverages on behalf of another license.

Outcome:

The bill had a significant fiscal note which did not allow it to move forward in the current budget crisis the state is facing. The bill passed out of the Business, Labor and Technology committee but was laid over in the Appropriations committee until after session ended thus killing the bill.

SB26-114, *Spiritous Liquor Manufacturer Sales Rooms and Other Alcohol*

Sen. Janice Marchman (D, Thornton)

Rep. Matt Soper (R, Grand Junction)

Position: Amending

SB-114 was Proximo's second attempt to allow manufacturing distilleries to sell all alcohol products purchased from a wholesaler at their sales rooms as well as add an additional sales room. Last session's SB25-132 was an extremely harmful bill to the industry and would have set a terrible precedent in Colorado's liquor laws. The bill would have allowed manufacturing distilleries to increase their number of sales rooms as well allow them to sell all alcohol products purchased from a wholesaler. This would have given them the ability to look and operate exactly like a vintner's restaurant but without any of the dually licensed regulatory oversight all other on-premise retailers but adhere to, giving them a distinct advantage. CAVE successfully defeated this legislation last year and thanks to stakeholder meetings and cooperation from the proponents, the bill was amended to mirror dual licensure requirements that all on-premise licensees must adhere to thus ensuring the parity we advocated for.

Outcome

The bill was amended in its first senate committee to pacify all of CAVE's concerns. The bill passed through the process and was signed by the Governor on May 26th.

SB26-121, *Overtime Threshold for Agricultural Employees*

Sen. Robert Rodriguez (D, Denver) Sen. Cleave Simpson (R, Alamosa)

Rep. Matthew Martinez (D, Pueblo) Rep. Ty Winter (R, Pueblo)

Position: Support

Beginning January 1, 2027, the bill requires an agricultural employer to pay an agricultural employee an overtime rate for time worked in excess of 56 hour per work week, with a few exceptions. The bill also increases penalties for employers that fail to pay the wages of their employees or misclassify their employees at least three times in a five year period.

Outcome

The bill passed through the process with a few amendments and was signed by the Governor on May 4th.

SB26-128, *Sales and Use Tax Destination Management Company*

Sen. Marc Snyder (D, Manitou Springs) Sen. Barb Kirkmeyer (R, Greeley)

Rep. Megan Lukens (D, Vail) Rep. Yara Zokaie (D, Ft. Collins)

Position: Support

The bill defines Destination Management Companies and clarifies that as service providers, their services are exempt from sales and use tax. No DMC has paid sales and use tax on their services so this bill was to ensure that DMC's would not be required to pay sale and use tax in the future.

CAVE supported this bill in order to continue our support for Colorado's vibrant tourism industry. The bill passed through the process with few amendments and was signed by the Governor on May 4th.

SB26-134, *Payment Card Networks' Fees*

Sen. William Lindstedt (D, Broomfield)

Rep. Monica Duran (D, Wheat Ridge)

Position: Support

The bill prohibits credit and debit card networks and other electronic payment companies with more than $60B in assets from including the sales tax portion of a transaction as part of a percentage-based transaction fees. Payment card networks are prohibited from adding any fees that would circumvent this requirement. The bill was a paired down version of last years' legislation to only include the interchange fee on sales tax. CAVE was supportive of this legislation last year and worked all session to pass SB-114 this year.

Outcome

The bill was a hard fought battle against the entire financial and travel industry lobby. In a very unfortunate turn of events, Governor Polis vetoed the bill in the days leading up to the signing deadline. The opponents spent incredibly large sums of money and lobbied heavily for Governor Polis to veto the bill which he did and used Illinois' ongoing litigation as justification. We are very disappointed in this decision and will likely continue to work on the issue moving forward with a new Governor in 2027.

SB26-164, *Regulation of Lawful THC Beverages*
Sen. Julie Gonzalez (D, Denver)
Rep. Matt Martinez (D, Pueblo)
Position: Monitor
The bill would have established a framework for the manufacture, distribution, sale and consumption of "lawful THC beverages". The bill defined lawful THC beverages as nonalcoholic beverages infused with hemp-derived THC containing no more than 10 milligrams per serving. The current limit is 1.75 milligrams. Currently, hemp and hemp beverages are regulated under the Colorado Department of Public Health and Environment. The bill would have brought the sale, distribution and consumption of the beverages under the Liquor Enforcement Division.

The Hemp Beverage Association was the main architect behind the legislation with the Tavern League and other private bar/restaurant groups being the lead supporters within the industry. The marijuana industry was adamantly opposed to the legislation and Mothers Against Drunk Driving was also opposed.

Outcome:

SB-164 was introduced extremely late in session after a chaotic stakeholder process. This is a complex issue that requires a great deal of engagement from all stakeholders. Due to a lack of support from members of the Senate finance committee, the bill was postponed indefinitely. We will very likely see hemp beverage legislation in future sessions.

SB25-132, *Spiritous Liquor Manufacturer Tastings Conducted*

Sen. Janice Marchman (D, Thornton) Sen. Julie Gonzalez (D, Denver)

Rep. Matt Soper (D, Grand Junction) Rep. Brianna Titone (D, Arvada)

Position: Oppose

SB-132 would have expanded the number of allowable sales rooms for a manufacturing distillery from two to three as well as created a permit to allow manufacturing distilleries to sell all alcohol products purchased from a wholesaler. This bill would have allowed distilleries to compete directly with vintner's restaurants, bars and restaurants without being dually licensed like all other retail classes of license.

Outcome:

After a hard fought effort, CAVE was able to defeat the bill. SB-132 was postponed indefinitely in the last few days of session. We've been told that the bill will return in some form and CAVE is actively working with the bill's sponsors.

SB25-274, *Amend Delivery Requirements to Wine Direct Shipping*

Sen. Robert Rodriguez (D, Denver) Sen. Paul Lundeen (R, Colorado Springs)

Rep. William Lindsedt (D, Broomfield) Rep. Anthony Hartsook (R, Parker)

Position: Support

This bill came as a result of the need for a technical fix to the Liquor Advisory Group's omnibus bill from 2024. Under current law, a driver delivering on behalf of an alcohol beverage shipper licensee must check the recipient's identification to ensure that they are the person who is supposed to receive the delivery, are over 21 and not visibly intoxicated. The bill removes the requirement that the driver check that the person is the intended recipient of the delivery, allowing them to deliver to any person at the address who is over 21.

Outcome:

The bill was introduced late in the session and passed through the process without difficulty. It was signed into law on June 3rd.

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