

**Senate Bill 16-197 Working Group
Legislative Report Recommendation Form**

1. Work Group Sponsor (s): **Colorado Licensed Beverage Association, The Wine Institute and the Colorado Wine Industry Development Board**

2. Describe the Recommendation:

Minor statutory and regulatory rule revisions to update and streamline the laws governing tastings on the premises of retail liquor store licensees and liquor-licensed drugstore licensees, as follows:

- a. **Amend CRS Section 12-47-301 (10) (a) to permit tastings to occur on any day of the week and any number of days in a week, beginning no earlier than 11 a.m. and ending no later than 9 p.m., but not more than 156 days per year total (average of 3 per week).**
- b. **Amend CRS Section 12-47-301 (10) (a) to permit a licensee to store any open and unconsumed alcohol beverage samples from a tasting in a locked and secure area on the licensed premises for use at a later tasting.**
- c. **Amend CRS Section 12-47-301 (10) (c) (I) to allow for supplier's representatives, employees or agents to pour product to patrons with the permission and under the supervision of RLS or LLDS employees. Any supplier's representative, employee or agent must have completed a responsible server training programs if required by the RLS or LLDS management.**
- d. **Clarify by statute or rule that the retail licensee shall be solely liable for the conduct and supervision of the tasting, including but not limited to verifying the age of all patrons participating in the tasting as well as whether the patron is showing any visible signs of intoxication. The retail licensee is therefore responsible for any violations during a tasting whether committed by the retail licensee, the retail licensee's employees or by a supplier's representative, employee or agent.**
- e. **Clarify by statute or rule that if a suppliers-representative, employee or agent participating in an on-site sales promotion, conducted pursuant to Regulation 47-322 Paragraph B Sub-paragraph 2, or in a consumer tasting on the premises of licensed an RLS or LLDS pursuant to CRS Section 12-47-301 (10), sells to a minor or a person showing visible signs of intoxication, the supplier's representative, employee or agent would be subject to criminal penalties and fines just like the retail licensee's employees would be for such an infraction.**

- f. **Make clear through statute or regulation that pouring product whether at an on-site sales promotion or at an RLS or LLDS tasting would not be considered labor provided by a supplier to a retail licensee.**
 - g. **Retain and clarify the requirement in CRS Section 12-47-301 (10)(c)(XII) that the retail licensee bear the financial and all other responsibility for a tasting.**
3. Which portion or portions of Senate Bill 16-197 does this recommendation address (underline all those that apply)?
- a. Develop an implementation process for grocery and convenience stores to apply for a license to sell malt liquor and fermented malt beverages containing at least one-half percent alcohol by volume starting January 1, 2019.
 - b. Analyze the impact that removing the alcohol content limit on fermented malt beverages will have on the alcohol beverage industry as well as on current retail licensees.
 - c. Legislative, regulatory, or administrative changes necessary to promote the three-tiered distribution system in Colorado.
 - d. **Laws governing tastings conducted on retail premises licensed under article 47 of this title**
4. Please summarize the rationale for the recommendation – why is it important?

With several years of successful experience conducting tastings under this statute since its initial adoption, we now have the opportunity to adjust the legal and regulatory structure governing tastings to be more intuitive, less wasteful, and provide more opportunities for consumer engagement without compromising safety or responsible service. These modest, common-sense changes will simply make the laws and regulations around tastings more consumer friendly.

5. What issue or issues does your recommendation resolve? Please identify the issues.

Some overly excessive limits on the conduct of tastings under current laws and regulations can limit consumer engagement unnecessarily, create wastefulness and be so non-intuitive that there may be inadvertent violations of technical prohibitions that don't serve a public policy purpose (e.g., if a winemaker pours a sample of her own wine for a consumer at a tasting).

6. Which of the following does the recommendation impact (underline those that apply):
- a. **Statute (legislation)**
 - b. Policy
 - c. **Rules and Regulations**
 - d. Other (*please describe*)
7. Who owns implementation of the recommendation (underline those that apply):
- a. **State Legislature**
 - b. **Department of Revenue**
 - c. Local Government
 - d. Other (*please describe*)

8. Is there a dissenting voice on the working group concerning this recommendation? If yes, please provide a summary of the minority opinion about this recommendation. **Not to our knowledge**
9. Are you aware of any statutory authority or regulation that supports the basis of this recommendation? If yes, please include it here. **C.R.S. 12-46-109 (1)**
10. Is the implementation of your recommendation dependent on another decision or action? If yes, specifically what actions or decisions are required before this recommendation can be implemented? **No**
11. Will the recommendation have a cost to implement? If yes, please explain the reason for the cost and provide an estimate. **No material cost beyond the time to amend statutes and regulations.**
12. Provide an estimate of how long it would take to implement the recommendation. **3 - 6 months**