

Senate Bill 16-197 Working Group
Legislative Report Recommendation Form

1. Work Group Sponsor (s): MillerCoors

Describe the Recommendation: ***Now that the states of Colorado, Oklahoma and Kansas have made significant changes to their alcohol beverage laws which have the net effect of transitioning those states out of 3.2 abw strength beer, MillerCoors has been proactive in planning for the Colorado conversion effective January 1, 2019. With that said, we are actively working to identify a clear path for our brewery operations, our distributors, our retailers and our consumers in laying out a plan of action which has specific operational and time sensitive milestones given the changing environment of the Colorado beer market based on the effective date of the new law. In this regard, we respectfully believe that it is essential that no additional changes be proposed by the Interim Liquor Enforcement Division Working Group that would delay and/or modify the agreement made by various stakeholders during the 2016 legislative session as it pertains to the transition to full-strength fermented malt beverages.***

2. 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 a whole, 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 and the ability of retail liquor stores licensed under section 12-47-407 to sell growlers containing malt liquors.

3. Please summarize the rationale for the recommendation – why is it important?

We are actively working to identify a clear path for our brewery operations, our distributors, our retailers and our consumers in laying out a plan of action which has specific operational and time sensitive milestones given changing environment of the Colorado beer market based on the effective date of the new law. Any departure from the current law will be detrimental to executing our transition of 3.2 beer across the states of Colorado, Oklahoma and Kansas.

4. What issue or issues does your recommendation resolve? Please identify the issues. **Ensuring we meet retail and consumer expectations within the existing time frame January 1, 2019 as provided in the current law.**
5. What stakeholders would be positively or negatively impacted by this recommendation, and how would they be impacted? **Our consumers are looking forward to the expansion and innovation coming to the Colorado beer market as set forth in the new law agreed to by all stakeholders in 2106 as it pertains to the transisition to full-strength fermented malt beverages.**
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)* **All stakeholders who agreed to the law change in 2016 as it pertains to the transisition to full-strength fermented malt beverages.**
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.
9. Are you aware of any statutory authority or regulation that supports the basis of this recommendation? If yes, please include it here. **Yes the current law as written.**
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? **Yes, no changes to current law agreed to by all stakeholders in 2016 as it pertains to the transisition to full-strength fermented malt beverages.**
11. Will the recommendation have a cost to implement? If yes, please explain the reason for the cost and provide an estimate. **No**
12. Provide an estimate of how long it would take to implement the recommendation. **n/a**