

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

1. Work Group Sponsor (s):

2. Describe the Recommendation: The Colorado Association of Chiefs of Police is concerned that without further legislation, there will be an automatic conversion to full strength malt beverages at convenience and grocery stores. Certain locations may contribute to underage drinking, or a high concentration of liquor outlets that is inappropriate. We urge the working group to find a means of allowing for community review. Our suggestion is that there be a petition process whereby local neighbors may petition their local liquor authority for review of a conversion to full strength malt beverage sales.

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 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.

4. Please summarize the rationale for the recommendation – why is it important? Local law enforcement was not part of the discussion about SB 197, as the bill was passed in the last two weeks of session, and was an agreement with various industry factions, and did not include law enforcement. No one discussed that automatic conversion will not take into account matters of local public safety. Local neighbors may not want full strength malt beverages at a specific location, but one interpretation of SB 197 is that, without further legislation, there will be no opportunity for local input, because there is be no process created for local review. We understand that to review every conversion will be burdensome. However, certain retail establishments in high-impact locations may not be appropriate for full strength malt beverages, and locals need a way to review the liquor license of these locations. Convenience and grocery stores, are frequented by juveniles, unlike liquor stores. The potential problems with underage drinking will be enhanced simply by point of sale marketing in grocery and convenience stores frequented by juveniles. Local communities need some say in whether or not this is appropriate for their community. Our liquor code is currently based on a combination of local and state

authority. Without further legislation, this local input could be eroded. Current liquor law is as follows... *Before entering any decision approving or denying the application, the local licensing authority shall consider, except where this article specifically provides otherwise, the facts and evidence adduced as a result of its investigation, as well as any other facts, the reasonable requirements of the neighborhood for the type of license for which application has been made, the desires of the adult inhabitants, the number, type, and availability of alcohol beverage outlets located in or near the neighborhood under consideration, and any other pertinent matters affecting the qualifications of the applicant for the conduct of the type of business proposed; except that the reasonable requirements of the neighborhood shall not be considered in the issuance of a club liquor license. The reasonable requirements of the neighborhood may, but are not required to, be considered in the conversion or transfer of a liquor-licensed drugstore license to a retail liquor store license.*

5. What issue or issues does your recommendation resolve? Please identify the issues. Research shows that alcohol outlet density leads to both juvenile abuse of alcohol, (especially when alcohol outlets are within walking distance, and juveniles can't drive) and other harm-inducing behavior and recommends reduction in outlet density as a way to enhance public safety.
6. What stakeholders would be positively or negatively impacted by this recommendation, and how would they be impacted? Some grocery or convenience stores could be negatively affected if a community decides they are not appropriate.
7. Which of the following does the recommendation impact (underline those that apply):
 - a. Statute (legislation) SB 197 allows for the automatic conversion to full strength malt beverages, but also calls for the creation of a process for a grocery or convenience store to APPLY for a license to sell full strength malt beverages. It is unclear, if such an application process were developed if it would require a change in statute, or could be implemented as a part of Liquor Enforcement Division Regulations.
 - b. Policy
 - c. Rules and Regulations
 - d. Other: *(please describe)*
8. Who owns implementation of the recommendation (underline those that apply):
 - a. State Legislature
 - b. Department of Revenue
 - c. Local Government
 - d. Other: *(please describe)*
9. 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. We do not wish to speak for those dissenting voices.

10. Are you aware of any statutory authority or regulation that supports the basis of this recommendation? If yes, please include it here. As mentioned above SB 197 calls for an application process.
11. 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?
12. Will the recommendation have a cost to implement? If yes, please explain the reason for the cost and provide an estimate. There will be some impact to local governments for a review process.
13. Provide an estimate of how long it would take to implement the recommendation. It would seem that a liquor permit approval process would take no longer than the current local approval process, which varies from community to community.