

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

1. Work Group Sponsor (s):
Colorado Beer Distributors Association/Wine & Spirits Wholesalers of Colorado

2. Describe the Recommendation: Require the Colorado Liquor Enforcement Division to provide the Joint House and Senate Business Committees annually, through the SMART Act (HB 13-1299) Hearings, an historical briefing of the three tiered system of alcohol distribution, and the importance of protecting and promoting the system from all three tier's (manufacturing, distributing, retail). In keeping with legislature's directives, the Liquor Enforcement Division shall review and publish its assessments as to whether any proposed changes to CRS 12-46 and 12-47 and Colorado Liquor Rules 1 C.C.R 203-2 promote and protect the three tier system, or contradict the system.

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?
In order to maintain the integrity of the three tiered system of alcohol distribution which promotes a safe, responsible, effective and successful alcohol regulatory system in Colorado.

5. What issue or issues does your recommendation resolve? Please identify the issues.
Fulfills mandate pursuant to 12-46-109 in SB 16-197 stating the working group “shall consider other regulatory, or administrative changes necessary to promote the three-tiered system of (alcohol) distribution in Colorado”

6. What stakeholders would be positively or negatively impacted by this recommendation, and how would they be impacted? The Legislature would be receiving educational benefits as a result of this positive recommendation.

7. 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)*
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. None
10. Are you aware of any statutory authority or regulation that supports the basis of this recommendation? Yes. Section 5 of SB 16-197. Specifically 12-46-109
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? No
12. Will the recommendation have a cost to implement? If yes, please explain the reason for the cost and provide an estimate. No
13. Provide an estimate of how long it would take to implement the recommendation. N/A