## *For Information Only:* Recommendations Withdrawn or Superseded – *No Voting Needed NB: Bolded items below indicate new developments since 8/18/2017 Working Group meeting*

Rec. #	Status	Title	Submitted By:
1	Withdrawn – to be addressed by Rule	Expanding and Clarifying Regulation 47-322, Unfair Trade Practices and Competition	Colorado Beer Wholesalers Association
2	Included in combined Rec. 22+23	No Additional Legislation Needed for Sales of Fermented Malt Beverage Licenses as Defined on January 1, 2019	Colorado Beer Distributors Association
3	Included in Rec. 19	Analysis by the Liquor Enforcement Division Regarding Legislation, Rules, and Promotion of the Three-Tier System	Colorado Beer Distributors Association
4	Included in combined Rec. 22+23	No Action Required Related to the Change in the Definition of Fermented Malt Beverages	Safeway
6.2	Withdrawn by the Colorado Brewers Guild	Treatment of Public Consumption as a Local Issue	Colorado Brewers Guild and Small Brewery Representatives
6.3	Withdrawn by the Colorado Brewers Guild, as it is similar to Rec. 1, also withdrawn, to be addressed by Rule	Better Defining "Value of Labor" Practices	Colorado Brewers Guild and Small Brewery Representatives
8	Included in Rec. 19	Annual Briefing by the Liquor Enforcement Division Regarding Preservation of the Three-Tier System	Wine and Spirits Wholesalers of Colorado
9.21	Sub-Rec 9.21 was withdrawn by the Colorado Licensed Beverage Association, given that the CO Constitution, as codified in §12- 46-105(3) and §12-47-502(2), C.R.S. dictates the distribution of local liquor licensing fees, namely that 85% of local license fees shall be paid to the DOR which shall transmit the fees to the state treasurer to be credited to the old age pension fund	Application Process for Grocery and Convenience Store Malt Liquor (GCSML) License - Requirement Regarding Retention of Local Licensing Fees for Existing Licensees Applying for a GCSML License	Colorado Licensed Beverage Association

Rec. #	Status	Title	Submitted By:
10	Withdrawn in favor of Rec. 18	Conversion of Fermented Malt Beverages Licenses from §12-46 to §12-47, C.R.S.	Colorado Municipal League
14	Included in Rec. 22/23	No Changes Needed Regarding the Transition to Full- Strength Fermented Malt Beverages	MillerCoors
15	Rec. 15 is very similar to Rec. 11 and has been consolidated with Rec. 11	Single License for Fermented Malt Beverages and Malt Liquor	MillerCoors – Added to list of submitters for combined Rec. 11+15
17	Rec. 17 is very similar to Rec. 12 and has been consolidated with Rec. 12	Prohibiting Public Consumption of Alcohol Beverages Above 0.5% Alcohol by Volume	Colorado Association of Chiefs of Police – Added to the list of submitters for combined Rec. 12+17
20	Withdrawn – to be addressed by Rule	Participation of Consumers in the Manufacturing Process	Colorado Wine Industry Development Board and Wine Institute
23	Rec. 23 is very similar to Rec. 22 has been consolidated with Rec. 22	No Additional Legislation Needed to Carry Out Change Regarding Removal of Alcohol By Volume Restriction on Fermented Malt Beverages	Safeway, MillerCoors, Colorado Beer Distributors Association – Added to list of submitters for combined Rec. 22+23

## Recommendations for Voting at SB 16-197 Working Group on 9/22/2017

Rec. #	Status	Title	Submitted By:	
5.1-	For Voting	Definition of When the Manufacturing Process Ends	Colorado Wine Industry Development Board and	
5.3			Wine Institute	
<b>5.1</b> In o	order to clarify the	parameters and procedures of the manufacturing process for the purpose	es of tax collection, implementation, and control of	
•		tion in the Colorado statutes as necessary, and in the Colorado Liquor Rule		
"Definit	tions," to specify	when the manufacturing process for an alcoholic beverage ends, to include	e one of the two options below. Add this language to	
the exis	sting list of license	es in Regulation 47-100(B) that qualify as a "Manufacturer."		
5.2 Opt	tion 1: Define that	the manufacturing process of an alcoholic beverage ends when the bever	age has been released from a bonded warehouse or	
		federally bonded premises and placed in commerce, for example if it is sol	-	
		a distributor for distribution, or taken by a common carrier for delivery.		
5.3 Option 2: Recognize that the manufacturing process continues until such time as the product is bottled or packaged in such a way that it could be				
5.3 Opt	tion 2: Recognize	that the manufacturing process continues until such time as the product is	bottled or packaged in such a way that it could be	
-	-	that the manufacturing process continues until such time as the product is er, in accordance with state and federal rules governing labeling and packa		
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open additional tasting rooms? If products such as growlers can be offered outside a tasting room, what measures will be taken to ensure the quality of the growler?

Rec. #	Status	Title	Submitted By:		
7	For Voting	Reporting Requirements for Carriers Shipping Beer, Wine, and Distilled Spirits into Colorado	Wine and Spirits Wholesalers of Colorado		
General As	To ensure that proper tax is reported and collected on all wine, beer, and distilled spirits entering Colorado through any type of carrier, the Colorado General Assembly should adopt legislation to specify comprehensive reporting requirements for all such carriers and shipments. Suggested language for this legislation is as follows:				
"Carrier") for deliver state-licen	t shall be the duty of every railroad company, express company, common carrier, contract carrier, firm, or corporation (hereafter referred to as 'Carrier'') that shall bring, carry, or transport wine, beer, or distilled spirits (as these items are defined by the state of Colorado), from outside the state for delivery to consumers inside the state, to prepare and file monthly with the Department of Revenue (DOR), or according to the same timeline as for state-licensed shippers of wine, beer, and distilled spirits, a report of known shipments of wine, beer, or distilled spirits. The report shall include the following information:				
<ol> <li>Period</li> <li>Name</li> <li>Name</li> <li>Name</li> <li>Weigh</li> <li>Unique</li> </ol>	<ol> <li>Name and business address of the consignor of the wine, beer, or distilled spirits being carried;</li> <li>Name and address of each consignee the wine, beer, or distilled spirits being carried;</li> <li>Weight of the package delivered to each consignee;</li> </ol>				
		h Carrier reports available to the public in the same manner as for other ement or regulatory body in the state in which the Carrier is located or do			
request is	Upon the DOR's written request, any records supporting these Carrier reports shall be made available to the DOR within a reasonable time after the request is made, and shall be made open and available to inspection by DOR staff. Any records containing information relating to such reports shall be maintained and preserved by the Carrier for a period of not less than two years, unless their earlier destruction is authorized in writing by the DOR.				
administra	Any Carrier that willfully fails to submit reports as outlined in this section or to comply with any of the rules and regulations of the DOR for the administration and enforcement of this section is subject to a notification of violation. In the case of a continuing failure to submit reports, the Carrier will be subject to the possible suspension or revocation of its license, at the DOR's discretion and if applicable based on state licensure requirements.				
9.1,	For Voting	Application Process for Grocery and Convenience Store Malt Liquor	Colorado Licensed Beverage Association		
inclusive		License – Accept all Listed Requirements			
of 9.3-		**NB: Members may vote EITHER on Rec. 9.1 (inclusive of 9.3-9.20)			
	9.20       OR on Rec. 9.2 (allows for individual voting on 9.3-9.20)**         9.1 The General Assembly should create a new, statutory, "Grocery and Convenience Store Malt Liquor (GCSML) license," for which ALL requirements				
<b>(9.3-9.</b> the ne	<b>20)</b> in Appendix w license type to	1 would apply: (1) for existing 3.2% Fermented Malt Beverage (FMB) lic o replace their current licenses; and (2) for new grocery and convenience Appendix 1 listing all requirements 9.3-9.20, to be accepted or rejected a	ensees as of January 1, 2019, which must apply for estores that apply for the new license type starting		

Rec. #	Status	Title	Submitted By:
9.2 with	For Voting	Application Process for Grocery and Convenience Store Malt Liquor	Colorado Licensed Beverage Association
individual	_	License – Accept Some Listed Requirements	
voting on		**NB: Members may vote EITHER on Rec. 9.1 (inclusive of 9.3-9.20)	
9.3-9.20		OR on Rec. 9.2 (allows for individual voting on 9.3-9.20)**	
9.2 The Ge	neral Assembly	should create a new, statutory, "Grocery and Convenience Store Malt Lic	uor (GCSML) license," for which <b>SOME</b> of the
require	ments (9.3-9.20	<b>D)</b> in Appendix 1 would apply: (1) for existing 3.2% Fermented Malt Bever	age (FMB) licensees as of January 1, 2019, which
must a	pply for the new	v license type to replace their current licenses; and (2) for new grocery ar	nd convenience stores that apply for the new license
type sta	arting January 1	, 2019. (See Appendix 1 listing all requirements 9.3-9.20. Those who vo	te Yes on Rec. 9.2 will proceed to vote individually
on Rec	s. 9.3-9.20)		
11+15	For Voting	Single License for Fermented Malt Beverages and Malt Liquor	Colorado Beer Distributors Association and
			MillerCoors
starting on statutory c	January 1, 2019 hanges as neces	It beverages and malt liquor will be defined identically in §12-46-103 and that there will no longer be any legal distinction between these tw ssary to allow for any resident manufacturer, non-resident manufacture de in its product line both fermented malt beverages and malt liquor.	o products, the General Assembly should make such
12+17	For Voting	Prohibiting Public Consumption of Fermented Malt Beverages and	Colorado Liquor Enforcement Division and
12.17	i or voung	Malt Liquors	Colorado Association of Chiefs of Police
(NR·Rec 1	l 7 has heen cons	olidated with Rec. 12)	
(1121110011			
In order to	provide clear	guidance to all Colorado communities regarding the public consumptic	on of alcohol, and because state statutes related to
	-	t take into account the forthcoming changes in the definitions of ferme	
-		us and remove the alcohol by volume (ABV) limit from both, and becau	
beverages	higher than 3.2	% ABV would have a deleterious effect on public safety, the General A	assembly should prohibit the public consumption o
-	-	s starting on January 1, 2019, unless a local, county, or state entity allo	
	-	and the second	

statutory prohibition on the public consumption of vinous and spirituous liquors should also be maintained.

Rec. #	Status	Title	Submitted By:
13.1- 13.6	For Voting	Statutory and Rule Changes Regarding Tastings on the Premises of Retail Liquor Stores and Liquor-Licensed Drugstores	Colorado Licensed Beverage Association, Wine Institute, Colorado Wine Industry Development Board, Distilled Spirits Guild, and Colorado Distillers Guild

The General Assembly and the Liquor Enforcement Division should make the following statutory and rule changes to update and streamline the laws and rules governing tastings on the premises of retail liquor store (RLS) and liquor-licensed drugstore (LLDS) licensees:

13.1 Amend §12-47-301(10)(c), C.R.S. to permit tastings to occur as follows:

- a. On any day of the week and for any number of days per week
- b. Beginning no earlier than 11 a.m. and ending no later than 9 p.m., and for a total of not more than 8 hours per day
- c. Total tastings are not to exceed one hundred fifty (150) days per year
- **13.2** Amend §12-47-301(10)(c)(VII), C.R.S. 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, and that the samples may be removed from the locked and secure area only during a subsequent tasting or to destroy the samples or remove them from the licensed premises.

13.3 Amend §12-47-301(10)(c)(I), C.R.S. to allow for supplier representatives, employees, or agents to pour alcohol products to patrons with the				
permission of, and under the supervision of, RLS or LLDS employees. If required by the RLS or LLDS management, the supplier representative,				
employee, or agent must have completed a responsible server training program.				

- **13.4** Clarify by statute or rule that the RLS or LLDS 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 RLS or LLDS licensee is therefore solely responsible for any administrative violations incurred during a tasting, whether committed by the RLS or LLDS licensee's employees or by the supplier's representative, employee, or agent.
- **13.5** Make clear through statute or rule that a supplier representative, employee, or agent pouring alcoholic products, whether for a consumer sampling at the premises of on-premises licensee for the purpose of sales promotion (1 C.C.R 203-2, Regulation 47-322(B)(2)), or in a consumer tasting on the premises of a licensed RLS or LLDS licensee (§12-47-301(10), C.R.S.), would not be considered as a cost of labor provided by a supplier to a retail licensee as described in Regulation 47-322(L)(3), because by pouring products during these two types of events, the supplier's representative, employee, or agent is promoting the supplier's product and not providing a service to the retail licensee.
- **13.6** Retain and further clarify the requirement in §12-47-301(10)(c)(XII), C.R.S. that the RLS or LLDS licensee bears the financial and all other responsibility for a tasting.

16	For Voting	Local Review Process for 3.2% Fermented Malt Beverage Licensees	Colorado Association of Chiefs of Police and
		to Sell Higher-Strength Beer	Colorado Distillers Guild

Given the public safety issues that are likely to result from any automatic conversion process for current grocery and convenience stores with 3.2% Fermented Malt Beverage (FMB) licenses to begin selling higher-strength beer as of January 1, 2019, such as an increase in underage drinking and the development of an inappropriately high concentration of liquor outlets in a given location, a process should be put into place through statute and rule whereby local community members may petition their local liquor authority for a review to be conducted before a current 3.2% FMB licensee is allowed to sell higher-strength beer.

Rec. #	Status	Title	Submitted By:
18.1-	For Voting		Colorado Municipal League
18.3		Alcohol Beverage Licenses in §12-47, C.R.S.	

18.1 For Existing Off Premises and On/Off Premises FMB licenses on December 31, 2018:

- a. The General Assembly should outline in statute that all existing Off Premises and On/Off Premises Fermented Malt Beverage (FMB) licenses at December 31, 2018 are to be honored as current, active licenses on January 1, 2019 and that these licensees will be allowed to sell both FMB and malt liquor, as these products are to be statutorily defined starting on January 1, 2019, without any requirement to obtain a new license and without having to meet any new distance requirements from other licensees and schools as may be required for new FMB licenses issued on or after January 1, 2019.
- b. These "grandfathered" FMB licenses will be subject to all applicable laws and rules, and shall remain exempt from the new distance requirements as long as the same ownership is maintained.

## 18.2 For New FMB Licenses Issued On or After January 1, 2019:

- a. The General Assembly should enact legislation to impose a moratorium on the issuance of any new FMB licenses starting July 1, 2018 and continuing through December 31, 2018, but should allow the governing bodies of municipalities and counties to adopt local moratoria starting at an earlier or later date if they so choose.
- b. Given that FMB and malt liquor will be statutorily synonymous as of January 1, 2019, the General Assembly should revise the following FMB license requirements in the Colorado Beer Code, §12-46, C.R.S., to be more consistent with the requirements for alcohol beverage licenses in the Colorado Liquor Code, §12-47, C.R.S. for all FMB licenses issued on or after January 1, 2019:
  - i. New FMB licenses should be subject to the same distance restrictions from other FMB licensees and alcohol beverage licensees as is stipulated for alcohol beverage licenses in §12-47, C.R.S. Namely, any new FMB license issued on or after January 1, 2019 should be located at least one thousand five hundred feet from another FMB license or premises licensed under §12-47, C.R.S. For a new FMB license located in a municipality with a population of ten thousand or fewer, the minimum distance should be three thousand feet. See §12-47-301(12)(a), §12-47-407(1)(a)(II), and §12-47-408(1)(a)(I).
  - ii. New FMB licenses should be subject to the same distance restrictions from schools as for alcohol beverage licenses in §12-47, C.R.S. Namely, any new FMB license issued on or after January 1, 2019 should be located at least five hundred feet from any public or parochial school or the principal campus of any college, university, or seminary, but the local licensing authority or governing bodies of a city or county may reduce or eliminate these distance restrictions or one or more types of schools or campuses from the application of the distance restriction. See §12-47-313(d).
  - iii. New FMB licenses may be denied if the local licensing authority determines that the issuance of the new license would result in or add to an undue concentration of FMB licenses or of a combination of FMB and other alcohol beverage licenses issued under §12-47, C.R.S. See §12-47-301(b).

**18.3 For Transfer of Ownership of an Existing FMB License after January 1, 2019:** In the event of an application after January 1, 2019 to transfer ownership of an FMB license that existed prior to January 1, 2019, the local licensing authority shall have the option to impose the same distance restrictions from other licensees and schools as for new FMB license applicants, and to deny the transfer of the license if the local licensing authority determines that the transfer would result in or add to an undue concentration of licenses.

Rec. #	Status	Title	Submitted By:
19, includes	For Voting	Annual Briefing on the Protection and Promotion of the Three-Tier System in Colorado	Colorado Beer Distributors Association and Wine and Spirits Wholesalers of Colorado
Recs. 3			
& 8			

The General Assembly should require that the Colorado Liquor Enforcement Division (LED) provide annually to the Joint House and Senate Business Committee, through the SMART Act hearings process (HB 13-1299), a briefing about the state of the Three-Tier system in Colorado for the manufacturing, distribution, and retail sales of alcohol, and how well this system is being protected and promoted. This briefing should include an assessment of how well any proposed changes to §12-46 and §12-47, C.R.S. and to the Colorado Liquor Rules, 1 C.C.R 203-2, promote and protect the Three-Tier system. The report of this annual briefing should be made available to the public.

21	For Voting	Prohibiting or Allowing the Public Consumption of All Alcohol	Distilled Spirits Council and Colorado Distillers
		Beverages	Guild

Current Colorado law prohibits the public consumption of malt, vinous and spirituous liquors, but allows for the public consumption of fermented malt beverages (FMB), which are currently defined as having 3.2% or less alcohol by volume (ABV). Effective January 1, 2019, because the definitions of FMB and malt liquor are changing to where both will be defined as having more than 0.5% ABV, it could be the case that any beer over 0.5% ABV could be legally consumed in public unless legislative action is taken to prevent it.

Given that some malt liquors may contain 50% or more ABV, while some wines may contain less than 5.5% ABV and some spirits less than 15% ABV, the General Assembly should re-examine the current laws regarding public consumption of all alcohol beverages effective January 1, 2019, and modify the laws in order to either: (1) prohibit the public consumption of FMB, malt liquor, vinous, and spirituous liquors unless a local, county, or state entity allows for their consumption by rule, ordinance or resolution; or (2) allow for the public consumption of FMB, malt liquor, vinous, and spirituous, and spirituous liquors without distinction and to allow for greater consumer choice.

22+23,	For Voting	No Substantial Statutory Changes or New Licensing Requirements	Colorado Wyoming Petroleum Marketers
also		Needed to Manage the Transition of Removing the Alcohol By	Association, 7-Eleven, Kum & Go Convenience
includes		Volume Cap on Fermented Malt Beverages	Stores, CST Brands, Circle K, Safeway,
Recs. 2,			MillerCoors, Colorado Beer Distributors
4 & 14			Association

(NB: Rec. 23 has been consolidated with Rec. 22)

The General Assembly need not make any substantial changes to current law in order to manage the transition on January 1, 2019, when the 3.2% cap on alcohol by volume (ABV) will be statutorily removed from the definition of fermented malt beverages (FMB), which will thereafter be defined as having not less than 0.5% ABV.

Rather, this transition can be managed by following the provisions already outlined in SB 16-197, including maintaining the provisions for the licensing of beer under the Colorado Beer Code, §12-46, C.R.S., rather than the Colorado Liquor Code, §12-47, C.R.S. No substantial changes or new trade or operational restrictions need to be introduced for FMB licenses under §12-46, C.R.S. starting on January 1, 2019, and existing FMB licenses at that time should not be required to apply for a new license or alter their existing licenses to be able to sell FMB starting on January 1, 2019, as FMB is to be defined as of that date.

Appendix 1 - Recommendation 9: Requirements for New Grocery and Convenience Store Malt Liquor (GCSLM) License			
Rec. #	Requirement:	Existing Fermented Malt Beverage (FMB) Licensees as of January 1, 2019 Applying for a GCSML License:	New Grocery and Convenience Stores Applying for a GCSML license starting January 1, 2019:
9.3	Application Processing Time	Expedited	Normal
9.4	Survey and Needs and Desires Hearing	Not required unless there is a major modification of premises	The application shall include a survey and Needs and Desires hearing
9.5	No Modification of Premises	The licensee shall not make any substantial modifications to shelf space and product offerings from the licensee's practices as of July 1, 2016; any substantial modification by the licensee would require a review of the license and possibly a survey and Needs and Desires hearing	Not applicable
9.6	Transition of Current On and Off Premises Licenses	All current On and Off Premises licenses may be converted to a GCSML license for on- premises sales or off-premises sales, but not both	Not applicable
9.7	Distance from Schools	The licensee's premises must be at least 1500 feet from the nearest public or private daycare center, pre-school, kindergarten, elementary school, secondary school, or vocational school. The distance shall be measured in a straight line from the nearest property boundary of the school property to the address point of the licensee	
9.8	Distance from Retail Liquor Licensed Premises	The licensee's premises must be at least 1500 feet from the nearest retail liquor licensed premises	
9.9	Separation of Inventories	The licensee shall not warehouse products for multiple stores at one licensed premises or transfer products between multiple stores	
9.10	Age of Employees	Employees who check ID's, make sales, handle, stock, receive, or carry out malt liquor must be at least 21 years of age	
9.11	Alcohol by Volume (ABV) Limitation	The licensee shall not sell or offer for sale any malt liquor products containing more than 6% ABV	
9.12	<b>Refrigeration Requirement</b>	Malt liquor products must be refrigerated	
9.13	Limitation on Refrigerated The licensee shall not dedicate more than 20% of its refrigerated beverage retail space (excluding space used		
	Beverage Retail Space	to malt liquor, and shall not use freezers, low-temperature and spot cases, or service cases to display malt liquor products	
9.14	Separation of Malt Liquor and Non-Alcohol Products	The licensee shall not comingle malt liquor products with non-alcohol products in the same refrigerated case door	
9.15	No Sales of Alcohol-Branded Merchandise	The licensee shall not sell general merchandise branded by alcohol manufacturers or distributors	
9.16	No Sales of Home Brew or Winemaking Equipment	The licensee shall not sell home brew or winemaking equipment	
9.17	No Sales Below Invoice Cost	The licensee shall not sell malt liquor products at below-invoice cost	
9.18	No Point of Sale (POS) Marketing or Sales of Malt Liquor Products	The licensee shall not have any POS marketing or sales of malt liquor products	
9.19	Only 6- and 12-Packs Allowed	The licensee shall be eligible to sell only 6-packs and 12 packs of malt liquor	
9.20	Compliance with Other Malt Liquor License Requirements	The licensee shall comply with all other requirements of a malt liquor license	