

Colorado Liquor Enforcement Division

SB16-197 STATUTORY Working & (Sub-Groups)

Minutes of the Meetings

Meeting of January 23, 2017
1:00p – 4:30p

Attorney General's Office
1300 Broadway (Carr Bldg)
Denver, CO

Introductions & Announcements

Director Maroney opened the meeting with introductions at 1:13pm.

3.2 % Beer Sub-group: (Chairman – Patrick Maroney)

Purpose

Develop an implementation process for grocery & 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.

Analyze the impact that removed 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.

Discussion

If nothing is changed moving forward ... on 1/1/19 the regulation of fermented beverage will be less than that of fermented malt liquor. LED does not want to regulate the same product different in two places. So no matter where a product is sold (from an operational perspective) LED believes it should be regulated the same regardless of location (e.g., age of employees – restricted days to be open). We would get rid of the two different definitions of the beverage – combine into one definition – "malt beverage." Then create a new license e.g., "Beer License" for off premises beer only that sells malt beverage. Then we have to determine who will get one. We would write in exceptions.

- *Should they be required to apply for a new license or be grandfathered in? What about the distance restrictions; public consumption?*
- *Do we merge Title 46 into 47 or do we get rid of 46 altogether. Differences: Where sold, Salesrooms, Growlers, Age of Employees, Tastings, and Restricted Days.*

• *Since we are unable to reach consensus, I encourage the two sides to get together outside of this room and discuss these issues and try to get a consensus on your own. See if you can come up with comprehensive recommendation to make to the legislature.*

3-Tier Subgroup: (Chairman – Ron Kammerzell)

Purpose

Shall consider other legislative, regulatory, or administrative changes necessary to promote the three-tiered distribution system in Colorado.

Discussion

- *When does the Manufacturer process end?*
- *When does the retail sale (either from Retail Liquor Stores or Wineries) take place for online sales? (Home sales are not legal).*
- *How do we uphold the 3-Tier laws?*

We believe most of these items can be addressed through clarification and handled in rulemaking to include the requirement of Common Carriers to provide manifests of their shipments as well as the reporting of alcohol shipments.

Tastings & Growlers Subgroup: (Chairman – Donia Amick)

Purpose

Examine and make recommendations regarding 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.

(Growlers)

Consensus – Issued Closed. (DA)

(Tastings)

- Allow Tastings on Sunday (Consensus)
- Increase days to 150 a year (Consensus)
- Increase hours from 11am to 9pm for a total of 8 hours (Consensus)
- Discards – left over product to be stored in locked area of license premises. Employees cannot have access to this area. (Consensus)

Discussion

- *Who should be allowed to pour?*
- *Will a compliance check failure will apply to all if the wholesalers or suppliers violates?*
- *Who pays for the product? LED's position is that retailers have to pay so it does not become a Trade Practice issue.*

Closing Statements

Since everyone has been here for the sub-group meetings... do we need to convene the Statutory Working Group at this point. (Consensus = No)

We need to give you time to meet with your groups and bring back some ideas to us and then if necessary, we will meet multiple times in June – July & August and have the report drafting process in September in earnest of our January deadline.

In March we will give you the template for recommendations and we will walk through it and explain it to everyone. Our ultimate goal is to reach consensus but we recognize that may not be possible and so the template itself has an opportunity of for descending opinions. If we are unable to reach consensus, we will include it in the report and reflect if the recommendation was consensus or majority vote. We want to show both sides of the issues to the legislature.

Remember ... we will not have a meeting in February. March's meeting will be at Lewis Roca Rothgerber & Christie - 1200 Seventeenth Street | Suite 3000. We appreciate all of your time. Thank you.

3:35 Adjourned