



COLORADO

Department of Revenue

Specialized Business Group—
Liquor & Tobacco

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Liquor Advisory Group Marketplace Structure Subgroup

March 16, 2023

8:30 a.m. - 10:30 a.m. MT

Zoom Link: <https://zoom.us/j/97147951057?pwd=UXVIRHV2cDRmRGVVRU1dPYjJjbkpnQT09>

This subgroup will consider changes to the marketplace structure and regulation of manufacturers, wholesalers and retailers that would allow for greater trade and competition within and between the tiers for a fairer and equitable marketplace.

Agenda:

8:30 a.m.	Welcome and Introductions
8:40 a.m.	Review subgroup process/expectations <ul style="list-style-type: none"> ● Review timeline of topics (see bottom of agenda) <ul style="list-style-type: none"> ○ What information might be requested for next month’s discussion? ● Volunteer to provide subgroup update at April LAG meeting
8:50 a.m.	Topic Discussion: Beer and Spirits direct sales to consumers If beer and spirits had the same shipping rights as wineries, how might the code mitigate any: <ul style="list-style-type: none"> ● Increased risk of delivery to minors or counterfeiting, and ● Impacts on wholesalers and retailers
9:50 a.m.	Topic Discussion: Trade Show sampling on wholesaler licensed premises for liquor licensed retailers, not open to public Should the code authorize these sampling opportunities? Currently allowed by rule 47-322(F) on an on-premises retailer location.
Complete List of Topics: <ul style="list-style-type: none"> ● Opening up the “free market” – eliminate the monopoly wholesalers have on specific brands/manufacturers; allow retailers to purchase brands from multiple wholesalers; allow manufacturers to sell directly to retailers; level the playing field across all categories of manufacturers; allow direct to consumer sales ● Excise Tax parity for spirits, beer and wine ● RTD’s overall regulation, access and tax issues/parity ● Equality in pricing from distributor to retailer ● Fair payment/credit terms ● Review returned/damaged product rules ● Allow wholesalers to provide more merchandising and marketing support to retailers 	
10:10 a.m.	Public Comment

10:25 a.m.	Next Steps
10:30 a.m.	Adjourn

Subgroup Members:

Fuad Jezzini, *Wholesaler (Vinous/Spirituos)*
Joe Durso, *National Spirituous Manufacturer*
Karen Hertz, *Local Brewery (Small)*
Anne Huffsmith, *National Vinous Manufacturer*
Kris Staaf, *Off-Premises Retailer (Large)*
Jim Shpall, *Off-Premises Retailer (Medium)*

Eric Foster, *Hard Cider Industry*
Seyoum Tesfaye, *Off-Premises Retailer (Small)*
Stephen Gould, *Local Spirituous Manufacturer*
Robert Hunt, *Brewery (Large)*
Joseph Dirnberger, *Colorado State Patrol*

Timeline of Marketplace Structure Discussion Topics

Note: Sequencing of topics may change throughout process due to varying factors and/or needs

2023	Topic(s) to be discussed and create recommendations	Requested information?
March	<ul style="list-style-type: none"> ● Further discussion of beer and spirits direct to consumer sales particularly regarding: <ul style="list-style-type: none"> ○ Regulation of delivery ○ Mitigation of any impacts to wholesalers & retailers ● Allow wholesalers to hold sampling opportunities for retailers at trade shows 	
April	<ul style="list-style-type: none"> ● Modifications to the 3-tier system: <ul style="list-style-type: none"> ○ Review of regulatory differences among manufacturers and consider any changes ○ Should wholesalers have a monopoly on specific brands/manufacturers? ○ Should retailers be allowed to purchase from multiple wholesalers? 	
May	<ul style="list-style-type: none"> ● Modifications to 3-Tier System <ul style="list-style-type: none"> ○ Should manufacturers be allowed to sell directly to retailers? ● Consideration of tax equity and collection 	
June	<ul style="list-style-type: none"> ● Modifications of 3-Tier System <ul style="list-style-type: none"> ○ Alternate proprietorships between beer, wine, spirits ○ Noncontiguous production sites ○ Allow large retailers to warehouse 	
July	<ul style="list-style-type: none"> ● Consideration of wholesaler to retailer issues: <ul style="list-style-type: none"> ○ Merchandising material and marketing support ○ Equitable pricing and volume purchasing ○ Damaged product 	
August	<ul style="list-style-type: none"> ● Continuation of any previous issues not yet discussed or resolved ● Consideration of any new marketplace structure issues not identified in January but identified in subsequent work of the LAG or subgroups 	
September	<ul style="list-style-type: none"> ● Discuss any crossover topics from other subgroups 	
October	<ul style="list-style-type: none"> ● Review and finalize all preliminary recommendations to be approved by the LAG and included in final report 	