



# COLORADO

## Department of Revenue

Specialized Business Group—  
Liquor & Tobacco

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### Liquor Advisory Group Marketplace Structure Subgroup

May 18, 2023

Meeting will be held virtually

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

Zoom Link: <https://zoom.us/j/98490657695?pwd=OFU0SVJ4TG1GdnB5Y0VOODZCS2VYUT09>

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.	<b>Welcome and Introductions</b>
8:40 a.m.	<b>Review subgroup process/expectations</b> <ul style="list-style-type: none"> <li>● Review timeline of topics (see bottom of agenda). <ul style="list-style-type: none"> <li>○ What information might be requested for next month's discussion?</li> </ul> </li> <li>● Volunteer to provide subgroup update at the June LAG meeting.</li> </ul>
8:50 a.m.	<b>Topic Discussion: Modifications to the 3-tier system:</b> <ul style="list-style-type: none"> <li>● Changes to off-premises tastings <ul style="list-style-type: none"> <li>○ <a href="#">Proposal</a> provided by Jim Sphall on April 7, 2023</li> </ul> </li> <li>● Eliminate franchise laws/territory rights for brewers. <ul style="list-style-type: none"> <li>○ <a href="#">Proposal</a> provided by Karen Hertz on April 27, 2023</li> </ul> </li> <li>● All three manufacturer types should have the ability for salesroom permit at manufacture location + additional 5 permits that are permanent or temporary (follow notification period requirement).</li> <li>● Make non-contiguous laws for beer and spirit manufacturers the same as for wine and cider manufacturers.</li> <li>● Allow manufacturers to sell other Colorado manufactured beverages, including collaborations among manufacturers, in tasting rooms (only for on-premise consumption at a brick and mortar location). <ul style="list-style-type: none"> <li>○ <a href="#">Proposal</a> provided by Stephen Gould on April 27, 2023</li> </ul> </li> </ul>
10:10 a.m.	<b>Public Comment</b>
10:25 a.m.	<b>Next Steps</b>
10:30 a.m.	<b>Adjourn</b>

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