



COLORADO
Department of Revenue
 Specialized Business Group—
 Liquor & Tobacco

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Liquor Advisory Group
 Meeting Minutes
 July 13, 2023

Seat	Representative	Attendance
State Licensing Authority	Executive Director Mark Ferrandino <i>Department of Revenue</i>	Present
Arts Licensee	Andryn Arithson <i>Newman Center for the Performing Arts</i>	Present
Colorado Association of Chiefs of Police	Chief Dave Hayes <i>Monte Vista Police Department</i>	Present
Colorado Counties, Inc.	Vacant	
Colorado Municipal Clerks Association	Colleen Norton <i>Littleton Municipal Clerk's Office</i>	Present
Colorado Municipal League	Tara Olson <i>Town of Breckenridge Clerk's Office</i>	Present
Colorado State Patrol	Captain Joseph Dirnberger <i>Colorado State Patrol</i>	Absent
County Sheriffs of Colorado	Marc Snowden <i>Jefferson County Sheriff's Department</i>	Present
Downtown Partnership/Chamber of Commerce	Loren Furman <i>Colorado Chamber of Commerce</i>	Present
Hard Cider Industry	Eric Foster <i>Colorado Cider Guild</i>	Absent
Brewery (Large)	Bob Hunt <i>Molson Coors</i>	Present
Local Brewery (Small)	Dan Diebolt <i>Diebolt Brewing Company</i>	Present
Law Enforcement Representative	Chief W.J. Haskins <i>Glendale Police Department</i>	Present
MADD	Executive Director Fran Lanzer <i>Mothers Against Drunk Driving</i>	Present by Proxy

Seat	Representative	
Off-Premises Retailer (Large)	Kris Staaf <i>Albertsons Safeway</i>	Present
Off-Premises Retailer (Large)	Sara Siedsma <i>Kum & Go</i>	Present
Off-Premises Retailer (Medium)	Jim Shpall <i>Applejack Wine & Spirits</i>	Present
Off-Premises Retailer (Medium)	Edward Cooper <i>Total Wine & More</i>	Present
Off-Premises Retailer (Small)	F. Seyoum Tesfaye <i>Franktown Liquors</i>	Absent
Minority Owned Off-Premises Retailer	Gonzalo Mirich <i>Jimbo's Liquor</i>	Present
Minority Owned On-Premises retailer	Veronica Ramos <i>The Electric Cure</i>	Present
Local Spirituous Manufacturer	Stephen Gould <i>Colorado Distillers Guild</i>	Present
National Spirituous Manufacturer	Joseph Durso <i>Pernod Ricard USA</i>	Present
Restaurant Licensee	Dana Faulk Query <i>Big Red F Restaurant Group</i>	Present
Restaurant Licensee	Sarah Morgan <i>Martinis Bistro</i>	Present
Restaurant Licensee	Andrew Palmquist <i>Number Thirty Eight</i>	Absent
Tavern	Erika Zierke <i>Englewood Grand</i>	Absent
Tavern/Large Dance Entertainment Venue	Andrew Feinstein <i>Tracks Denver, ReelWorks Denver, & RiNo Art District</i>	Absent
Tavern/Large Dance Entertainment Venue	Don Strasburg <i>AEG Presents</i>	Present
Local Vinous Manufacturer	Juliann Adams <i>Vines 79 Wine Barn</i>	Present
National Vinous Manufacturer	Anne Huffsmith <i>Nakedwines.com, Inc.</i>	Present by Proxy
Wholesaler (Malt)	Yetta Vorobik <i>Crooked Stave Artisan Distribution</i>	Present by Proxy

Seat	Representative	
Wholesaler (Vinous/Spirituous)	Fuad Jezzini <i>Maverick Wine Company of Colorado</i>	Present
National Wholesaler	Andrew Quarm <i>Republic National Distributing</i>	Present by Proxy

- I. Opening Remarks, Attendance, and Agenda Review
- II. Adoption of Meeting Minutes
 - A. Adoption of meeting minutes from the [June 1, 2023 meeting](#).
 1. Tara Olson notified the division via email that she was erroneously marked absent at the June LAG meeting. The minutes were amended accordingly.
 2. Motion to adopt the minutes made by Joe Durso. Motion seconded by Stephen Gould.
 3. Meeting minutes adopted.
- III. Overview of LAG Large Group Meeting
 - A. Overview of LAG large group meeting and subgroup reports.
 - B. Discussion of schedule updates for remaining Liquor Advisory Group meetings:
 1. Subgroup meetings will be concluded in August. The September subgroup meeting dates will be held for any remaining discussion topics, but the goal is to conclude subgroup discussions in August.
 2. The September full LAG meeting will be held on September 14, 2023, from 9:00 a.m. to 12:00 p.m.
 3. The last full LAG meeting will be held on October 5, 2023, from 9:00 a.m. to 12:00 p.m. for taking any final proposal votes and approving the final report draft.
- IV. Marketplace Structure Subgroup Report and Topic Discussion
 - A. Review [meeting minutes from June 15, 2023](#).
 1. No amendments or corrections were submitted by members of the Marketplace Structure subgroup.
 - B. Adoption of meeting minutes by the LAG members in attendance at the meeting.
 1. Motion to adopt meeting minutes made by Kris Staaf. Motion seconded by Stephen Gould.
 2. Meeting minutes adopted.
 - C. Review subgroup discussion from the June subgroup meeting (presented by Kris Staaf).
 - D. Review possible [soft proposals](#) discussed during the subgroup meeting.
 1. Proposal 10: [Colorado Manufacturer Sales Room Proposal](#) (submitted by Stephen Gould)
 - a) Part 1: Privilege to purchase and use common alcohol modifiers to produce cocktails for on-site and legal to-go consumption
 - (1) Overview of Discussion
 - (a) The group members had a robust discussion around the details of this proposal. Specifically, the discussion

addressed potential safeguards and built-in limitations to this proposal, including but not limited to the following:

- (i) How does the proposal prevent these sales rooms from functioning like bars?
 - (a) The existing safety rules (e.g., no alcohol service to a visibly intoxicated person) would remain in place. Additionally, Mr. Gould clarified that manufacturer sales rooms are not giving away “free drinks” to consumers; drinks must be purchased for consumption.
 - (b) There was additional discussion about implementing a percentage sales cap on the number of mixed drinks that a manufacturer could sell in their sales room. The subgroup members were unable to come up with an agreeable compromise on this specific issue, and the facilitator felt additional conversation was needed before amending the proposal.
- (ii) How are “alcohol modifiers” being defined under this proposal?
 - (a) Currently, a modifier under this proposal is considered to be a liquor with a lower Alcohol by Volume (ABV) that is used as a secondary ingredient alongside a base spirit that is produced by the manufacturer.
 - (b) The division suggested allowing the division to have rulemaking authority under this proposal to provide a definition for “alcohol modifiers” in rule. The subgroup members agreed to this; Mr. Gould further recommended that the general statement of “modifier” be placed in statute and the division could use its rulemaking authority to amend the definition as needed.

(2) Motion

- (a) A motion to move part 1 of the proposal to a vote made by Jim Shpall. Motion seconded by Tara Olson.

(3) Public Comment

- (a) No public comment was offered on this discussion. If the public wishes to put forward additional comments or input, they may email the division at dor_led_rulemaking@state.co.us.

(4) [Vote](#)

- (a) The motion passed on a vote of 21 in support, 0 against, and 0 taking no position/abstaining from voting.
- b) Part 2: Any sales room operated by a Licensed Colorado Alcohol Manufacturer will be given the privilege to sell any Colorado-produced same-category product (e.g., spirits for distillers, beer for breweries, wine/cider for wineries/cider manufacturers) to mirror the existing privileges for Colorado wineries.

(1) Overview of Discussion

- (a) The group discussion on this proposal addressed three primary concerns:

- (i) What does this privilege currently look like for wineries?

- (a) Wineries may carry any Colorado wine products that they have not produced. They are allowed to establish agreements with other Colorado wineries as to the ability to carry each other's products in their sales rooms. These agreements are dependent on manufacturers working together.

- (b) The products on the sales room floor can be opened, used to provide tastings, and sold for to-go consumption.

- (ii) If products are purchased by manufacturers from off-premises retailers and brought back to the manufacturer sales room, would these products be for on-site consumption or for to-go consumption?

- (a) Similar to the privileges allowed for wineries, these products would be for both on-site and to-go consumption. For example, a brewery would be allowed to purchase beer from an off-premises retailer and sell it alongside their own manufactured product, provided it is a Colorado-produced product.

- (iii) How are "Colorado-produced products" defined under this proposal?

- (a) If the production site for a product is physically located in Colorado and the manufacturer is paying Colorado excise tax on the product, it is considered a Colorado-produced product.
 - (b) Additionally, if the product is bottled in Colorado, it is considered a Colorado-produced product.
- (b) There was additional discussion around parity between Hotel & Restaurant (H&R) licensees and the new privileges being proposed for sales rooms. Representatives from the restaurant industry expressed the opinion that restaurants are required to have a minimum food requirement and adhere to distance requirements from schools. As sales rooms have proposed expansion to bring in more products, it feels as though they are operating as a bar without the same requirements by which H&R licenses are required to abide.
- (c) The division expressed that it has concerns with this part of the proposal.

(2) Public Comment

- (a) Adam Stapen, *Dill Dill Carr Stonbraker & Hutchings, P.C.*
 - (i) Mr. Stapen had two questions related to Mr. Gould's proposal. The first was if this would be an amendment to the franchise laws; beer is required to have a territory agreement to sell the product. The second was if this proposal would apply to beer wholesalers. Manufacturers are not allowed to sell beer; wholesalers have to be the ones to sell the product.
 - (a) Mr. Gould responded that he could not speak to beer, as he represents a distillery perspective. He felt that products would likely have to be sold directly or through the second tier via a wholesaler license, but the product would have to go through an entity that has a wholesaler license in Colorado.
 - (b) The division added that it would not have rulemaking authority over franchise laws, and the General Assembly would have to determine how

they want to address this aspect under the proposal.

(b) Russell Schloemer, *CJ's Wine and Spirits*

(i) In the spirit of clarifying aspects of the proposal, Mr. Schloemer initially asked if Tincup Whiskey, which is manufactured in Indiana and then shipped to Colorado to be bottled, would be considered a Colorado-produced product.

(a) Mr. Gould remarked that Tincup Whiskey does have a small amount of Colorado distilled products in each bottle, as it is a blend of in- and out-of-state whiskey.

(ii) Mr. Schloemer amended his question to a hypothetical situation: would a grain spirit produced in Kansas, then shipped to Colorado to be bottled, be considered a Colorado-produced product if no part of the product was distilled in Colorado?

(a) Mr. Gould stated that the act of bottling the product in Colorado and paying Colorado excise taxes on the product made it a Colorado-produced product.

(c) No additional public comment was offered on this discussion. If the public wishes to put forward additional comments or input, they may email the division at dor_led_rulemaking@state.co.us.

(3) Motion

(a) A motion to move part 2 of the proposal to a vote made by Stephen Gould. Motion seconded by Colleen Norton.

(4) [Vote](#)

(a) The motion passed on a vote of 19 in support, 1 against, and 1 taking no position.

2. Topic Discussion: Support for funding for the Liquor Enforcement Division (LED) to provide resources to meet the enforcement needs of a growing industry.

a) Overview of Discussion

(1) Because this is a very complex issue with multiple involved parts (e.g., the Constitution, TABOR, the Liquor Code), the division suggested putting forth a note in the final report that the LAG members support funding of the LED to produce resources to meet enforcement goals while the industry is growing.

(2) The division recommended that the group members take a vote on moving forward with the suggested note in the final report and let the General Assembly determine the best way to

approach this, rather than the group members try and brainstorm such a complicated issue.

(3) The group members agreed to this approach and had no further discussion on the issue.

b) Motion

(1) Motion to move this recommendation to a vote made by Edward Cooper. Motion seconded by Dana Faulk Query.

c) Public Comment

(1) No public comment was offered on this discussion. If the public wishes to put forward additional comments or input, they may email the division at dor_led_rulemaking@state.co.us.

d) Vote

(1) The motion passed with no dissenting votes recorded.

3. Proposal 16: Legislative update to **HB23-1061 Retail Establishment** regarding the distribution of fee between LED, General Fund, and Old Age Pension Fund (move from 44-3-501(1) to 44-3-501(3)).

a) Overview of Discussion

(1) The division originally requested that the fee associated with this permit be moved in statute from 44-3-501(1) to 44-3-501(3). It was left in subsection (1), and, as the fee was set as “up to 200 dollars”, only fifty dollars of that would come to the division. The rest would be sent to the Old Age Pension Fund/General Fund.

(2) The division asked the LAG members if they would feel comfortable moving the fee to subsection (3) to allow the division to set the fee in rule. All of the fee would come to the division for enforcement and licensing administration for the new permit.

(3) The group members agreed to this proposal and had no further discussion on the issue.

b) Motion

(1) Motion to move this proposal to a vote made by Stephen Gould. Motion seconded by Colleen Norton.

c) Public Comment

(1) No public comment was offered on this discussion. If the public wishes to put forward additional comments or input, they may email the division at dor_led_rulemaking@state.co.us.

d) Vote

(1) The motion passed with no dissenting votes recorded.

4. Proposal 17: Legislative update to **SB23-264 Festival Participation**, amending “business days” to “calendar days.”

a) Overview of Discussion

(1) This proposal would amend language under 44-3-404(1)(c) to read “If a festival permittee notifies the state licensing authority

and the appropriate local licensing authority of the location of and dates of each festival at least thirty **business calendar** days before holding the festival, the permittee may hold up to, but no more than, nine festivals during the twelve months after the festival permit is issued. Beginning January 1, 2024, a permittee may hold up to nine festivals during each calendar year.”

(2) This proposal was to amend statutory language that was missed during previous legislative conversations. The division doesn't want to add days to the review process for festival permits and wishes to make a change to reflect what is already in the statute.

(3) The group members agreed to this proposal and had no further discussion on the issue.

b) Motion

(1) Motion to move this proposal to a vote made by Stephen Gould. Motion seconded by Colleen Norton.

c) Public Comment

(1) No public comment was offered on this discussion. If the public wishes to put forward additional comments or input, they may email the division at dor_led_rulemaking@state.co.us.

d) Vote

(1) The motion passed with no dissenting votes recorded.

V. Licensing Subgroup Report and Topic Discussion

A. Review [meeting minutes from June 22, 2023](#).

1. No amendments or corrections submitted by members of the Licensing subgroup.

B. Adoption of meeting minutes by the LAG members in attendance at the meeting.

1. Motion to adopt the minutes made by Colleen Norton. Motion seconded by Sarah Morgan.

2. Meeting minutes adopted.

C. Review subgroup discussion during the June subgroup meeting (presented by Renny Fagan).

D. Review possible [soft proposals](#) discussed during the subgroup meeting.

1. Proposal 11: Simultaneous filing by the applicant or licensee for processing of an application and/or renewals of retail liquor licenses. Local Licensing Approval would be required prior to the issuance of a license to respect local control.

a) Overview of Discussion

(1) The division began the discussion on this proposal by clarifying the intent and purpose:

(a) The division clarified that local licensing authorities (LLA) would still maintain control over the licensing process. Documents would be filed with both licensing authorities at the same time but the LLA's signature would be required for final approval. The division would not issue a license from the state until all information has been received from the local authority.

- (b) There are currently some streamlining difficulties with the process:
- (i) Paperwork is being received via three different platforms (email, postal mail, and the state's online platform). Some local licensing authorities are submitting the paperwork via all three platforms at the same time, which creates an administrative burden to the state licensing team. The state is trying to improve communications with the locals in order to decrease this.
 - (ii) The division has encountered instances when it hasn't received paperwork in a timely fashion, but the licensee was under the impression that the state was already reviewing the paperwork. This then requires the state to rush the review.
 - (iii) The division experiences additional difficulty in trying to connect online payments with paperwork; the applicants will pay first, but when the state doesn't receive paperwork until much later, the division then must refund the payments.
 - (iv) There have been a couple of recent issues where the state issued its license and the local licensing authority held onto the license. The licensee is unaware that the state issued a license on their end, and because the state was equally unaware that the LLA held the license, the state then sends the licensee a renewal. Because the licensee doesn't understand why they must pay to renew a license they never received, they don't renew, the license expires, and the process has to start over again. The division stated that there should be no reason for the locals to hold onto a state-issued license. If there is an issue, the local licensing authority should not have signed off on the license and instead communicated the issue to the state.
- (c) The division feels this proposal would ease the aforementioned burdens and aid in communication with its local partners. It would be important for both licensing authorities to actively share any new information that is received and/or updated application documents.

- (2) The local licensing authority representatives provided the group members with some of the feedback they received from other local licensing authorities:
 - (a) The general opinion from the local licensing authorities is that this will increase workloads and add confusion to a process wherein they already see confusion from applicants and licensees filing a renewal. For example, the locals have experienced applicants/licensees filing with the state only and not the local authority.
 - (b) The LLA representatives proposed an amendment to the proposal, where the local authority would have seven days from receipt of the paperwork to forward the documents to the state. This would provide time for a local review. While the paperwork may not have full local approval at the end of those seven days, it would create a system where the state can begin its review while the locals are addressing any errors or incomplete applications. It was also suggested that the locals could provide a date by which the state could expect full local approval on the paperwork. The division was in favor of this suggestion.
 - (c) Additionally, it was suggested that the existing active license spreadsheet, located on the state's website, be expanded to include columns for the date when the paperwork was received, the agent who received it, whether a payment was made in the portal, and a notes column for any errors or incomplete information. This would help the locals be aware of any paperwork that has only been filed with one licensing authority and not both.
- (3) There was additional concern expressed by the LAG members that this new proposed process would create confusion for licensees and result in different versions being submitted to different authorities, documentation being missed, et cetera. Some group members also stated they feel a lack of visibility on where their application/paperwork is in the process and that they don't have the capacity to keep following up on the status.
 - (a) There was a suggestion that a new application process could operate differently from a renewal application process. Some group members felt that renewals could be handled via a simultaneous filing process but new applications cannot.
- (4) The division clarified a point of confusion among the group members, that filing a renewal with the local licensing authority

is filing a renewal with the state. However, new applications and transfer applications do not operate the same way under the statute. The division has noticed an issue with transfer applications specifically - temporary permits are issued at the local level, but the state doesn't receive the application until the temporary permit is expiring. This puts considerable pressure on the licensing staff to issue the permanent license before the temporary permit expires.

- (5) The division and LAG members noted some communication issues with the overall process. For example, in the first instance of a licensee filing a late renewal, the state does not always charge the associated fee. However, the local licensing authorities have been telling licensees that they must submit payment for the fee to the state. This requires the state to then refund the money.
- (6) Following this robust discussion, the division and LAG members agreed to send Proposal 11 back to the Licensing subgroup for further discussion. The division requested that as many local licensing authority representatives as possible attend the meeting to participate in the discussion.

b) Public Comment

(1) Holly Coulehan, *Fort Collins City Attorney's Office*

- (a) Ms. Coulehan expressed that she sees some logistical issues with the proposal as it is currently written. In her experience, there are "almost always" errors on new applications that require the clerk to follow up with the applicant. Ms. Coulehan questioned if applicants and licensees would have to reach out to local and state licensing authorities simultaneously to correct these errors.
- (b) Ms. Coulehan also noted that during the last local authority meeting, two applicants required amendments "up and through the hearing" and that these changes were required before the local licensing authority could sign off on the license. Ms. Coulehan's concern is that, in such instances, the applications submitted to the division would be different, incomplete, and incorrect without the corrections received at the local level. On the other hand, paperwork coming from the local licensing authority to the state would have been fully approved at the local level without requiring further amendments.
- (c) Ms. Coulehan posed the possibility of an online portal through which the state could acknowledge receipt of an application and would also allow an applicant to view

where their application is on the state level. Essentially, the portal would keep an applicant informed as to when the paperwork has been approved at the local level, when it has been sent to and received by the state, and what stage the application is at in the review process.

- (d) Finally, Ms. Coulehan stated that there have been some questions from applicants during the hearings as to how long it will take for their application to be reviewed and approved by the state. The portal, as envisioned, would provide more transparency about the overall process. Ms. Coulehan didn't think there would necessarily be a "consistent timeline" but that the portal could give applicants a little more information about which stage their application is at and how much longer it will take.

(2) Ryan Wallace, *The Publick House Corporation*

- (a) Mr. Wallace remarked that he has three tavern licenses and is in favor of this proposal or something similar. One of his licenses was one of those mentioned by the division, where the license was issued by the state, held by the locals. By the time his business opened, the license was already up for renewal. As a result, he lost most of the time during which his license was active and had to pay again.
- (b) Mr. Wallace agreed that more transparency would be helpful however, he doesn't think the process under this proposal would be confusing. He stated that the "entire application process" is confusing during the first time, and after that, it's more straightforward. He did acknowledge the perspective of local clerks and admitted that after ten years, he still makes mistakes.

(3) Mollie Steinemann, *Colorado Municipal League*

- (a) Ms. Steinemann expressed her appreciation for the comments made by the local licensing authority representatives in the LAG because they know it "would probably not achieve the goal at hand." Ms. Steinemann stated she is grateful to the division for the stated goals of streamlining the process; however, there is "essentially unanimous consensus" across the state from the local clerks that this is not the route to take. There would be increased workload due to duplication of efforts, and Ms. Steinemann believes that it would be more confusing for licensees.
- (b) Ms. Steinemann stated the Colorado Municipal League is more than happy to engage in conversation as to how

to improve the current processes, but that it does not support the proposal as written.

- (4) Adam Stapen, *Dill Dill Carr Stonbraker & Hutchings, P.C.*
- (a) Mr. Stapen stated that everything the division and local licensing authorities have said is true, and that both have their valid points. From his perspective, he regularly tries to figure out which license needs to be issued, the timing associated with issuing the license, and coordinating between the locals and state. At first glance, Mr. Stapen stated he is in support of the proposal as written and is also in support of a compromise. Mr. Stapen supported the idea of the state receiving the application by a predetermined date, and that any amendments made to said application (including any made up to and through the local hearing) would be passed along to the state. He stated there needs to be a timeline that all parties can understand and adhere to, including when the state will receive the application and by when the state will have reviewed the application.
 - (b) Mr. Stapen acknowledged that he has had conversations with the division when applications have not been received by the state in a timely manner, and he firmly believes that something needs to happen and should be in statute so that everyone understands the timing for the transfer of documents. Additionally, Mr. Stapen expressed there is a need to recognize the “heavy lifting” that the locals do, the relationship they have with licensees, and that the state needs to do its job and have time to do so. All these moving parts impact the industry.
 - (c) In conclusion, Mr. Stapen stated he supported a change to the statute that would accommodate the compromise and help industry, locals, and the state all work together simultaneously with an understanding of how the documents are being transferred through the system.
- (5) Sarah Walters, City Clerk
- (a) Ms. Walters stated that, as a city clerk with 180+ licensees, about twenty-five percent of the renewal applications have errors (e.g., an unchecked box, a box checked incorrectly, et cetera) She feels it is more streamlined for the licensee to deal with one entity rather than two when they need to make corrections. Ms. Walters feels that everything should go through the local

licensing authority, then the paperwork is forwarded to the state.

- (b) Ms. Walters agreed that there needs to be a quicker turnaround, especially with jurisdictions that hold onto paperwork “too long” and supported the suggested 7-day turnaround. Ms. Walters feels that paperwork should go through the local level first because locals know who needs to have a sidewalk service permit, a takeout/delivery permit, et cetera. The locals look at these applicants very closely to make sure applicants are paying the right amount and checking the right boxes.

(6) Nick Hoover, *Colorado Restaurant Association*

- (a) Mr. Hoover echoed the statements made by Mr. Stapen and commented that the Colorado Restaurant Association would adamantly support any change, whether it is this proposal or a modified proposal. It would help reduce application times and renewal times across the state. Mr. Hoover thanked everyone for their effort and expressed the hope that a solution could be found that will make this quicker and simpler for businesses across the state.

(7) Cory Tipton, *The Tipton Law Firm, P.C.*

- (a) Ms. Tipton also echoed Mr. Stapen’s remarks. As another liquor attorney who handles this “all day, every day,” she stated that there needs to be streamlining in the process. She emphasized that her remarks are not meant to disrespect any local authority representatives attending the meeting, just that there are plenty of local jurisdictions that do not complete the process in a timely fashion.

- (b) Ms. Tipton commented that, with some of these jurisdictions, interfacing with the state may not be as polished because the clerks aren’t as experienced with the process. She expressed her support for the proposal, acknowledging that there are plenty who feel pressure from the industry side and from the client side.

- (8) No additional public comment was offered on this discussion. If the public wishes to put forward additional comments or input, they may email the division at dor_led_rulemaking@state.co.us.

2. Topic Discussion: Amendment to 44-3-301(2)(b), C.R.S., removing the reference to “new tavern and retail liquor stores” on state-owned property and expanding language to include all retail liquor licenses on the property

a) Overview of Discussion

- (1) A correction was made to the [Subgroup Proposed Topics for](#)

Voting document after it was transmitted to the LAG members and the public: the reference to 44-3-301(2)(b), C.R.S. was for discussion purposes only.

- (a) The division was contacted by a local licensing authority regarding a specific license for a state-owned property. The license in question did not fall under the current statutory language of “new tavern and retail liquor stores.” Initially, the division planned to remove that language and open it up to all retail liquor licenses. However, upon further review, it was noted that the statutory language also references “undue concentration.” The division doesn’t want to add undue concentration limitations to all retail license types.
 - (b) The new proposal is to create a new section within the statute that will give local licensing authorities the ability to say they don’t want to be the authority on state-owned property and delegate the authority to the state instead. This would be a choice that the local licensing authority could make.
 - (c) Previous LED directors felt that this was clear in the statute but Director Stone-Principato doesn’t feel that it is. The new statute would make it clear as to when the state can take authority over licenses on these state-owned properties.
- (2) There was a brief discussion to clarify the overall impact of this change. For example: the division stated that if there is an application to establish a brew pub on a university campus located on state-owned property, the local licensing authority could not delegate authority over the license to the state with the way the statute is currently written. The division would like clarity in the statutory language to let locals know exactly when they can delegate their authority over licenses on state-owned property.
- b) Motion
 - (1) Motion to move this recommendation to a vote made by Colleen Norton. Motion seconded by Don Strasburg.
 - c) Public Comment
 - (1) No public comment was offered on this discussion. If the public wishes to put forward additional comments or input, they may email the division at dor_led_rulemaking@state.co.us.
 - d) Vote
 - (1) The motion passed with no dissenting votes recorded.
3. Proposal 13: Amendment to 44-3-303(1)(b), C.R.S., removing the specific reference to “husband and wife” and updating the language to coincide with EDI standards and the current law.
- a) Overview of Discussion
 - (1) This proposal was to amend some of the language in this statute to coincide with current EDI standards. There is no

recommended language put forth under the proposal. The General Assembly will be tasked with crafting specific language to meet EDI standards and the current law.

- b) Motion
 - (1) Motion to move this proposal to a vote made by Dana Faulk Query. Motion seconded by Andryn Arithson.
 - c) Public Comment
 - (1) No public comment was offered on this discussion. If the public wishes to put forward additional comments or input, they may email the division at dor_led_rulemaking@state.co.us.
 - d) Vote
 - (1) The motion passed with no dissenting votes recorded.
4. Proposal 14: Update the online renewal process to incorporate a list of documents that do not need to be resubmitted (as part of the renewal) unless the information has changed. ([proposal](#) submitted by Andryn Arithson)
- a) Overview of Discussion
 - (1) This proposal came out of prior discussions around moving forward with an online system that would create a more fluid process and benefit both licensees and licensing authorities in the long term.
 - (2) Executive Director Ferrandino expressed his appreciation for the proposals put forth by the group members and stated that last year, the state went to the legislature to ask for funds to redo the current licensing and case management system. The state asked for 1 million dollars last year and this year will ask for 9 million dollars for a total of 10 million dollars of funding for this project. The goal is to make the system simpler and more transparent, with the ability to report better and display more online. Ideally, the system would also include an option for two-year renewals and have a checkbox function to renew licenses, similar to the model used for renewing car registration. Overall, the concepts outlined in this proposal and Proposal 15 are aligned with the direction the department would like to go and it's a matter of determining whether this is feasible.
 - (3) There was brief discussion about how to navigate and/or align this proposed system with local licensing authorities who may not have the money or resources to establish their own online platform. This was also discussed during the subgroup meeting and identified as an issue that could prevent the system from being completely fluid. The group members expressed the hope that a solution for this would be factored into the new system as it is developed.
 - (a) It was noted by LLA representatives that the locals don't necessarily need to be completely in line with the state

system. Alternatively, the new state system could have a notification system in place to notify the local licensing authority via email when an application has been submitted. This would keep the locals informed, especially if the applicant only filed with the state and not with the local licensing authority. It was suggested that the locals wouldn't need to be on the same technological plane if the state system has a built-in mechanism to automatically notify the locals.

b) Motion

(1) Motion to move this proposal (as a whole) to a vote made by Don Strasburg. Motion seconded by Colleen Norton.

c) Public Comment

(1) No public comment was offered on this discussion. If the public wishes to put forward additional comments or input, they may email the division at dor_led_rulemaking@state.co.us.

d) Vote

(1) The motion passed with no dissenting votes recorded.

5. Proposal 15: Two-year renewal plan for licensees in good standing with the local and state licensing authorities. This will still require a yearly payment each year. ([proposal](#) submitted by Colleen Norton)

a) Overview of Discussion

(1) There was robust discussion around the elements of this proposal, including but not limited to the following:

(a) Some group members expressed that requiring annual payments was a burden and asked if the renewal fee could be portioned out every year by the division. The division explained that it cannot hold onto funds and doing so would be over the 16.5% threshold.

(b) It was clarified that nothing in the proposal would prevent a local licensing authority from imposing other penalties (e.g., fine in lieu, suspension/revocation, etc.) for a violation. Rather, reverting the licensee back to an annual renewal could be used as a form of consequence in line with other options, such as a fine in lieu or revocation. This would be another level that the locals could use for a lesser infraction if they felt holding a licensee accountable to an annual renewal would help address any issues.

(c) Eligible licensees would receive renewal paperwork every two years. The renewal paperwork, as currently required under statute, would be sent out 90 days prior to the expiration date. Licensees would receive a separate notification for the invoicing of that year's licensing fee.

There would likely be some variation in how the local licensing authorities would handle this process.

- (d) One group member asked how this process would apply, if at all, to licensees who have to submit a new lease every year for their business. The division stated that if something changes in relation to the license, such as a new lease, the licensee would have to use an annual renewal plan. If nothing changes in regard to the license, the licensee could participate in the two-year renewal plan, provided they remain in good standing with both local and state licensing authorities.
- (e) Another group member asked what would constitute a change in the license that would require an annual renewal. Specifically, would gaining interest in a new liquor license warrant a change and therefore a new application? The division stated that it would have to discuss what changes need to be reported to the local and/or state licensing authority. However, the division feels this could be set in rule and doesn't need to be in statute.
 - (i) Additionally, an LLA representative suggested adding a checkbox to the "off year" invoice, asking if any changes to the license have occurred. If there have been changes, the licensee could submit answers to questions on the form rather than filing new paperwork. The LLA representative did not feel that these kinds of changes, as suggested by the above example, would prevent a licensee from participating in the two-year renewal plan.

b) Public Comment

(1) Sarah Walters, City Clerk

- (a) Ms. Walters asked, in light of the recent increase in renewal fees, if the fees would keep increasing to keep the division's budget, even though the fees would be "split" under this proposal.
 - (i) The division stated that it is not going to a biennial budget and that the budget will remain yearly unless a solution is found through the legislative process. In the first year, the licensee will supply the paperwork and the fee as it is set during that year. If the division increases the fee during the second year (the "off year"), the

licensee would need to pay that increased fee amount.

(2) Lee McRae, *City Clerks Office, City of Colorado Spring*

(a) Mr. McRae commented on a specific section of the proposal that states, “Application fee and renewal fees would be split with the first application and renewal fees being paid to both state and local authorities upon filing and the second renewal fee (*no application fee*) paid 12 months later...” [emphasis added]

(b) Mr. McRae stated he wants to make sure everyone is thinking through the idea of no application fee during the second year and how that could reflect on the local and state budgets. For example, a local licensing authority only receives \$3.75 for an FMB-type license and still must process the payment just like the state. He suggested that the group reconsider the idea of not having an application fee for the second year of this plan.

(i) Ms. Norton stated that she initially wrote the proposal language this way because no applications would be processed, therefore it wouldn’t be an “application fee.” In light of Mr. McRae’s comment, Ms. Norton suggested renaming this as a processing fee for the second year. The division supported this, as there are still costs and time associated with the two-year renewal process.

(ii) The proposal was amended to have “no application fee” struck from the language.

(3) No additional public comment was offered on this discussion. If the public wishes to put forward additional comments or input, they may email the division at dor_led_rulemaking@state.co.us.

c) Motion

(1) Motion to move this proposal to a vote made by Don Strasburg. Motion seconded by Andryn Arithson.

d) Vote

(1) The motion passed with no dissenting votes recorded.

VI. Regulation of Retail Operations Subgroup Report and Topic Discussion

A. Review [meeting minutes from June 15, 2023](#).

1. The proxy representing *MADD* requested that the wording on page 5, Paragraph (3) be amended to read “drunk driving crash”. The minutes were amended accordingly.

B. Adoption of meeting minutes by the LAG members in attendance at the meeting.

1. Motion to adopt the minutes made by Dana Faulk Query. Motion seconded by Veronica Ramos.
 2. Minutes adopted.
- C. Review subgroup discussion from the June meeting (presented by Dana Faulk Query).
1. It was noted that the subgroup had a robust discussion around preventing underage drinking, especially regarding individuals who were using fake IDs. During that conversation, the subgroup members noted that there wasn't an easy solution to this issue, but there was a lot of "appetite" to find solutions.
- D. Topic Discussion: Measures to promote public safety by preventing underage drinking and reducing alcohol abuse and engagement of law enforcement.
1. Overview of Discussion
 - a) The *MADD* representative noted that the location of alcoholic products in stores is an ongoing item of interest. It was noted that some stores are approaching this issue differently, but there have been reported instances where underage consumers can walk in and out with alcohol. The division noted that this is being addressed in the Liquor Rules Working Group discussions, as the division didn't feel it was practical to put this in statute. Putting regulations around this issue in rule allows for quick adjustments as needed.
 - b) It was noted that individuals who are recovering from alcoholism have expressed a desire for expanded options in places that serve liquor. For example, could there be an initiative to provide mocktails and coffee options to be more welcoming?
 - (1) One member of the group commented that some businesses have indicated that there is a large nonalcoholic option in their establishment. The group member requested that the group overall not overregulate and put parameters around what businesses can do; the more the regulations are made "unwieldy" the more they can hurt small businesses.
 - c) Another member of the group noted that there have been some issues among off-premises retailers in relation to the expansion of wine in grocery stores and asked if a proposal could be submitted on how to address this. The division stated that a proposal could be submitted to the division at dor_led_rulemaking@state.co.us.
 2. Public Comment
 - a) No public comment was offered on this discussion. If the public wishes to put forward additional comments or input, they may email the division at dor_led_rulemaking@state.co.us.

VII. General Public Comment

- A. No public comment was offered during this time slot. If the public wishes to put forward additional comments or input on any of the topics or proposals discussed during the meeting, they may email the division at dor_led_rulemaking@state.co.us.

VIII. Action Items

- A. Proposal 11 will be reviewed by the Licensing Subgroup during the July meeting for further discussion. Representatives of local licensing authorities are invited to attend and participate in the conversation.

The next Liquor Advisory Group will be held on August 3, 2023 from 9:00 a.m. to 12:00 p.m. The meeting will be in-person at 1707 Cole Boulevard, Suite 300, Lakewood , Colorado with a virtual option for those who cannot attend in person.

July subgroup meetings:

Marketplace Structure: July 20, 2023 from 8:30 a.m. to 10:30 a.m.

Regulation of Retail Operations: July 20, 2023 from 11:00 a.m. to 1:00 p.m.

Licensing: July 27, 2023 from 1:00 p.m. to 3:00 p.m.

August subgroup meetings:

Marketplace Structure: August 17, 2023 from 8:30 a.m. to 10:30 a.m.

Regulation of Retail Operations: August 17, 2023 from 11:00 a.m. to 1:00 p.m.

Licensing: August 24, 2023 from 1:00 p.m. to 3:00 p.m.

Appendix: Voting Record

Proposal 10: Colorado Manufacturer's Sales Room Sales of Alcohol (part 1)

VOTER NAME	CO Manufacturer Sales Room Sales Part 1		
	Yes	No	N-P
Andrew Feinstein <i>Tavern/Large Dance Entertainment Venue</i>	ABSENT		
Andrew Palmquist <i>Restaurant Licensee</i>	ABSENT		
Andrew Quarm <i>National Wholesaler</i>	PROXY		
Andryn Arithson <i>Arts Licensee</i>	X		
Anne Huffsmith <i>National Vinous Manufacturer</i>	PROXY		
Bob Hunt <i>Brewery (Large)</i>	X		
Colleen Norton <i>Colorado Municipal Clerks Association</i>	X		
Dan Diebolt <i>Local Brewery (Small)</i>	X		
Dana Faulk Query <i>Restaurant Licensee</i>	X		
Dave Hayes <i>Colorado Association of Chiefs of Police</i>	X		
Don Strasburg <i>Tavern/Large Dance Entertainment Venue</i>	X		
Edward Cooper <i>Off-Premises Retailer (Medium)</i>	X		
Eric Foster <i>Hard Cider Industry</i>	ABSENT		
Erika Zierke <i>Hard Cider Industry</i>	ABSENT		
F. Seyoum Tesfaye <i>Off-Premises Retailer (Small)</i>	ABSENT		
Fran Lanzer <i>MADD</i>	PROXY		
Fuad Jezzini <i>Wholesaler (Vinous/Spirituous)</i>	X		
Gonazlo Mirich	X		

<i>Minority Owned Off-Premises Retailer</i>			
Jim Shpall <i>Off-Premises Retailer (Medium)</i>	X		
Joseph Dirnberger <i>Colorado State Patrol</i>	ABSENT		
Joseph Durso <i>National Spirituous Manufacturer</i>	X		
Juliann Adams <i>Local Vinous Manufacturer</i>	X		
Kris Staaf <i>Off-Premises Retailer (Large)</i>	X		
Loren Furman <i>Downtown Partnership/Chamber of Commerce</i>	X		
Marc Snowden <i>County Sheriffs of Colorado</i>	X		
Sara Siedsma <i>Off-Premises Retailer (Large)</i>	ABSENT FROM VOTE		
Sarah Morgan <i>Restaurant Licensee</i>	X		
Stephen Gould <i>Local Spirituous Manufacturer</i>	X		
Tara Olson <i>Colorado Municipal League</i>	X		
Veronica Ramos <i>Minority Owned On-Premises Retailer</i>	X		
W.J. Haskins <i>Law Enforcement Representative</i>	X		
Yetta Vorobik <i>Wholesaler (Malt)</i>	PROXY		
Vacant <i>Colorado County Inc.</i>			

Proposal 10: Colorado Manufacturer's Sales Room Sales of Alcohol (part 2)

VOTER NAME	CO Manufacturer Sales Room Sales		
	Part 2		
	Yes	No	N-P
Andrew Feinstein <i>Tavern/Large Dance Entertainment Venue</i>		ABSENT	
Andrew Palmquist <i>Restaurant Licensee</i>		ABSENT	
Andrew Quarm <i>National Wholesaler</i>		PROXY	
Andryn Arithson <i>Arts Licensee</i>	X		
Anne Huffsmith <i>National Vinous Manufacturer</i>		PROXY	
Bob Hunt <i>Brewery (Large)</i>	X		
Colleen Norton <i>Colorado Municipal Clerks Association</i>	X		
Dan Diebolt <i>Local Brewery (Small)</i>	X		
Dana Faulk Query <i>Restaurant Licensee</i>			X
Dave Hayes <i>Colorado Association of Chiefs of Police</i>	X		
Don Strasburg <i>Tavern/Large Dance Entertainment Venue</i>	X		
Edward Cooper <i>Off-Premises Retailer (Medium)</i>	X		
Eric Foster <i>Hard Cider Industry</i>		ABSENT	
Erika Zierke <i>Hard Cider Industry</i>		ABSENT	
F. Seyoum Tesfaye <i>Off-Premises Retailer (Small)</i>		ABSENT	
Fran Lanzer <i>MADD</i>		PROXY	
Fuad Jezzini <i>Wholesaler (Vinous/Spirituous)</i>	X		
Gonazlo Mirich <i>Minority Owned Off-Premises Retailer</i>	X		
Jim Shpall <i>Off-Premises Retailer (Medium)</i>	X		

Joseph Dirnberger <i>Colorado State Patrol</i>	ABSENT		
Joseph Durso <i>National Spirituous Manufacturer</i>	X		
Juliann Adams <i>Local Vinous Manufacturer</i>	X		
Kris Staaf <i>Off-Premises Retailer (Large)</i>	X		
Loren Furman <i>Downtown Partnership/Chamber of Commerce</i>	X		
Marc Snowden <i>County Sheriffs of Colorado</i>	X		
Sara Siedsma <i>Off-Premises Retailer (Large)</i>	ABSENT FROM VOTE		
Sarah Morgan <i>Restaurant Licensee</i>	X		
Stephen Gould <i>Local Spirituous Manufacturer</i>	X		
Tara Olson <i>Colorado Municipal League</i>	X		
Veronica Ramos <i>Minority Owned On-Premises Retailer</i>		X	
W.J. Haskins <i>Law Enforcement Representative</i>	X		
Yetta Vorobik <i>Wholesaler (Malt)</i>	PROXY		
Vacant <i>Colorado County Inc.</i>			