



COLORADO
Department of Revenue
Specialized Business Group—
Liquor & Tobacco

Physical Address:
1707 Cole Blvd., Ste. 300
Lakewood, CO 80401

Mailing Address:
Colorado Liquor Enforcement Division
P.O. Box 17087
Denver, CO 80217-0087

Liquor Advisory Group Licensing Subgroup
Meeting Minutes
July 27, 2023

Seat	Representative	Attendance
Restaurant Licensee	Andrew Palmquist <i>Number Thirty Eight</i>	Absent
National Wholesaler	Andrew Quarm <i>Republic National Distributing</i>	Absent
Arts Licensee	Andryn Arithson <i>Newman Center for the Performing Arts</i>	Present
Colorado Municipal Clerks Association	Colleen Norton <i>Littleton Municipal Clerk's Office</i>	Present
Colorado Association of Chiefs of Police	Chief Dave Hayes <i>Estes Park Police Department</i>	Absent
Tavern/Large Dance Entertainment Venue	Don Strasburg <i>AEG Presents</i>	Present
Local Vinous Manufacturer	Juliann Adams <i>Wines 79 Wine Barn</i>	Present
Downtown Partnership/Chamber of Commerce	Loren Forman <i>Colorado Chamber of Commerce</i>	Absent
Restaurant Licensee	Sarah Morgan <i>Martinis Bistro</i>	Absent
Colorado Municipal League	Tara Olson <i>Town of Breckenridge Clerk's Office</i>	Present

- I. Welcome and Introductions
- II. Overview of Subgroup Process and Expectations
 - A. Review the timeline of topics (see page 2 of the [agenda](#)).
 - B. Select a volunteer to provide the subgroup update at the August LAG meeting.
 1. Don Strasburg will provide an overview of the subgroup discussion at the August meeting.

- III. Proposal Discussion: Discussion regarding local licensing authority receiving new, transfer, and renewal retail liquor applications and forwarding applications to the state licensing authority within seven days.
- A. LAG Discussion regarding seven [day turnaround time proposal](#)
1. Renewals
 - a) Some members expressed that seven days would be adequate time for the local authority to review the application as it comes in, and to reach out to the licensee and correct anything that might be missing, entered incorrectly, etc. The quick seven day turnaround that would allow local licensing authorities to still have the initial face to face with the licensees that they have built a relationship with.
 - (1) A suggestion was made that, if necessary, a form letter could be sent to the state along with an incomplete application. The letter would function as a cover letter, saying, “we realize this piece is missing; we’ve reached out to the licensee and this is the date by which we expect it”. This would prevent the two agencies from reaching out to the same licensee for the same information.
 - b) Other members expressed preference for a fourteen day turnaround, especially to support clerks who are the only individual working on licensing in the office.
 2. New Applications
 - a) Concerns were raised that seven days might be enough time for a renewal application, but fourteen days or longer might be more appropriate for new applications.
 - (1) Some members felt that this can vary by jurisdiction. In some jurisdictions, nine out of ten new applications pay the extra fee for concurrent review so review is happening at both the state and local level already.
 - (2) It was clarified that the seven day suggestion was for renewal applications.
 - b) It was proposed that new applications that do not have concurrent review have a turnaround time of thirty or forty-five days.
 - (1) The Division expressed concerns that it does not see a lot of concurrent reviews at the state level. The Division receives a number of licensee emails asking the state to expedite review of their application because the locals have had the application for a number of days; however the Division has not yet received it for review. This causes unnecessary rush on the licensing team.
 - (2) The Division also expressed a willingness to change the current notification process. Division staff currently do notify the licensee that something is missing; the Division could start sending the notification letter to locals instead and the locals can still work with the licensee to get that completed.

- c) It was suggested that the same timeframe be used for both new (non-concurrent) and transfer applications to avoid unnecessary confusion.
3. Transfer Applications
- a) The Division explained they would be fine with either seven or fourteen days, the current problem is the state is just not receiving the applications in a timely manner.
 - (1) One example is transfer applications: the Division may not know when the locals have issued a temporary permit and many times doesn't get the application until the second temporary is issued or it's close to the date of expiration. If there was a way to put in law that transfer applications have to be shared with the state, for example, thirty days after issuance of that first temporary permit, at least the state can start looking at it and not be as rushed.
 - (2) The subgroup members were open to expanding the proposal to apply to transfer applications as well. It was again suggested that the Division create a form letter or cover sheet to go along with the applications so all locals are answering the same questions/providing the same information to the Division.
 - b) It was proposed that transfer applications have a turnaround time of thirty days, due to the complexity of the transfer process compared to a renewal application. It was noted this longer time frame would also give locals who have only one person working in licensing more grace than a fourteen day period would.
 - (1) It was suggested that the same timeframe be used for both new (non-concurrent) and transfer applications to avoid unnecessary confusion.

B. Public Comment

- 1. Mollie Steinemann, *Colorado Municipal League*
 - a) Ms. Steinemann encouraged the LAG to consider building in as much time as possible into these turnarounds for the local jurisdictions who simply don't have as much bandwidth as other more staffed and well-equipped jurisdictions. There are smaller municipalities whose clerk does virtually everything for their office. If these timelines are too short, the concern is that it will create a disadvantage for smaller municipalities with fewer resources. Ms. Steinemann would encourage this group to be mindful of that going forward.
- 2. Holly Coulehan, *Fort Collins City Attorney's Office*
 - a) Ms. Coulehan stated the Fort Collins clerk is actually on vacation but wanted to make sure her thoughts were known. Similar to previous commenters, Fort Collins has a single clerk handling their licensees and they have quite a few licensees. The clerk shared that about 10% of applications actually are complete with accurate answers within the proposed seven day timeframe. If that timeline is extended to fourteen or

twenty-one days, that percentage of completion jumps up to about 70%. Listening to the discussion about thirty days for the transfers, and then maybe fourteen days for other application types, it sounds like this would cause a little more confusion. If thirty days across the board could be applied for all applications to be then sent to the state, as opposed to having this fourteen for some twenty-one for others, that might be clearer.

- b) Ms. Coulehan understands why this is being discussed, making sure that complete, accurate applications are being forwarded to the state would benefit the licensees as well. Another concern they might see is, if the licensee or the applicant is contacted by the state for missing application items and the application is not yet complete at the local level, the locals will also be reaching out saying this is not complete and accurate. Now the licensee gets two directions on corrections from two different entities and perhaps only answers the state and forgets to notify the local. The locals will be left wondering why this licensee hasn't gotten back to them and still waiting for corrections to be made.
- c) Ms. Coulehan also pointed out that corrections are still being made to applications up through the hearing in front of the local [licensing] authority. This happened at her last meeting on two new applications.
 - (1) The Division asked Ms. Coulehan if the locals providing the state an application, even if incomplete, would be a problem if the locals were still the point of contact for collecting the missing information so licensees were not confused. The Division expressed this would make the Division's review much simpler once the missing information/items are received because they've already seen the application and know what they're waiting for.
 - (2) Ms. Coulehan clarified that she meant the local authority is finding errors in licensee applications up to the date of the hearing. (For example, a box is checked where it shouldn't have been and the error was missed through the whole process). She expressed that, while she was not the deputy clerk, she would think the clerk would definitely be open for communication between the state and locals.
- d) Ms. Coulehan also noted a public comment from Boulder asking that Proposals 11, 14, and 15 be postponed until the clerks have a chance to have a say from the Colorado Municipal Clerk's Association liquor workgroup. If these issues could be talked through among those clerks who have a very vested interest in this, that might be helpful. Regarding the two year renewal cycle, leases she has typically seen on applications are for one year. If the LAG proposes shifting to a two year renewal process, locals may not have that complete document showing that the licensee has ownership or control or authorization to use the property they're on for the entirety of the renewal period.

- (1) The Division noted that if a licensee had a new lease become active, for example, during the two year renewal period, they would not be eligible for the two year renewal period and would need to renew annually as they currently do.
3. The facilitator noted that the full LAG has already voted to include the two-year renewal period and exploring an online platform during the July 13th meeting.
4. Lee McRae, *City of Colorado Springs*
 - a) Mr. McRae expressed that seven days, for their jurisdiction, is way too short for renewal applications. Colorado Springs has over 1000 licensees, applications are received in batches, and everybody waits to the last minute. For efficiency on the local side, more than seven days are needed so there is not a situation where one person is just solely doing renewals. fourteen days plus would be great, thirty days for incomplete applications.
 - b) Mr. McRae also cautioned that if this gets a change in statute, where it's a seven- or thirty-day turnaround, there needs to be some sort of escape clause for good cause. Otherwise, this might inadvertently set up a local authority to create a statutory violation. There are going to be one-off cases where transmission to the state is not going to happen within seven, fourteen, or thirty days; the locals just need to have some relief valve there.
 - (1) The Division agreed that a relief valve would be necessary and that the intent is not to put the locals in a spot where something unexpected happens and they aren't able to meet that expectation.
5. Adam Stapen, *Dill Dill Carr Stonbraker & Hutchings, P.C.*
 - a) Mr. Stapen clarified that his comments at the last meeting were not to impose any kind of liability or wrongdoing on behalf of any party and he agrees with Mr. McRae that good cause should be included.
 - b) Mr. Stapen also expressed that modifications of premises also should be included in this discussion. Modifications are another big one that affects the industry on a daily basis, where modifications are either processed administratively or some go to public hearing, if there are material modifications. From the licensee's point of view, the timing of these modification approvals is crucial, they file it to have an opening date and typically these applications also tend to get stuck in the wheels.
6. Marisa Stoller, *City of Pueblo & Colorado Municipal Clerks Assn Liquor Workgroup*
 - a) Ms. Stoller expressed agreement with previous statements. For her own municipality, incomplete applications are already sent to LED - she kept having applicants whose payments were rejected in the payment portal because LED didn't have anything on file for them, especially for new applications. The municipality had previously discussed with Director Stone-Principato ways to prevent that, and that seems to be working

pretty well. When those incomplete applications are submitted, a cover sheet is put on it similar to the kind discussed by the subgroup members. The cover sheet says, “we're aware that these items are missing and the local authority approval is also missing.” A lot of times, however, the municipality still then gets letters that are also sent to the licensee that say, “Hey, these items are missing.”

- b) Ms. Stoller also expressed appreciation that this conversation was happening, as she does think that these concerns are the linchpin of what makes the local authorities generally nervous about sending incomplete applications to the state. Locals have also had a number [of applications] that have gotten submitted and approved without the local authority approval at times.
- c) Ms. Stoller echoes some of Fort Collins’ concerns and can think of a lot of good cause items that would cause delays. For example, their municipality routes renewal applications through sales, tax and finance to make sure they are all paid up with the city before their application moves forward. If an applicant hasn’t paid sales tax in three quarters, sometimes it takes a little while to get that money together and paid. That would not necessarily occur fast enough for a fourteen day cycle for a renewal.
- d) Ms. Stoller also noted, on behalf of other smaller municipalities, that a lot of them don't have the ability to administratively approve renewals. These municipalities still have to get applications approved through their local authority, be that trustees or liquor board, and oftentimes those meetings are once every two weeks or even once a month. That timing could be problematic for them to comply with a fourteen day renewal turnaround.
- e) Ms. Stoller additionally expressed concerns about the potential for duplicative work for clerks having to upload applications twice, once an incomplete one and then the second time for when it does have that local approval. Creating some sort of form that was common and easy to fill out might be easier for all to read exactly what is missing. Ms. Stoller also wondered, if a time limit is going to be placed on local municipalities, if a time limit will also be placed on when locals can expect to get those applications back from the state. LED has had staffing issues stemming from COVID, but if these limits are put on local municipalities it would be reasonable to expect some sort of back and forth in return.

7. Robin Eaton, *City of Wheat Ridge*

- a) Mr. Eaton expressed that he is one of those jurisdictions that is a one person crew. A seven day turnaround, even fourteen days, might not be possible sometimes. Similar to previous commenters, his municipality checks occupation taxes, back taxes, and makes sure they have payment plans if they are behind in those. If a hearing is required, licensees also

have to have due process, which requires posting a ten day hearing notice. fourteen days, maybe up to twenty-one days might be more practical.

- b) Mr. Eaton also questioned if this change couldn't be done in rule instead of statute. He stated rulemaking will be cheaper, quicker and easier to change if we find out it might be better to have twenty-five days, or thirty, for renewals to be sent in.
 - c) Mr. Eaton also expressed concern for increasing the workload for LED. Right now, some of the renewals that his municipality has sent are lagging two months, three months. Similar to previous commenters, he questioned if it would be possible for LED to also have a similar timeline for turnaround to locals regarding licenses. His municipality is inundated by distributors calling for the status of their license, it takes precious time out of our days to respond or give them a letter.
8. No additional public comment was put forward on this topic. Members of the public may submit comments on this issue by emailing dor_led_rulemaking@state.co.us.

C. Discussion regarding what proposal to send to the full LAG

- 1. The subgroup members agreed that it made sense to include modification of premises applications in this conversation instead of limiting it to only certain applications, as any action that's happening with a license needs to be done in a very timely manner and the information has to get to the Division sooner rather than later.
 - a) The Division agreed and suggested that the rulemaking approach suggested by Mr. Eaton might be the best way to move forward, as it would allow the local licensing authorities and the state the ability to come together as a group and further discuss appropriate timelines. The Division also reiterated that the intent of this proposal is not to put the locals or the state in a position where they are up against a timeline that they just can't meet.
 - b) Subgroup members largely supported this approach. There was discussion on whether the subgroup could see exactly what this recommendation is going to look like before voting to advance the proposal to the full LAG. It was clarified that adjustments can be made during the full LAG meeting to any suggested proposal language. Additional concerns were raised.
- 2. The Division suggested both ideas be brought to the full LAG:
 - a) Timelines for sharing applications with the state:
 - (1) Renewals - fourteen to twenty-one day turnaround
 - (2) New applications - thirty day turnaround
 - (3) Transfer applications - thirty day turnaround
 - (4) Modification of premises

- b) Ask the General Assembly to provide the Division with rulemaking authority to adjust application review timelines and procedures in collaboration with the local licensing authorities.

D. Motion

1. Motion to move both recommendations to the full LAG made by Colleen Norton. Motion seconded by Andryn Arithson.

E. Vote

1. The motion passed with no dissenting votes recorded.

IV. Topic Discussion: Festival and Special Event Proposal (submitted by Don Strasburg)

A. Overview of Proposal:

1. Currently, a festival permit allows certain on-premises retailers to pull a temporary permit to sell and serve alcohol, but licensees are restricted to nine in a twelve-month period. A special event permit allows non-profits and other eligible entities to pull temporary permits to sell and serve alcohol at an event, but these permits are restricted to fifteen days per calendar year per organization.
2. Mr. Strasburg expressed that non-profits may not be the most qualified entities to create safe alcohol service environments, and experts in service/safety like concessionaires and caterers are unable to participate in these events without navigating a complex system of financial interest and liability.
3. He proposed creating an event license that would allow an on-premises retailer the ability to pull temporary permits at offsite locations to sell and serve alcohol. Additionally, he proposes removing the limitation on the number of festivals a licensee can hold. Mr. Strasburg explained there are 40 states in the US that have some type of retail event license, and this would create a more attractive environment for event producers to do business in Colorado.
 - a) [Don Strasburg proposal](#) (as presented on July 27, 2023)
4. The Division expressed concerns about an unlimited number of festivals and noted SB23-264 was passed during the last legislative session that allows a permittee to hold nine festivals and jointly participate in another forty-three for a total of fifty-two annually.
 - a) Mr. Strasburg expressed that large event producers working events like Taste of Colorado or the Pueblo County Fair would likely exceed those limitations and that could lead to less experienced operators selling/serving alcohol at those events. There are also additional storage concerns with these large events that may not be addressed with the current festival permit.
 - b) The Division reiterated that each festival permit is issued for 72 hours and each one requires substantial review and enforcement activity to ensure public safety. Unlimited festivals would make this review significantly more challenging.
 - c) Mr. Strasburg questioned, if a large concession business like Aramark that is very qualified to do large scale events wants to do fifty-four annual events versus fifty-two, why it makes sense to limit a competent seller/server. He also noted that fifty-two may sound like a significant

number of events, but he has seven or eight concerts nightly across Colorado during the summer. There are also a significant number of non-profit events that could benefit from event producers specializing in safe alcohol service.

- (1) The Division stated that nonprofits can already apply for a Special Event Permit and reiterated that the special event permit was not designed for for-profit businesses because they have other ways to generate profits.

B. Discussion by Subgroup

1. Members expressed disagreement over whether this proposal would be beneficial to non-profit organizations. Members pointed out that, in their non-profit experience, they undertook substantial training in responsible alcohol service, food handling, etc. Additionally, non-profit organizations are limited by staffing or other resources and it is unlikely that any given non-profit will reach the fifteen event limit currently in the special event code.
 - a) It was noted that the proposal was not meant to get rid of the ability for a non-profit organization to pull a special event permit but instead to provide an alternative that would allow a trained event production business to assist with more events without having to find loopholes due to current statutory limits.
 - b) The Division expressed that, historically, before the special event permit was implemented there were event promoters that were charging significant fees, and the non-profits weren't making money. The special event license really is for those entities that want to raise money for whatever cause it is. For-profit businesses already have their ways to do that with their license, with other permits like the festival permit.
2. Clarification was requested on the current ability for licensees to do catering. The Division clarified that there is currently no license that allows catering, as this would be a mobile license that doesn't have a brick and mortar location. Serving alcohol at a wedding, for example, could be done as a private event as long as you're not charging for it. Or, an individual could go to a Hotel & Restaurant licensee and say, "I want to pay to have my wedding at your location," and then pay a fee for them to serve your alcohol. The Division expressed concerns that a catering license would be difficult to track without a physical brick-and-mortar location but expressed willingness to explore this change if the LAG would like to move in that direction.
3. Other members expressed a reluctance to create a catering license, saying the current model of private events or paying a licensee to serve alcohol at a wedding, for example, works sufficiently.

C. Public Comment

1. Andy Klosterman, *Colorado Event Alliance*
 - a) Mr. Klosterman expressed that, in California, this concept of caterers being able to do special events is very common place, especially when you're doing food service at an event. Being able to do the beverage

portion of event and making it a higher caliber is seen as a good thing. Right now, in Colorado, there's 1000s of events that are happening that the state licensing authority has no knowledge of because there's no permitting required within all of these events. If an entity wants to get really good at this sort of thing, which a caterer would, they are unable to pursue that as a business model right now in the state of Colorado.

- b) Mr. Klosterman expressed that he expanded his business into Texas a year ago and saw this massive disparity between what the catering industry and the festival industry was able to do in other states, in comparison to Colorado. When doing a larger style event, it's a bit safer to have one point of liability. One of the fears here is that there would be festivals happening all over the place all over the state [if the festival limit were removed], however you still need to go through some pretty extensive licensing procedures with fire, police, traffic, etc. Mr. Klosterman stated that he doesn't know if it should be the liquor licensing side of things that should prevent an event from taking place.
2. Jeremy Bronson, *Colorado Event Alliance* and *Occasions Catering*
- a) Mr. Bronson expressed there are ways that [catering businesses] get business done today but that doesn't mean that it's working well or that it's an effective way of trying to meet the needs of clients. One of the issues that faced on a day-to-day basis is people who've got tight budgets, and they want to be able to put on an event. Mr. Bronson stated that we're in an uncertain economic climate right now, and that, "We are consistently being presented customers who want a cash bar, and they want a cash bar because they can't afford to go to the liquor store and buy the alcohol and give it to their guests. They can pay for some food, they can pay for some service, they can pay for an inexpensive venue. But the need to be able to pay for the alcohol is something that is an impediment. In the wedding business right now, it's something that we're seeing pretty frequently. A customer could go to a venue that's got a liquor license, and you could have a cash bar but that's a solution that really narrows people's options."
 - b) Mr. Bronson also expressed that the Colorado Event Alliance came into being during the pandemic. One of the things that the Alliance is sounding the alarm about, as the state was grappling with how to regulate so many different things that it had never regulated, was the notion of private gatherings in people's houses. The governor waited until it was clear that the data was showing that that's where people were getting COVID. That's also where a lot of people are drinking, so from a public safety standpoint the idea of bringing some visibility to events that are taking place in people's homes and other private venues makes sense. There's a significant public safety benefit to correcting that, and also providing the opportunity to serve our customers in a more flexible way.

- c) Mr. Bronson also expressed that one of the challenges across the board in the events industry is the fact that there are so many individual business types that are a part of every event as compared to a hotel, where it's completely vertically integrated.

D. Additional Discussion

1. The Division suggested Mr. Strasburg look instead at creating a new catering license that achieves his goals instead of modifying the current festival and special event permit licenses.
 - a) Concerns were raised about having a stand-alone catering license and whether a licensee would be able to hold both a Hotel & Restaurant license and a catering license, for example. It was noted this was why the concept of a “rider” was proposed.
 - b) The Division pointed out that this concern could be addressed in the language of the proposal.

E. Motions

1. Remove festival permit limits.
 - a) Motion to move this recommendation to the full LAG made by Don Strasburg. No second was made for the motion. Motion failed.
2. Standalone catering license.
 - a) Motion to move this recommendation to the full LAG made by Don Strasburg. No second was made for the motion. Motion failed.
3. Catering rider.
 - a) Motion to move this recommendation to the full LAG made by Don Strasburg. No second was made for the motion. Motion failed.

V. Additional discussion item: Liquor-licensed drugstore

A. Background

1. [Comment submitted by Jim Shpall.](#)

B. LAG Discussion

1. Concerns were raised that this might be overreach into a municipality's ability, in regard to zoning and businesses, to attract new business to their cities. A liquor store being bought in a specific location, for the purpose of a liquor license drugstore to open a new location, shouldn't impede another liquor store from going into a location that's been vacated. This proposed change would not benefit municipalities and might impede economic development.
2. Further discussion was tabled due to time constraints. Discussion regarding this topic will continue at the next Licensing subgroup meeting.

The next Licensing subgroup meeting will be held virtually on August 24, 2023, from 1:00 p.m. to 3:00 p.m.