



COLORADO
Department of Revenue
 Specialized Business Group—
 Liquor & Tobacco

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Liquor Advisory Group
 Meeting Minutes
 August 3, 2023

Seat	Representative	Attendance
State Licensing Authority	Heidi Humphreys <i>Interim Executive Director, Department of Revenue</i>	Present
Arts Licensee	Andryn Arithson <i>Newman Center for the Performing Arts</i>	Absent
Colorado Association of Chiefs of Police	Chief Dave Hayes <i>Monte Vista Police Department</i>	Absent
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 by Proxy Carrie Knose Wilson
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

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>	Absent
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>	Present
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
Wholesaler (Malt)	Yetta Vorobik <i>Crooked Stave Artisan Distribution</i>	Present

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

- I. Opening Remarks, Attendance, and Agenda Review
- II. Adoption of Meeting Minutes
 - A. Adoption of meeting minutes from the [July 13, 2023 meeting](#).
 1. Motion to approve the meeting minutes made by Stephen Gould. Motion seconded by Joe Durso.
 2. No amendments were submitted to the meeting minutes.
 3. No dissenting motion towards adopting the minutes was made.
 4. 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 this month.
 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.** At this time, a draft of the final report will be available for the LAG to review.
 4. The LAG members are asked to hold **Thursday, November 2, 2023, from 9:00 a.m. to 12:00 p.m.** to address anything that needs to be finalized with the report.
 - C. Discussion of the final report:
 1. Some of the LAG members asked if the final report will be limited to the proposals that were adopted through a vote or if the report would include proposals that were discussed but were not moved forward and/or didn't gain consensus enough for approval. Specifically, the group members were concerned about confusing the General Assembly by including proposals that weren't moved forward.
 2. The facilitator felt that all discussed proposals should be included in the final report; however, the wording would need to be carefully chosen in order to keep the focus on the proposals that the group members wish the General Assembly to consider. This is consistent with what is set forth in the [Liquor Advisory Group Charter](#).
 3. The facilitators decided to discuss this further with the division before reaching a final decision on how to draft the final report. The decision will be brought back to the group during the September 14th meeting.
- IV. Marketplace Structure Subgroup Report and Topic Discussion
 - A. Review [meeting minutes from July 20, 2023](#).
 - B. Adoption of meeting minutes by the LAG members in attendance at the meeting.

1. Motion to adopt the meeting minutes made by Joe Durso. Motion seconded by Fuad Jezzini.
 2. No amendments were submitted to the meeting minutes.
 3. No dissenting motion towards adopting the minutes was made.
 4. Meeting minutes adopted.
- C. Review subgroup discussion from the July subgroup meeting (presented by Anne Huffsmith).
- D. Review possible [soft proposals](#) discussed during the subgroup meeting.
1. Proposal 18: Remove the prohibition on wine and spirits wholesalers obtaining an importer's license
 - a) Overview of Discussion
 - (1) There was a question regarding the number of existing licensed wine and spirits importers in Colorado, and with that, how much revenue the importer's license fee generates for the division. The division estimated that there are currently a few hundred licensed wine and spirits importers in Colorado. The division didn't have an estimated amount of revenue from the license fees but stated that it would provide such information to the group members if requested.
 - (2) There was no additional discussion on this proposal.
 - b) Public Comment
 - (1) No public comment was submitted on this proposal. If any member of the public wishes to submit input on this proposal, 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 Jim Shpall. Motion seconded by Yetta Vorobik.
 - d) Vote
 - (1) The motion passed with no dissenting votes recorded. No group members abstained from the vote.
 2. Proposal 19: Credit terms for Liquor-Licensed Drugstores
 - a) Overview of Discussion
 - (1) The group members asked for confirmation that this proposal was not to change the credit terms from Cash On Delivery (COD) for liquor-licensed drugstores (LLDS) but rather to propose a one-day administrative grace period. The division confirmed this and added that this proposal is intended to allow for electronic payments to be processed at a different time (e.g., the day after payment is provided). The proposal does not give extra time for payment.
 - (2) There was no additional discussion on this proposal.
 - b) Public Comment

- (1) No public comment was submitted on this proposal. If any member of the public wishes to submit input on this proposal, 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 Fuad Jezzini. Motion seconded by Joe Durso.
 - d) Vote
 - (1) The motion passed with no dissenting votes recorded. No group members abstained from the vote.
- V. Licensing Subgroup Report and Topic Discussion
- A. Review [meeting minutes from July 27, 2023](#).
 - B. Adoption of meeting minutes by the LAG members in attendance at the meeting.
 1. Motion to adopt the meeting minutes made by Colleen Norton. Motion seconded by Tara Olson.
 2. No amendments were submitted to the meeting minutes.
 3. No dissenting motion towards adopting the minutes was made.
 4. Meeting minutes adopted.
 - C. Review subgroup discussion during the July subgroup meeting (presented by Renny Fagan).
 - D. Review possible [soft proposals](#) discussed during the subgroup meeting.
 1. Proposal 20(b): Division rulemaking authority for application review timelines and process
 - a) Background
 - (1) This proposal was initially discussed during the July 13th meeting; after receiving feedback from local licensing partners, the LAG members requested that the proposal be sent back to the Licensing subgroup for further discussion and development.
 - (2) During the subgroup meeting, considerable input was received from local licensing authorities on the proposal, which aided in the subgroup amending, clarifying, and developing the proposal further.
 - (3) The division emphasized that this proposal does not seek to remove local control or the locals' ability to sign off on a license. The purpose is to try and find ways to exchange information in a smoother fashion so that we can get licenses and/or renewals issued to parties that are waiting so that there isn't confusion about whether a license is expired or, for example, if a retailer can get a delivery from a wholesaler. The division would like to create a collaborative solution with the local licensing authorities so that the customer is receiving the best service possible.
 - (4) The division also stated that the state would not sign off on the license until it received local authority. While acknowledging that errors have been made in the past by new licensing techs, the division stated that these licenses are usually sent to the local

clerk. Consequently, the division felt the license would be easily held and not issued to the licensee until the locals felt it was appropriate to do so.

- (5) In summary, the division stated that this proposal seeks to put into the relevant statutes the ability for the division to have rulemaking authority. This would allow the division to work more collaboratively with its local partners to establish guidelines. For example, the division envisioned sending out a survey to all local partners to receive their respective input and then holding a meeting during the 2024 summer rulemaking session. If the division does not find any majority agreement from the survey, the division would postpone the meeting until the following year. The overall hope is for the division and local licensing authorities to find a collaborative piece in order to provide the best service to liquor licensees.

b) Overview of Discussion

- (1) Ms. Colleen Norton stated that she has received thoughts and concerns regarding this proposal over the last couple of weeks from various local licensing authorities. Ms. Norton shared these concerns with the other LAG members:

- (a) If local jurisdictions are going to be held to these proposed, potentially statutory timelines, is there any accountability for the division to be held to something similar?
- (b) Whether the local clerks receive renewal paperwork from a licensee early or late (i.e., right before their license expires), they expressed that “there is still a pretty serious lag time” at the state level.
- (c) If the proposed turnaround times are going to be statutory timelines, what will be the repercussions for local jurisdictions if they do not meet these timelines? For example, under 44-3-302(b), C.R.S., licensees must submit renewal applications to the locals 45 days, and to the state 30 days, before the expiration date. Other than a late fee if the licensee fails to submit the paperwork prior to the expiration date, there are no penalties. Would this proposal treat the process similarly, or would additional penalties be imposed?
- (d) In response to the division’s comment about licenses being issued by the state without local approval, it was stated that this has been the case, and in some instances, the licenses were not sent to the local licensing authority but to the licensee. In one specific instance, it was shared that multiple licenses with different expiration dates

were sent to a licensee by the state. The locals would like to know how/if applications are being assigned once they come to the division. Specifically, do applications have a specific agent assigned to the review, with whom the locals could then communicate any issues or concerns?

(i) To this point, Ms. Norton mentioned that she previously suggested adding columns to the state's existing online spreadsheet that showed when the application was received, who it was received by, and the agent assigned to its review. This would allow the locals to have a point of contact if they have any questions about the paperwork.

(e) There was additional concern about how much feedback and/or any concerns submitted by the local licensing authorities would be taken into consideration if the division has rulemaking abilities.

(i) Ms. Norton noted that this specific concern was addressed in the [State and Local Proposal Update](#) letter sent out by the division on August 2, 2023.

(f) Finally, Ms. Norton commented that, if this proposal is simply a recommendation to fix an issue right now, perhaps it might be better addressed via a division memo or bulletin with a trial period to see if the issue improves. If no improvement was noted, Ms. Norton suggested that the proposal be readdressed during the following year.

c) Public Comment

(1) Angie VanSchoick, *Town of Silverthorne*

(a) Ms. VanSchoick commented that of the forty-one licensees that she currently has, there were nine in the past year that took "multiple months" to get renewals issued by the state. As a result, Ms. VanSchoick stated, by the time the renewal was received, the license had expired. The Town of Silverthorne has the authority through local ordinances to process renewals administratively, so they do not have a liquor board.

(b) Ms. VanSchoick also stated that she is giving these to the state within less than a week [from the time of receipt] and that she felt the delay was on the state side in terms of getting licenses out, and that she had issued letters of good standing for the licensees.

(c) Ms. VanSchoick further commented that she is okay with the turnover timelines proposed, but she is personally seeing the delay happen on the state side, not the locals.

(2) Marisa Stoller, *City of Pueblo*

(a) Ms. Stoller noted that there are currently 275 liquor licenses in Pueblo and that she wanted to echo the earlier opinion that this is a limited issue with a limited number of clerks. Ms. Stoller added that she has seen increased efforts from the division regarding outreach to the clerks (e.g., sending out information, sending bulletins, meeting with clerks). However, because this is a limited issue, Ms. Stoller stated that she would rather see the LED have a specific outreach to clerks where the issue is, rather than rulemaking over all clerks when most are sending paperwork to the division in a timely fashion.

(b) Ms. Stoller stated that clerks want the process to be faster, and if the locals can do anything to support the state in getting a comprehensive online system that would allow both authorities to receive and review applications/renewals at the same time, she felt they would be happy to do so. Ms. Stoller did add that she understands money could be an issue with the state getting this system.

(c) Ms. Stoller shared some of the experiences that she has had with the state, such as:

(i) Clerks send in requests for information to the designated email address and receive no response. Consequently, they reach out to other email addresses trying to get the information.

(ii) There have been specific instances where items were uploaded to MoveIt, and when the clerks reach out to the state to inquire about the status, they are told the paperwork was never received. This requires the clerks to upload the paperwork again with the original “proof of upload” email with the initial submission date.

(iii) Ms. Stoller stated that she feels this could create duplicative work for smaller jurisdictions to track what has been previously uploaded to the state system.

(d) In conclusion, Ms. Stoller expressed appreciation that the division is considering putting a turnaround deadline on themselves; however, this is a complicated matter that requires further discussion and “jumping into

rulemaking” is not the way to go. Ms. Stoller added that many clerks are nervous about the rulemaking process because they don’t fully understand it. If there is a way to explain rulemaking better to the clerks, it would be appreciated.

(3) Tiffany O’Connell, *Town of Mt. Crested Butte*

- (a) Ms. O’Connell expressed her surprise at “how quickly this has escalated.” The committee in her jurisdiction meets with Director Stone-Principato every quarter and Ms. O’Connell stated that it “would have been nice” to have this brought up during that meeting, not in the LAG. She also added that she did not receive the letter that the division previously sent out to the clerks.
- (b) Ms. O’Connell concluded her comments by stating that if the state was going to “impose” timelines on the clerks, the state needed to do the same to itself.

(4) Julie Kamka, *City of Evans*

- (a) Ms. Kamka expressed support for the division to assign staff to received applications in order to open communication lines. She was also unaware of the division’s letter.
- (b) Additionally, Ms. Kamka agreed with previous comments that the division needed to reach out to the specific clerks with whom they are seeing these issues, because the issues are on a “limited basis.” She also stated that this needs to be discussed more before going to rulemaking.

(5) Kristen Teague, *City of Boulder*

- (a) Ms. Teague voiced her support for the comments that had already been made, but also noted that she had a “great conversation” with Director Stone-Principato regarding some of the concerns. Ms. Teague stated that she felt the information that the division has provided regarding additional information and specific parameters was very helpful.

(6) Chloe White, *Weld County*

- (a) Ms. White began her comments by stating that any issues the state is experiencing with clerks can be helped with additional training, and making rules for the collective is not the way to go. Additionally, Ms. White explained that Weld County’s process is different from other jurisdictions:
 - (i) The commissioners serve as the liquor board.

(ii) The clerks do two-week referrals to several departments, and it is not possible to complete their process within the proposed twenty-one days.

(b) Ms. White added that smaller clerks' offices would be subject to backlog if a clerk is out for any length of time and things wouldn't get done as quickly. Ms. White further expressed concerns about what kind of "enforcement" would be held against clerks if they cannot meet the deadlines.

(c) Finally, Ms. White shared some frustrations she has regarding communication with the state, specifically that she is unable to have a set point of contact available to call and therefore has to send multiple phone emails to try and get information. She expressed that the relationship between the state and locals needed to be "repaired" so that both could operate as a team again.

(7) Sterling Wilson, *City of Loveland*

(a) Mr. Wilson agreed with Ms. White's comment that the relationship between the state and locals needed to be strengthened, and whatever is done to bolster the working relationship between both parties would support communities in the long run.

(b) Regarding the specifics of the proposal, Mr. Wilson remarked that things can come up between the application being sent and receiving the state's approved license. For example, there are sometimes violations that the locals do not know about until after the fact, and while these instances are "quite rare," they do exist. Trying to "rush through" the approval process on the local side could result in violations, which could otherwise impact the local's approval decision, being missed.

d) Additional Discussion

(1) Following the public comment, the group members engaged in additional discussion around the proposal and the concerns expressed by the local clerks. The highlights of the discussion are as follows:

(a) The facilitator stated that the proposal's wording seemed "pretty clear" in terms of what its overall purpose and intent is. Additionally, it was noted that these are recommendations that the General Assembly still has to approve; any changes would not be implemented for at least another year.

- (b) The division expressed apologies for those clerks who did not receive the letter. To ensure that all clerks receive the state's communication going forward, the division asked that they make sure they are signed up for Listserv to get into the state's system. The list generated from that system is the one used to communicate with clerks across the state.
- (c) The division also clarified the rulemaking process:
 - (i) Rulemaking is not dictatorial; the groups have robust conversations, and in this instance, both the locals and state would be working together to find timelines, guidelines, and clarifications that work for everyone and ensure that everyone knows what's expected.
- (d) Additionally, the division emphasized that it is not looking at ramifications being taken against either the locals or the state for not meeting timelines; the division just wants to improve service to licensees. The division also expressed a hope that this proposal would be moved forward via a vote by the LAG in order to get the rulemaking piece into statute; this would allow guidelines to be set outside of a bulletin or letter.
- (e) There was robust discussion among the LAG members regarding the clerks' concerns. Some members expressed that the inconsistency across different local jurisdictions was "disconcerting" for them as licensees and expressed support for the opportunity to come together via rulemaking sessions to collaboratively address issues. Other members expressed concerns about addressing these issues with a widespread solution when several clerks have stated that it is specific to a small number of clerks.
- (f) Interim Executive Director Humphreys commented that the state and locals seem to have the same objective, to provide an efficient process to licensees. If this proposal offers rulemaking as a tool that can be explored toward this objective, it should be utilized. Additionally, the rulemaking process is highly collaborative and involves multiple stakeholder meetings to achieve a common objective. The state would not be looking for an outcome that provides it with ways to penalize anyone through the process; this is not the focus and doesn't move anyone towards the desired outcome.

- (i) Director Stone-Principato added that this is a “permissible act” that would have collaboration between all local parties and the state authority. A majority vote from the group would be required to move forward, and if, for example, eighty-percent of the clerks voiced their disapproval, the division wouldn’t move forward.
- (2) Mr. Fran Lanzer commented that, throughout the LAG process as a whole, the group has emphasized the need to focus on proposals that it has consensus on. The discussion around Proposal 20(b) has uncovered valuable discussion topics with some things that perhaps need to be focused on; to this end, Mr. Lanzer asked if there was language that could be added to the proposal to address the concerns of the public. Mr. Lanzer stated that he would like to see that language added before the group voted on the proposal.
 - (a) The facilitator recommended adding language to the proposal that stated, “The group shall consider process changes for both the state and local authorities.” Mr. Lanzer agreed with the amendment and stated that the change seemed to move the language in the right direction.
- (3) Some members continued to express their concerns about this being a smaller issue rather than widespread. The division stated that, from its perspective and following conversations with the state licensing manager, this is a majority problem, not limited to a few instances. The division has experienced multiple instances of addressing an emergency licensing situation during Fridays near the end of business hour, and the division would like for this to stop for both licensing staff and licensees.
 - (a) The division added that it agrees with the desire for quicker communication with the state. The intent of this proposal is to find a way where everyone can meet in a group, and if this does not occur via rulemaking, the division stated that it doesn’t know how these issues can be resolved. Director Stone-Principato expressed that she cannot meet with everyone individually and rulemaking sessions would be a great platform with scheduled meetings with stakeholders invited to attend, and for great conversations to be had.
 - (b) Interim Executive Director Humphreys agreed and added that the LAG is an opportunity that would not be had again for a while. Also, while acknowledging the

perception that this is a “narrow problem,” things change over time and counties that are “rockstars” now may not be so in the future. Interim Executive Director Humphreys expressed that she would like something more permanent to address the issues, but not until it has gone through extensive workshop, data has been pulled, and a “thoughtful” rule has been created that works for everyone and can be sustained for a long time.

e) Additional Public Comment

(1) Chloe White, *Weld County*

- (a) Ms. White provided a final comment that she felt this proposal was being considered “too early.” Ms. White agreed that the division cannot meet with all clerks individually, but one meeting where all stakeholders are involved and conversation can be had would be better.
- (b) Additionally, Ms. White stated that she has never heard concerns from her licensees and would like to hear more of these concerns from licensees, and then have clerks involved to reach a solution that “makes sense for them.” Ms. White maintained her previous comment that the timelines put forth in the proposal are not achievable and she would like to see more clerk involvement before this proposal moves forward.

- (i) A group member noted that rulemaking achieves what Ms. White is asking for, that it allows for dialog and for everything to be addressed via robust discussion with all interested parties.

- (2) No additional public comment was submitted on this proposal. If any member of the public wishes to submit input on this proposal, they may email the division at dor_led_rulemaking@state.co.us.

f) Amendment to the Proposal

- (1) The proposal was amended to state the following:

- (a) “Add statutory authority to the above-listed statutes giving the Division rulemaking authority over the timeline and process for review and transmittal between the state and local licensing authorities of all liquor new, transfer, and renewal applications, with attached state license fees. **This rulemaking process would be collaborative with a majority vote of the group. The group would consider timelines for both state and local authorities.**”

g) Motion

- (1) Motion to move this proposal to a vote made by Jim Shpall.
Motion seconded by Sara Siedsma.

h) [Vote](#)

- (1) Motion passed on a vote of 14 in support, 6 against, and 0 members abstaining from the vote.
- (2) The record reflects that this proposal did not receive consensus from the group.

VI. Regulation of Retail Operations Subgroup Report and Topic Discussion

A. Review [meeting minutes from July 20, 2023](#).

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

1. Motion to adopt the meeting minutes made by Sara Siedsma. Motion seconded by Yetta Vorobik.
2. No amendments were submitted to the meeting minutes.
3. No dissenting motion towards adopting the minutes was made.
4. Meeting minutes adopted.

C. Review subgroup discussion from the July meeting (presented by Sara Siedsma).

1. As a follow-up note to this discussion around allowing one person to register as the manager for multiple locations, Ms. Erika Zierke noted that the manager restriction has been repealed in statute.

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

1. Proposal 22: Allow the Liquor Enforcement Division to charge for investigations

a) Background

- (1) This proposal was put forward as a public safety initiative for the group to consider. Following additional input received by the LAG members and members of the public, the division has amended the original proposal to add specific language around the circumstances that would qualify for this fee, including:
 - (a) Investigations where the licensee has admitted guilt or has been found to be in violation through an administrative hearing.
 - (b) Long-term investigations, *not* routine compliance checks.
- (2) Additionally, the division clarified specific elements of the fee amount, including
 - (a) The cost of investigation would be limited to the criminal investigator's time investigating the violation and, if applicable, testifying at an administrative hearing associated with the violation.
 - (b) Cars, gas, minor operative time, and time for investigators to prepare for hearing testimony would not be included in the costs of the investigation.
- (3) The exact hourly charge and the limit that investigation fees could not exceed (i.e., fee cap) would be established by liquor stakeholder engagement via the rulemaking process.

b) Overview of Discussion

- (1) There was overall support from the group for this proposal. Additional conversation was held around instances of a licensee self-admitting a violation; the division remarked that self-reporting of a violation usually results in an Assurance of Voluntary Compliance (AVC), and while these instances do warrant an investigation to document and have the matter on record, the division doesn't feel that this fee would apply to self-admitted guilt.
- (2) The group supported additional language to the proposal that states the fee does not apply to voluntary disclosure. Mr. Fran Lanzer added that, as the group has been looking at how to support licensees who are doing the right thing and how to hold people accountable for doing the wrong thing, including this language fits into this framework.
- (3) Another group member asked how the proposed fee would relate to instances where a complaint is filed against a licensee; specifically, what level violation would warrant the kind of investigation associated with the fee. The division feels that the fee will relate to Level 3 and 4 violations, with a potential for it to apply to Level 2 violations (the division felt it needed to consider this further). The division also added that the fee could apply to a compliance check violation if there were multiple charges (e.g., sale to intoxicated person) that resulted in an encompassing investigation.

c) Public Comment

(1) Shawnee Adelson, *Colorado Brewers Guild*

- (a) Ms. Adelson noted that her previous public comments had highlighted concerns about the potential for abuse and that she appreciated the division putting more guardrails in place. However, Ms. Adelson stated that she continued to have concerns about the potential for abuse with future administrations. She said that including more clarity regarding how a "long-term investigation" would be defined versus a "routine compliance check."
- (b) Ms. Adelson also requested additional guardrails around the amount of fee that can be charged.
 - (i) The division stated that its investigators will be utilizing a time tracking system to track the hours of investigation. This information would be disclosed at the time of the administrative hearing or as proof to the involved parties as part

of a stipulation agreement. The division added language to the proposal to clarify this.

- (ii) Additionally, the division added that the licensee has the ability to challenge the reasonableness of the fee at hearing. The division expressed its willingness to engage and create a rule that makes all parties feel more comfortable and gives both licensees and the division guidelines.

- (2) No additional public comment was submitted on this proposal. If any member of the public wishes to submit input on this proposal, they may email the division at dor_led_rulemaking@state.co.us.

d) Motion

- (1) Motion to move this proposal to a vote made by Joe Durso. Motion seconded by Yetta Vorobik.

e) Amendments to Proposal

- (1) The proposal was amended with the following language:
 - (a) “Costs of investigation would be limited to the criminal investigator’s time investigating the violation and, if applicable, testifying at an administrative hearing associated with the violation. **The Division would provide time tracking.**”
 - (b) “**The licensee would have the ability to challenge the reasonableness of the fee at the administrative hearing.**”
 - (c) “**Applicable to Level 3 and Level 4 investigations.**”
 - (d) “**The investigative fee does not apply to a licensee that gives voluntary disclosure to the Division.**”

f) Vote

- (1) The motion passed with no dissenting votes recorded. No members abstained from the vote.

2. Proposal 23: Controlled substance sales on licensed premises

a) Overview of Discussion

- (1) The group members had a brief discussion around clarifying aspects of this proposal, including:
 - (a) If an owner is unaware of the sale of illegal drugs on their licensed premises, the division would not seek to immediately revoke their license. Instead, the division would seek criminal action against the employee responsible for the sale. However, if the owner has been notified of the sale and then allows the original employee or another employee to continue the sale on the premises, the owner would be considered involved and therefore liable.

(b) It was also clarified that this does not impact the pharmacy privileges of liquor-licensed drugstores.

b) Public Comment

(1) No public comment was submitted on this proposal. If any member of the public wishes to submit input on this proposal, they may email the division at [dor led rulemaking@state.co.us](mailto:dor_led_rulemaking@state.co.us).

c) Motion

(1) Motion to move this proposal to a vote made by Joe Durso. Motion seconded by Fuad Jezzini.

d) Vote

(1) The motion passed with no dissenting votes recorded. No members abstained from the vote.

3. Proposal 24: Support and incentives for responsible vendor training

a) Background

(1) Mr. Fran Lanzer provided some context around this proposal. Responsible vendor training is “one of the most effective countermeasures for preventing drunk driving and underage drinking,” and is presently incentivized under the current framework in Colorado. However, while a lot of licensees do complete the training with staff, it is not required and therefore not everyone completes it. With new license types coming online (e.g., Retail Establishment Permit replacing the Art Gallery Permit), there is a potential to see new licensees under these new license types. Ideally, MADD would like to see everyone completing this training as a preventative measure.

(2) Mr. Lanzer noted that the subgroup had a robust discussion about requiring the training across the state; however, this idea received less consensus due to noted economic challenges. Overall, the subgroup had a healthy discussion on this and the subgroup generally agreed that they wanted more people completing the training, which was how the subgroup arrived at the “increasing incentives” language in the proposal.

b) Overview of Discussion

(1) The discussion around this proposal was divided into two main topics:

(a) Clarification of existing incentives to complete responsible vendor training.

(i) Currently, if a liquor violation occurs at an establishment and retailer or employee can provide proof that they have taken responsible vendor training, this is considered a mitigating factor when considering the penalty (e.g., lowering a Level 2 violation to a Level 1 violation).

- (ii) There was some discussion about whether advertising this existing incentive to licensees might result in more licensees completing the training.
 - (b) What the language of “increasing incentives” means and how it would translate into the proposal overall.
 - (i) The division expressed some concerns about the language of “increasing incentives” being misused and placing unrealistic expectations on the division (e.g., “If we complete the responsible vendor training, the division gives us a gift card.”). The division also asked what other incentives would be proposed other than the training being considered as a mitigating factor for a violation.
 - (ii) It was noted that the subgroup did not talk about specific incentives. Rather, the intent of the proposal is to say the group recognizes that the more people can be trained, the better off the public as a whole will be. The proposal was intentionally non-specific and meant to indicate a statement of support for what the legislature might come up with.
 - c) Public Comment
 - (1) No public comment was submitted on this proposal. If any member of the public wishes to submit input on this proposal, they may email the division at dor_led_rulemaking@state.co.us.
 - d) Motion
 - (1) Motion to move this proposal to a vote made by Joe Durso. Motion seconded by Fuad Jezzini.
 - e) Vote
 - (1) The motion passed with no dissenting votes recorded. No members abstained from the vote.
4. Proposal 25: Allow restaurants to have the option for customers to bring in a bottle of wine and charge a corkage fee
- a) Overview of Discussion
 - (1) The group members had a robust discussion around the perceived pros and cons of allowing corkage fees and the potential for opening this privilege to beer and spirits as well. Highlights of the discussion included:
 - (a) Ms. Erika Zierke noted that the Tavern League is opposed to corkage fees “across the board.” Ms. Zierke stated that the League’s overall opinion is that restaurants and bars are in the business of selling alcohol

and this is a large way that they make money. Regardless of what the corkage fee is set at, the establishments are likely to lose revenue. Additionally, from a responsible service standpoint, Ms. Zierke asked how servers cut someone off from their own bottle of wine and commented that this would put servers in a difficult position.

- (i) Mr. Fran Lanzer agreed with the public safety concern of cutting someone off from their own bottle and asked if any group members had experience with this. In response, Ms. Yetta Vorobik shared her experience as a bar owner in Portland where corkage fees were allowed. Overall, Ms. Vorobik felt that customers overall limited the times they brought in their own wine to around 4 times a year, and that they were “pretty thoughtful” about consuming their wine. Ms. Vorobik felt that the customers generally wanted to share the wine with the restaurant, they were celebrating something special, or the customer thought it would pair well with the food they planned to eat.
- (b) Further, Ms. Zierke asked that the group recognize the time and energy that restaurant and bar owners put into curating an experience; when a customer brings in their own alcohol, Ms. Zierke stated that this diminishes what has been carefully curated. If people desire a specific bottle of wine that the restaurant/bar doesn’t have, they can enjoy it before or after attending the restaurant. In conclusion, Ms. Zierke commented that if the “majority” of the industry feels that they would be affected by this and therefore oppose the idea, the group should listen to those objections.
- (c) There was expressed support from several group members around opening this privilege to beer and spirits. The overall feeling was that, in the name of parity, if the option for corkage fees was an option for wine, it should be open across all categories.
 - (i) The point was made that it may be limited to wine from a historical perspective (e.g., “corkage fee” relates to the corks in wine bottles). Additionally, there was a question about whether older vintages translate in the same way to beer and spirits.

- (ii) The division noted that it is aware of about thirty states that currently allow corkage fees but is not aware of any states that include beer and spirits under this privilege. The division expressed a willingness to continue conversations on exploring this topic.
- (2) The group also clarified certain elements of the proposal, including:
 - (a) This would be an option for restaurants and bars to participate in but would not be mandatory. It would also be up to the establishment owners as to how much to charge for the fee.
 - (b) A question was raised as to whether the 750 mL limit was too restrictive, as it would be limiting for a group of six or eight individuals in a party. In short, what purpose does the limit serve?
 - (c) For establishments that do not currently have a license to sell alcohol, would a consumer be able to bring a bottle and serve themselves?
 - (i) The division noted that customers cannot bring alcohol onto a premises that is not licensed to sell liquor. The only exception is bringing alcohol onto a public park if allowed by local ordinance.
- (3) Finally, it was noted that there is a “large amount of confusion” around this issue. Many licensees don’t realize that corkage fees are illegal and therefore this practice is already occurring. Overall, the opinion was expressed that better communication is needed to explain that this practice is illegal, or action needs to occur to make it legal.

b) Public Comment

(1) Dennis Blum

- (a) Mr. Blum expressed appreciation for the group considering this proposal and provided several comments related to this discussion:
 - (i) If a customer brings in a special bottle, it only makes the experience better at the restaurant. This will be at the discretion of restaurants, in that they could not allow it, could limit it to one bottle, or allow up to three bottles. Mr. Blum did agree that limiting it to 750 mL might be too restrictive.

- (ii) In regards to cutting customers off from their own bottle of wine, Mr. Blum felt that this would be the same as with any other bottle.
- (iii) Mr. Blum politely disagreed with the idea that bringing in a bottle of wine was bad manners. He noted that other states have this privilege and it helps their business rather than hurt it.

(2) Nick Hoover, *Colorado Restaurant Association*

- (a) Mr. Hoover shared some of the comments that he previously made during the subgroup meeting, namely that the restaurant industry is split on this issue, but those that have taken the time to cultivate a wine program that's appropriate for their business see this as devaluing the effort, as well as devaluing the value of the wine and the programs that they have created.
- (b) Mr. Hoover noted that while he appreciates that this would be optional for restaurants, it would create a similar mindset to Sunday sales: "If my neighbors are doing this, I have to do it." Additionally, customers won't know that this is optional and that could create a customer service problem where restaurant and bar owners feel that have to explain themselves.
- (c) Mr. Hoover also noted that these same concerns extend to expanding the privilege to beer and spirits, especially when it comes to cutting people off from service. In summary, Mr. Hoover stated that this issue has been addressed multiple times and has been opposed each time. It is scheduled to be discussed again at the Association's board meeting later this month.

(3) Tyler Rudd, *Colorado Wine Institute*

- (a) Mr. Rudd expressed his support for this proposal and agreed that limiting the number of bottles that can be brought in should be considered in relation to the party size. Mr. Rudd also agreed that there are valid concerns about cutting customers off, but he stated that restaurants should be able to put the cork back in the bottle and cease service to the customer, after which the customer would be able to leave the premises with their corked bottle.
- (b) Mr. Rudd added that people who bring in their own wine are usually celebrating and want to eat a specific meal at a specific restaurant, and that he felt this was a good option for both customers and restaurants who want to allow it. Mr. Rudd felt that allowing restaurants to set the

fee at a rate that would “make it worth their while” would also be helpful.

(4) Shawnee Adelson, *Colorado Brewers Association*

(a) Ms. Adelson echoed earlier comments questioning as to why this privilege is limited to wine. Referencing *Casey Brewing and Blending* in Glenwood Springs, where beer is treated the same as wine (e.g., vintages, beer club, etc.), Ms. Adelson asked why a customer couldn’t bring in a bottle of beer if they can bring in wine.

(b) Ms. Adelson added that other states such as California and New York allow for beer to be brought into a restaurant or bar to be opened and served to them. Ms. Adelson was unsure if this privilege was under the title of “corkage fee” or under another title. She offered to do some research on this matter and provide additional information to the division.

(i) The division thanked Ms. Adelson and asked for her to pass this information on to the division.

(5) Kyle Schlachter, *Colorado Wine Industry Development Board*

(a) Mr. Schlachter noted that he does not believe the wine industry has taken a formal position on this issue, but stated that he imagines many wineries would like the opportunity for customers to take a bottle of their product into a restaurant.

(b) In terms of addressing public safety concerns, Mr. Schlachter felt that this would be no different than a bottle of wine ordered off a restaurant’s menu.

(c) Additionally, Mr. Schlachter felt that allowing corkage fees would be a consumer-friendly policy and would help small local wineries who may not be in distribution or may not be on the lists that restaurants use to curate their wine menu.

(6) Cassie Nester, *Branch & Barrel Distilling*

(a) Ms. Nester expressed concerns for small local wineries, that attempts to get their products into on-premises establishments would be limited if restaurants and bars are reluctant to take “lesser known product” if customers are allowed to bring their own.

(7) No additional public comment was submitted on this proposal. If any member of the public wishes to submit input on this proposal, 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 Jim Shpall.
Motion seconded by Yetta Vorobik.

d) [Vote](#)

- (1) The motion passed with 10 in support, 8 against, and 1 member abstaining from the vote.
- (2) Mr. Andrew Quarm added context to his dissenting vote. From the wholesaler perspective, Mr. Quarm stated that there are approximately 9,000 licensed on-premises accounts in the state that are primary customers. If these businesses don't feel like corkage fees are good for their business, then Mr. Quarm expressed that he was reluctant to support it. Additionally, Mr. Quarm noted there was a revenue and tax implication to consider; an account is at risk of losing a little bit if the product is brought in instead of purchased from the account. Finally, Mr. Quarm noted that Colorado is "widely open" to direct shipping with wine; if, for example, ten percent of the amount of wine consumed in the state is coming from locations other than local retailers and restaurateurs, this means the bottles of wine going into a wholesaler's account collect and pay taxes that may not be flowing through the wholesale and retail systems.

VII. Additional Discussion Items

- A. Mr. Jim Shpall asked about instances of illegal out-of-state shipments into Colorado; specifically, is there a way to increase the penalty for doing so in order to de-incentivize the practice?
 1. The division stated that if the business does not have a license in Colorado, the division has no jurisdiction over them. There are other avenues that can be pursued in order to communicate with them and try to cease the behavior.
 2. The division also stated that if a member of the LAG would like to submit a proposal on how to address this issue, they are welcome to do so.

VIII. 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.

IX. Action Items

- A. The Division requested that the LAG members attend the August subgroup meetings and the remaining large meetings as much as possible.

The next Liquor Advisory Group will be held on September 14, 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.

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.

Upcoming LAG meetings:

October 30, 2023 from 1:00 p.m. to 4:00 p.m.

November 2, 2023 from 9:00 a.m. to 12:00 p.m.

Appendix: Voting Record

Proposal 20(b): Division rulemaking authority for application review timelines and process

VOTER NAME	Proposal 20(b) Application Rulemaking Authority		
	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>	X		
Andryn Arithson <i>Arts Licensee</i>	ABSENT		
Anne Huffsmith <i>National Vinous Manufacturer</i>	X		
Bob Hunt <i>Brewery (Large)</i>	X		
Colleen Norton <i>Colorado Municipal Clerks Association</i>		X	
Dan Diebolt <i>Local Brewery (Small)</i>	PROXY		
Dana Faulk Query <i>Restaurant Licensee</i>	ABSENT		
Dave Hayes <i>Colorado Association of Chiefs of Police</i>	ABSENT		
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>	X		
F. Seyoum Tesfaye <i>Off-Premises Retailer (Small)</i>	ABSENT		
Fran Lanzer <i>MADD</i>	X		
Fuad Jezzini <i>Wholesaler (Vinous/Spirituous)</i>	X		
Gonazlo Mirich	ABSENT		

<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>	ABSENT		
Marc Snowden <i>County Sheriffs of Colorado</i>		X	
Sara Siedsma <i>Off-Premises Retailer (Large)</i>	X		
Sarah Morgan <i>Restaurant Licensee</i>	ABSENT		
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>	X		
Vacant <i>Colorado County Inc.</i>			

Proposal 25: Allow restaurants to have the option for customers to bring in a bottle of wine and charge a corkage fee

VOTER NAME	Corkage Fee		
	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>		X	
Andryn Arithson <i>Arts Licensee</i>	ABSENT		
Anne Huffsmith <i>National Vinous Manufacturer</i>	X		
Bob Hunt <i>Brewery (Large)</i>		X	
Colleen Norton <i>Colorado Municipal Clerks Association</i>			X
Dan Diebolt <i>Local Brewery (Small)</i>	PROXY		
Dana Faulk Query <i>Restaurant Licensee</i>	ABSENT		
Dave Hayes <i>Colorado Association of Chiefs of Police</i>	ABSENT		
Don Strasburg <i>Tavern/Large Dance Entertainment Venue</i>	ABSENT		
Edward Cooper <i>Off-Premises Retailer (Medium)</i>	X		
Eric Foster <i>Hard Cider Industry</i>	ABSENT		
Erika Zierke <i>Hard Cider Industry</i>		X	
F. Seyoum Tesfaye <i>Off-Premises Retailer (Small)</i>	ABSENT		
Fran Lanzer <i>MADD</i>		X	
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>	ABSENT		
Marc Snowden <i>County Sheriffs of Colorado</i>	ABSENT		
Sara Siedsma <i>Off-Premises Retailer (Large)</i>	X		
Sarah Morgan <i>Restaurant Licensee</i>	ABSENT		
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>	X		
Vacant <i>Colorado County Inc.</i>			