



**COLORADO**  
 Department of Revenue  
 Specialized Business Group—  
 Liquor & Tobacco

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## Liquor Advisory Group Regulation of Retail Operations Subgroup

Meeting Minutes

August 17, 2023

Seat	Representative	Attendance
<i>Tavern/Large Dance Entertainment Venue</i>	Andrew Feinstein <i>Tracks Denver, ReelWorks Denver, &amp; RiNo Art District</i>	Absent
<i>Restaurant Licensee</i>	Dana Faulk Query <i>Big Red F Restaurant Group</i>	Present
<i>Off-Premises Retailer (Medium)</i>	Edward Cooper <i>Total Wine &amp; More</i>	Present
<i>Tavern</i>	Erika Zierke <i>Englewood Grand</i>	Present by Proxy, Mark Berzins
<i>Mothers Against Drunk Driving</i>	Fran Lanzer <i>MADD</i>	Present
<i>Minority Owned Off-Premises Retailer</i>	Gonzalo Mirich <i>Jimbo's Liquor</i>	Present
<i>County Sheriffs of Colorado</i>	Marc Snowden <i>Jefferson County Sheriff's Department</i>	Absent
<i>Off-Premises Retailer (Large)</i>	Sara Siedsma <i>Kum &amp; Go</i>	Absent
<i>Minority Owned On-Premises Retailer</i>	Veronica Ramos <i>The Electric Cure</i>	Present
<i>Law Enforcement Representative</i>	W.J. Haskins <i>Glendale Police Department</i>	Absent
<i>Wholesaler (Malt)</i>	Yetta Vorobik <i>Crooked Stave</i>	Present

- I. Welcome and Introductions
- II. Review Subgroup Process and Expectations
  - A. Review the timeline for final recommendations.
  - B. Volunteer to provide the subgroup update at the September LAG meeting.

1. Fran Lanzer volunteered to provide the subgroup update at the September meeting.
- III. Proposal Discussion: Allowing Purchase of Vintage Wine/Spirits ([updated proposal](#) submitted by Mike Laszlo)
- A. Overview of the proposal and updates (presented by Mr. Mike Laszlo)
  - B. Overview of Discussion
    1. The subgroup discussion focused on two primary issues:
      - a) Clarifying the proposal.
        - (1) The division clarified that selling a private collection of wines without a liquor license is currently prohibited, which is why Mr. Laszlo's proposal had been brought forward. Currently, if parties have vintage wines, the only way to unload the stock is to give it to a friend.
      - b) Industry concerns and potential public safety issues.
        - (1) Representing Colorado restaurant licensees, Ms. Dana Faulk Query commented that, after consulting with other restaurateurs and the Colorado Restaurant Association, there are concerns, in line with those of wine and spirits wholesalers, that this is outside the three-tier system. As a business owner, Ms. Faulk Query noted that she worried about protections for businesses as this practice isn't regulated. Mr. Fran Lanzer, representing MADD, echoed these concerns and added an additional concern about documenting sales if the person was unlicensed.
        - (2) The division noted its concerns about counterfeit products and additional safety issues that have been addressed in other states, including a specific tamper-proof seal for the product and putting labels on the product that clearly denote this is a vintage product that has been out of the retail system in a personal consumer stock and has now reentered the retail system. If this proposal was to move forward, the division stated it would be seeking rulemaking authority to address these types of concerns.
          - (a) Mr. Laszlo voiced his support for giving the division rulemaking authority to address these concerns.
        - (3) Another member of the LAG mentioned a concern about who would be held responsible for fraudulent wine purchased from a private collector. Additionally, this same group member asked Mr. Laszlo if this proposal could ultimately create greater issues than the issues it sought to resolve. Mr. Laszlo responded that while there wasn't much of a market for private sellers to sell their wines to retailers/restaurants/bars, he felt that prohibiting this practice across the board limited consumer choice. Overall, Mr. Laszlo expressed that this proposal would provide Colorado businesses with an opportunity they don't currently have and a

chance to compete with other states that currently allow this practice.

- (a) Ms. Faulk Query stated that she appreciated Mr. Laszlo's perspective; however, there were broader questions at hand regarding this proposal. Namely, an equity issue in that not all business owners in Colorado have relationships with private collectors and/or those who can access the product. In response, Mr. Laszlo commented that this proposal benefited restaurants and small businesses by allowing the business owners to obtain one or two bottles of product and be able to offer it to their customers.

C. Motion

1. The subgroup members did not put a motion forward on this proposal.

D. Public Comment

1. Because no motion was put forward, public comment was not called for 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](mailto:dor_led_rulemaking@state.co.us).

IV. Topic Discussion: Revisit restaurant to-go sales

A. Overview of the proposal and previous discussion (presented by Cally King)

B. Overview of Discussion

1. Ms. Dana Faulk Query noted that she gathered information through the Colorado Restaurant Association and the National Restaurant Association on this proposal. However, after consulting with the Colorado Restaurant Association, the decision was made to pull the proposal and not move it forward through the LAG.
  - a) Mr. Mark Berzins, serving as the proxy for tavern licensee Ms. Erika Zierke, asked that the record reflect that Ms. Zierke wanted this proposal moved forward to the full LAG for additional discussion.
2. Ms. Faulk Query explained that this was a strategic decision based on the composition of the Liquor Advisory Group and multiple additional factors. She added that the restaurant group overall would like to see this proposal moved forward but has chosen not to use the LAG to move it forward at this time.

C. Motion

1. The subgroup members did not put a motion forward on this proposal.

D. Public Comment

1. Because no motion was put forward, public comment was not called for 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](mailto:dor_led_rulemaking@state.co.us).

V. Topic Discussion: Purchase of Inventory ([proposal](#) submitted by Jim Shpall)

A. Overview of the proposal (presented by Jim Shpall)

B. Overview of Discussion

1. The subgroup members had a short discussion on this proposal, the focus of which was to clarify one aspect: Would the ability to sell a license be subject to the existing cap that all package store licensees in the state are subject to, or

would an individual be able to sell beyond whatever the current number is at the time. Mr. Shpall admitted that he hadn't considered the proposal in these terms; however, he stated that he believed it would be in addition to the current number to give value to the license, for the overall purpose of creating value in small licenses, and have multiple individuals competing for it.

2. The subgroup members had no further discussion on this proposal.

#### C. Motion

1. Motion to move this proposal to the LAG made by Ed Cooper. Motion seconded by Dana Faulk Query.

#### D. Public Comment

1. Micki Hackenberger, *Wine and Spirit Wholesalers of Colorado*

- a) Ms. Hackenberger noted that she is currently in the process of soliciting comments from the wholesale members; however, she stated that the WSWC was interested in the provision that required the purchase to occur before a "struggling" retailer goes into bankruptcy. Currently, if a retailer owes debt to the wholesaler, Ms. Hackenberger explained that the wholesaler generally doesn't have an opportunity to collect on the debt. Additionally, Ms. Hackenberger said she has seen circumstances when retailers go out of business, then easily obtain another license, open another store, and "go through the same cycle again." Ms. Hackenberger stated this proposal seemed to be a reasonable approach to ensure that small, struggling businesses have the opportunity to have some equity in their investment but can also settle their debts.
- b) Ms. Hackenberger reiterated that the WSWC is reviewing this proposal, and she will provide the division with an official written comment after receiving member feedback.

2. Steve Findley, *Colorado Beer Distributors*

- a) Mr. Findley noted that the beer distributors have an additional concern that he wanted to address: not only do distributors have products moving into different territories, when it comes to dated products being replaced, but they are also regularly audited by suppliers and if they find old beer in accounts that the distributor didn't sell, they could be held responsible for a violation of their contract. Because this makes it difficult for beer distributors, Mr. Findley stated they would prefer to see beer left out of this proposal.
- b) Mr. Findley added that he would provide the division with an official written comment on this proposal.

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](mailto:dor_led_rulemaking@state.co.us).

#### E. Vote

1. The motion passes unanimously with no members abstaining from the vote.

#### VI. Additional Discussion Items

- A. The subgroup members did not put forward additional discussion items.

## VII. General Public Comment

### A. Dustin Chiappetta, *Pearl Wine Company*

1. Mr. Chiappetta began his comment by expressing his disappointment that the subgroup didn't invite public comment on the vintage wine proposal. Mr. Chiappetta stated it was an "unfortunate part of this process" that the subgroup didn't hear what other constituents or the public might feel about a topic or proposal before moving forward. As an RLS holder, Mr. Chiappetta added that it would have been meaningful to hear comments "before other people make the decision, regardless of whether something did or didn't make it through," noting that the subgroup was not just voting for personal interests but for the industry interests as a whole.
2. Additionally, Mr. Chiappetta referenced the previous discussion around the prohibition of an off-premises licensee holding an on-premises license. He noted that there were strong words involved in the discussion, such as how it would be "catastrophic" to the market and "another knife in the coffin," and Mr. Chiappetta disagreed with this perspective. He expressed that if someone is abiding by each tier's rules, meaning that this person can only have a certain number of retail licenses, that person is abiding by the "exact same rules of that tier." Mr. Chiappetta added the opinion that prohibiting a retail liquor store owner from, for example, owning a pizza shop that was licensed to sell beer, especially when the two establishments would be in two different jurisdictions, was "pretty ridiculous."
3. Mr. Chiappetta asked how it would negatively affect the market and/or how it would change anything if each of the respective policies, regulations, and rules of the individual tiers were followed. He concluded his comments with the opinion that this policy just prohibited the ability for people to make money in a different sector, and he didn't understand why small retailers (including himself) would not be allowed to enter another sector in which the individual might have extensive knowledge.

*Mr. Chiappetta submitted a [public comment](#) expressing his thoughts on the latter topic. It was transmitted to the Liquor Advisory Group members and other interested parties on August 17, 2023.*

- B. No additional public comment was offered on the discussions held today. If the public wishes to put forward additional comments or input, they may email the division at [dor\\_led\\_rulemaking@state.co.us](mailto:dor_led_rulemaking@state.co.us).

## VIII. Action Items

- A. The facilitator noted that it is very important to have all Liquor Advisory Group members present at the September meeting as we'll be voting on some of the final proposals at that time.

There will be no future Regulation of Retail Operations subgroup meetings. **The next Liquor Advisory Group meeting will be held on Thursday, September 14, 2023, from 9:00 a.m. to 12:00 p.m.**