



July 8, 2022

Mark Ferrandino  
Executive Director; Colorado Department of Revenue  
1707 Cole Blvd; Suite 350  
Lakewood, CO 80401

Dear Executive Director Ferrandino:

There has not been a broad review of the Colorado Liquor, Beer, and Special Event codes (Articles 3, 4, and 5 of Title 44, C.R.S.), or other statutes regulating alcohol beverages in recent history. Growth in the industry, new technology, and changes in consumer behavior, much of which was accelerated by the COVID-19 pandemic, have created an opportunity for enhanced statutory clarity in order to alleviate challenges associated with interpreting and enforcing laws that touch on alcohol beverage regulation in our State. While the Colorado alcohol beverage landscape has undergone significant legislative changes in recent years in order to address niche issues, these changes often do not consider a holistic view of the law. The departments tasked with carrying out these laws have encountered considerable challenges in statutory application, given the complexity, perceived contradictions, and rapidly evolving marketplace innovations that have occurred, and continue to occur, in the alcohol beverage marketplace. In order to encourage and facilitate statutory compliance by licensees, and to create a landscape in which our Colorado businesses may thrive, it is essential that we work towards a clear, logical, and transparent regulatory framework that allows for understandable regulations and enforcement, fosters a strong industry, and supports public safety.

For these reasons, I am requesting that a special report be prepared pursuant to 24-1-136, C.R.S, that will consist of recommendations on how to modernize, clarify, and harmonize the statutes that regulate alcohol beverages and the alcohol beverage marketplace in Colorado. The report should generate recommendations including, but not limited to:

- recommendations regarding the effects and harmonization of any ballot initiatives that pass during the November 2022 election;
- recommendations regarding the safeguarding of interests and rights of consumers through consumer empowerment and protection measures;
- recommendations regarding safeguarding the public through public safety measures; and
- recommendations regarding the promotion of a competitive, fair, diverse, independent, and open alcohol beverage marketplace.

In order to generate the report, a liquor advisory group should be convened that consists of the following or similar groups:

- The State Licensing Authority or Designee
- Six members representing consumers of spirituous liquor, vinous liquors, and malt liquors;
- One member representing a large brewery as determined by the Executive Director;
- One member representing a small, local brewery, as determined by the executive director;
- One member representing a local manufacturer of spirituous liquors;
- One member representing a national manufacturer of spirituous liquors;
- One member representing a local manufacturer of vinous liquors;
- One member representing a national manufacturer of vinous liquors;
- Two members representing large off-premises retailers;

- Two members representing medium off-premises retailers;
- Two members representing small off-premises retailers, one of whom must represent a minority-owned small off-premises retailer;
- One member representing a minority-owned on-premises retailer;
- One member representing the Colorado Municipal Clerks Association, or its successor organization.
- One member representing a wholesaler of malt liquors;
- One member representing a wholesaler of vinous and spirituous liquors;
- One member representing a wholesaler of any type of alcohol beverage with experience selling to and servicing a national chain account;
- One member representing the hard cider industry;
- Three members representing restaurants;
- Three members representing taverns;
- At least two of the six members from restaurants and taverns should represent large dance or entertainment venues;
- One member representing an arts licensee;
- One representative from Mothers Against Drunk Driving, or its successor organization;
- One representative from Colorado Counties, Inc., or its successor organization;
- One representative from the Colorado municipal league, or its successor organization;
- One representative from a downtown partnership or Chamber of Commerce;
- One representative from the Colorado State Patrol;
- One representative from the Colorado Association of Chiefs of Police; and
- One representative from the County Sheriffs of Colorado.
- One additional representative from law enforcement.

You as the Executive Director of the Department of Revenue, acting as the State Licensing Authority, shall make all appointments to the liquor advisory group. Membership composition may be adjusted due to the passage of future legislation or ballot initiatives. Members of the advisory group serve, uncompensated, at the pleasure of the Executive Director of the Department of Revenue. In making appointments to the advisory group, you should make every reasonable effort to ensure that the diverse and representative makeup of the advisory group is reflective of the demographics of the alcohol industry marketplace in Colorado and representative of the entire state of Colorado in both rural and urban communities. You may engage an outside facilitator for the purpose of providing support for the advisory group, generating the report, and any other duties as assigned.

The report should be generated by December 1, 2023.

Thank you for your time and attention to this matter. We look forward to the advisory group's recommendations.

Sincerely,



Jared Polis  
Governor  
State of Colorado