



STATE OF
COLORADO

Hollar - DOR, Noelle

Fwd: Comments relative to LAG report language submittal (proposal 29) and questions relative Proposal #31 - Repeal of License Type

1 message

Stone-Principato - DOR, Michelle
To: Noelle Hollar - DOR

Sun, Oct 29, 2023 at 12:34 PM

----- Forwarded message -----

From: <gbailey@cwpm.org>

Date: Fri, Oct 27, 2023 at 12:31 PM

Subject: Comments relative to LAG report language submittal (proposal 29) and questions relative Proposal #31 - Repeal of License Type

To: <dor_led@state.co.us>, Stone-Principato - DOR, Michelle <michelle.stone-principato@state.co.us>

Director and Members of the LAG,

Thank you for your work over the last months.

Relative to the report, I want to add that CWPMA has concerns relative to proposal 29 and we agree with the Division in that removing fee setting caps and legislative review from statute has issues. For the record, we want to reiterate the comments we forwarded in earlier communication but were included under a different section:

1. Per Proposal 29 – Removal of caps and limitation on fees – CWPMA generally supports fee setting at the legislature. Absent a requirement for robust review with affected fee payers more than just "fees no more than are adequate to cover costs" it is a bit of an open door that allows subjective analysis of what costs can entail. CWPMA correlates and holds as an example recent action around tobacco and nicotine licensing (locally) with "reasonable costs" as determined by local governments where the fees we are paying far exceed the "service we receive" dependent on the jurisdiction. Fee setting at the legislature allows fee payers to bring related policy issues to light. For the record CWPMA has supported requests by the Department and other agencies to increase necessary fees for inflation and justifiable statutory requirements. But we think that conversation should still take place. (Noting the Department and LED specifically did a nice job the last time they engaged industry in that conversation.) Further we don't want to get in a situation where local jurisdictions are favoring one trade channel over another with different fee levels.
2. Per the Recent Communication from Director Humphreys - CWPMA has no issue with any proposal advanced by a LAG member coming up for a vote and commend the decision by the Director. However, I want to provide a thought/question. While the proposal #31... seems to reference "grandfathering for existing liquor licensed drugstores"....if you repeal the Liquor/Pharmacy license then upon renewal and assumedly transferring them into "retail liquor stores" then the process, in my opinion, is immediately disqualifying them for renewal based on the provision in the Liquor Store Code from having a valid license per the requirements under 44-3-409 (1)(b). So I'm curious if the Division could provide comment if they are going to be allowing sustainable non-conforming licenses should the proposal advance and ultimately become law. I think that situation is messy. If the proposal were to advance a better way than repeal would simply to prohibit issuance of any new application for a new location after a date certain without repealing the existing license. For the record, CWPMA is opposed to the concept generally but would encourage the LAG so actually make the proposal implementable if it considers the recommendation favorably. While I (as Director of the Convenience Store Association) take issue with some of the more rigid

comments..... provided as support, there are salient points raised that bear additional review relative to the license language for liquor store expansion. CWPMA welcomes a review of that conversation in light of recent voter decisions.

3. Permits for Common Carriers – I continue to wonder if we are making this harder than it has to be. Third party delivery was defeated at the ballot. But I continue to think that traditional package carriers are not what was under discussion. It's an interesting concept that would allow permits for manufacturers of distilled spirits or malt beverages to have some of the same privileges that wine shippers have. But roping in common carrier companies could result in backsliding where existing and well established trade practices (relative to wine) are brought under review and potentially be harmed.. it would be interesting if the second tier were to establish something similar to the platform that Drizzly has. I appreciate the conversations with the wholesale folks about this and we are working towards a resolution.

For those members of the LAG that take the time to read this thank you, and I appreciate the hard work that the Director and her team have put into this.

Grier W. Bailey
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Liquor Enforcement Division Email Subscription:
<https://sbg.colorado.gov/liquor-industry-members>

For licensing questions: Licensing: DOR_LIQLICENSING@state.co.us
For enforcement questions: Enforcement: DOR_LED@state.co.us,

Have a Tip: <https://sbg.colorado.gov/liquor-responsible-vendor-trainers>
Are you a Clerk? Clerks Corner: <https://sbg.colorado.gov/clerks-corner>

The Division offices' email addresses and contact information are on the "contact us" page of Led's website. <https://sbg.colorado.gov/contact-the-liquor-and-tobacco-enforcement-division>

The Liquor Code and Regulations are available (in searchable PDFs) on our website on the <https://sbg.colorado.gov/liquor-enforcement-laws-rules-regulations> page.