

STATE OF
COLORADO

Hollar - DOR, Noelle

Fwd: Opposition to Proposal 31 Before the Legislative Alcohol Group ("LAG")

1 message

Stone-Principato - DOR, Michelle

Sat, Nov 4, 2023 at 7:26 AM

To: Heidi Humphreys - DOR, Meghan Tanis - DOR, Michael Phibbs - DOR, Renny Fagan, Cally King, Hiwot Covell, Alan Call, Noelle Hollar - DOR, Alexander Klein - DOR

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

From: **Karen Raines** <kraines@costco.com>

Date: Fri, Nov 3, 2023 at 3:48 PM

Subject: Opposition to Proposal 31 Before the Legislative Alcohol Group ("LAG")

To: <michelle.stone-principato@state.co.us>

Dear Division Director Stone-Principato and Liquor Advisory Group members:

Costco Wholesale Corporation opposes Proposal 31 before the LAG which seeks to eliminate the Liquor Licensed Drugstore ("LLDS") license. Costco operates eight LLDS licensees throughout the State of Colorado. Seven of these licensees were created pursuant to the existing statute, by purchasing nearby Retail Liquor Store ("RLS") licenses and combining those licenses in order to receive an additional LLDS license. This process has come at great time and expense to Costco and has benefited those nearby RLS operators who were purchased as was envisioned by the drafters of SB-197.

Proposal 31 claims to "grandfather" existing LLDS licenses, however this is inaccurate. Rather, it would limit the number of LLDS licenses that Costco may operate to a total of three (per the language of C.R.S. Sec. 44-3-409(4)(b)(III)), meaning that Costco would be forced to give up five of its current, bargained-for LLDS licenses. Moreover, Costco would no longer be permitted to merchandise beer, wine, and spirits within its warehouses, rather it would be forced to move these operations to a separate unit or facility at additional expense.

The elimination of the LLDS license type would do away with many of the community and industry protections only applicable to LLDS licensees and which were incorporated into SB-197. Specifically, it would eliminate the alcohol training requirements only applicable to LLDS licensees, it would eliminate the C.O.D. requirements for LLDS operators, it would eliminate the on-site Permitted Manager responsible for alcohol purchasing, and it would especially harm the independent liquor store owners it purports to protect by eliminating the RLS buyout mechanism created in SB-197.

For all of these reasons, Costco Wholesale Corporation urges the LAG to reject Proposal 31.

Karen I. Raines
Corporate Counsel
Costco Wholesale Corporation
kraines@costco.com

If you have received the message in error, please advise the sender by reply e-mail@costco.com, and delete the message. Any unauthorized use of dissemination of this message in whole or in parts is strictly prohibited. Thank you very much.

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Michelle Stone-Principato

She | Her | Hers

Director



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<https://sbg.colorado.gov/liquor>

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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.