

COLORADO Department of Revenue

Specialized Business Group– Liguor & Tobacco

Physical Address: 1707 Cole Boulevard, Suite 300 Lakewood, CO 80401 Mailing Address: P.O. Box 17087 Denver, CO 80217-0087 Fax: 303-866-2428

Liquor Advisory Group Public Comment Submissions May 2, 2023

Gail Culp Retired Business Owner 1/16/23 Comment

Topic: Citizen Participation

As I understand it, the mission of the new Liquor Advisory Group is to focus on modernization, clarification, and harmonization of the law in order to enhance statutory clarity, marketplace and consumer protections, and public safety initiatives. In regard to consumer protection and public safety, I believe that the general public should be better represented. Colorado cases of Alcohol Use Disorder skyrocketed during COVID. According to Univ of Colorado Health liver transplant dept head, Dr. James Burton, people as young as 22 have been added to the transplant list and the list has exploded. People are dying and the 20 to 40 yr old population does not seem to recognize when they or their friends are in danger. Colorado led the way in creating vibrant craft brew venues. Perhaps we can lead a change to make socializing safer. I hope LAG will seek ideas from the public.

- Require establishments to include numerous non-alcoholic beers. There are many new ones on the market.
- Find a way to educate. It seems too many people do not recognize health problems and don't know what medical resources and support programs are available when trouble occurs. A simple message, "Don't drink and drive" effectively got through and most younger party-goers have designated drivers or use Uber to head home. Perhaps a new message is also needed. Can't we take steps to help save some lives?

Scott Blauweiss Mr. B's Wine & Spirits 2/17/23 Comment

Topic: Why would anyone seek an off-premise liquor license?

Why would anyone open up an off-premise liquor license?

If you look at the <u>accompanying chart</u>, you'll see that owning an on-premise license affords you virtually all the same privileges of an off-premise license. On the other hand, there are so many more things an on-premise license can do that off prem licensees cannot. In order to level the playing field, we strongly recommend the following:

1) Allow for on-premise patrons to bring their own wine/beer/spirits to enjoy on at restaurants for a corkage fee. This is done in virtually every other state that allows on-premise licenses to sell alcohol to go

2) Allow off-premise licenses to ALSO conduct classes, seminars, etc. for a fee

3) Allow off-premise licenses to ALSO conduct free-tastings anytime during business hours

4) Allow off-premise licenses to ALSO sell alcohol for on-premise consumption with limitations

5) Allow off-premise licenses to ALSO deliver alcohol using employee owned vehicles

Respectfully,

Scott and Jared Blauweiss Mr. B's Wine and Spirits

Lisa Boldt Primitive Beer 2/20/23 Comment

Topic: DTC for Craft Breweries

It would be very beneficial to my brewery if DTC were allowed for craft beer in Colorado. We make a very specific type of lambic-inspired beer that most breweries don't create and as such we have very passionate fans spread throughout the state. Getting to Longmont for each new beer release isn't always a realistic expectation, so having the ability to ship our beers to customer's homes would be great for us. It would be nice to see Colorado open up the wine shipping permit to allow for breweries to participate since we make products Colorado residents around the state want.

Carol Cochran *Horse & Dragon Brewing Company* 2/20/23 Comment

Topic: DTC shipping for beer in Colorado

Many businesses, including my own, would benefit from your standardizing rules to allow shipment of beer direct to consumers in line with the already existing rules governing wine shipments direct to consumers in Colorado. I appreciate your consideration of this issue. We are a small company with some devoted fans in areas of the state where we are unable to distribute and we'd very much like to offer them a "beer of the month" club or similar. It seems weird to say that it's safe for wine to do it but not safe for beer to do it.

Nick Nunns TRVE Brewing Co. 2/27/23 Comment

Topic: Direct to Consumer Shipping

As a brewery with a marketing reach that goes well beyond the boundaries of our state, we feel very strongly that direct to consumer shipping would be a huge benefit to our business.

Many of our contemporaries were able to pivot to a heavily DTC-based model during the pandemic. Not having that capability put us at a huge disadvantage here in Colorado.

We strongly believe that the incredible output of breweries in the State of Colorado, coupled with the ability to have these beers shipped directly to consumers out of state, will continue to bolster Colorado's reputation for incredible beer and promote Colorado as a destination for beer tourists.

Most of all we believe that there should be parity between all the classes of alcohol and that there is no reason that breweries should not be afforded the same opportunities as winemakers.

Please feel free to contact me for any additional input!

Nick Nunns, Founder and CEO, TRVE Brewing Co.

Troy Casey *Casey Brewing and Blending* 3/1/23 Comment

Topic: DTC shipping for beer

To whom it may concern,

As a small brewery owner, having the same opportunity as a small winery, with regards to shipping rules, would be incredibly helpful to me. We are a boutique brewery that only distributes to a handful of liquor stores due to our small staff. If we were able to ship our beers in state and to reciprocal states that allow shipping, we would be able to increase our production and hire more staff.

Out of state companies and breweries are already shipping into Colorado. Having this opportunity would allow us to level the playing field and be able to compete more effectively.

I thank you for considering this idea for not only my business, but for other breweries like myself and our customers convenience.

Troy Casey Casey Brewing and Blending

Audrey Famsden Wine & Spirits Wholesalers of America 3/1/23 Comment

Topic: LAG DTC Recommendation Opposition

WSWA Opposes DTC Recommendation - See attachment

Liz Marchitto Resource Central 3/8/23 Comment

Topic: special event liquor license

The current special event liquor license puts nonprofit organizations on the line as the permit holders. Please consider allowing businesses (especially those who already have liquor licenses) the ability to acquire a special event permit if they partner with a nonprofit as event beneficiary.

As those businesses are the ones with the expertise on liquor licenses and responsible practices around serving--and they have the proper insurance for such things, it would make more sense for them to carry the liability, instead of the nonprofit. Thank you for considering this important change.

Jason Frank Craft-y beer wine and liquor 3/31/23 Comment

Topic: 2016 cut off for owning more than 1 store

I bought my store via asset sale in 2018 and am excluded from having 2 licenses while everyone who owned before 2016 (or purchased via stock sale like Total Wine did) can have 2 stores. With wine in grocery, competing on price is critical - and people with multiple stores can buy in greater volume (and get better costing) than I can. Also I am limited in growth opportunities for managers (I have a manager for every 2 employees - much better than Eg a total wine or king soopers — keeping more money in the local community). Could that language not be revised to say you had to have your license for 2+ years to qualify (since that was effectively the time frame you needed to own when the law was introduced)?

Jim Shpall Applejack Wine & Spirits 4/7/23 Comment

Topic: Off-premise tastings

I was asked, or volunteered, to provide some points relating to changes to the existing law and regulations relating to off-premise tastings. The points are to be discussed at the marketplace subgroup meeting on April 20, 2023:

1. Allow any and all interested parties -- manufacturers, wholesalers and/or retailers -- to pay for the product being tasted and related costs associated with the tasting.

2. All containers opened for a tasting must be removed or otherwise separated from items on the sales floor. However, if a container is opened for the tasting and product remains in the container, employees may be tasted on the product(s) for educational purposes.

3. Allow up to twenty products (or even more since a limit is arbitrary) to be available for tasting. In some states, retailers have systems for the dispensing of wines and spirits to allow customers to taste a sample size of a product to determine if the consumer wants to purchase that particular product. Such a tasting acts as an effective sales tool.

4. Proper identification must be provided by the customer to ensure that all individuals tasted are 21 years of age or older. No one who is visibly intoxicated may participate in the tasting.

5. Expand the daily time frame in which tastings can be conducted. I would suggest that the time frame and times be left to the retailer. If a customer walks into the store to buy wine at 9:00 AM but wants to taste it before she buys it, that should be allowed.

Karen Hertz

Holidaily Brewing 4/19/23 Comments

Dear Marketplace Structure Committee,

Though it is not on our agenda this week, I would like to submit the following information for review. Attached is a <u>recent report from Sovos</u> that shows proven consumer demand for direct to consumer shipping of beer. I have also worked with a liquor attorney to draft <u>proposed language</u> to create a beer shipper's permit. This language is modeled after the wine shipper's permit, which is already in the Colorado liquor code. As always, please let me know if you have any questions.

Scott Blauweiss Mr. B's Wine & Spirits 4/28/23 Comment

Topic: HB10-1027 Issue

I wanted to bring something to your and the LAG's attention that you may or may not be aware of in regards to HB10-1027. Please see the highlighted section in the <u>attached bill</u>. When written into law, there was an oversight in the language of this bill that allows for on-premises liquor licenses to utilize a loophole that is certainly not in the spirit of this bill.

The specific issue here is the language, "per delivery or takeout order". In the spirit of this bill, the language should instead read, "per delivery or takeout order per day." or something similar that specifies the sale in the same way. Off-premise sales from an on-premise liquor license should also be limited to a small percentage of overall revenue.

Without making this change, an on-premises liquor license can legally sell a consumer as many bottles of wine as they'd like in one visit, so long as the business processes transactions- 2 bottles of wine at a time. There are many on-premises licenses using this loophole to their advantage.

One business we found took this to the next level and installed retail shelving in their restaurant. This restaurant also advertises "wine shop" on their website and social media outlets. To quote their website, " (and enough stock that you can buy by the case). Best part? All our wines are now available at liquor store prices!".

This example is alarming, as are many other possibilities. Another item that we think lawmakers overlooked in writing this bill without restrictive language is the proximity of restaurants to schools. There are many on-premise liquor licenses across the street from schools that can now sell wine, liquor, and beer for off-premise consumption. There is obviously a reason that off-premise liquor licenses can not be licensed within 500ft of a school. Now that HB10-1027 has been signed into law, off-premise alcohol sales can be made well within 500ft of schools all over Colorado. And to be frank, many on-premise liquor licenses are significantly less qualified than off-premise liquor licenses to make safe alcohol sales.

Overall, these are just a couple of the major issues that this bill has allowed for. If you use your imagination, there are a lot of other red flags that come up. The language in this bill must be updated.

Andrew Klosterman Peak Beverage 4/29/23 Comments

Topic: Working Group 2023 Request

I wanted to ask if it would be possible for you to consider adding some sort of Event Industry representative position(s) to the Liquor Working Group for 2023.

I think liquor licensing around events is unique and has some very different challenges and perspectives than traditional retail license types. I was thinking if it might be possible for a representative of "Special Event Liquor Licenses" or two would be appropriate - and/or something similar to the position that Don Strausberg and Andrew Palmquist represent on the Liquor Advisory Group. They are technically representing Tavern Licenses I think but they run Event Centers, so not sure what to call that.

Lastly I feel bad for taking a "Independent Liquor Store" Seat on the working group at times as similarly to Don and Andrew I mainly operate in the events business world.