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Liquor Advisory Group Licensing Subgroup
 Meeting Minutes
 March 23, 2023

Seat	Representative	Attendance
State Licensing Authority	Executive Director Mark Ferrandino <i>Department of Revenue</i>	Absent
Local Vinous Manufacturer	Juliann Adams <i>Vines 79 Wine Barn</i>	Present
Downtown Partnership/Chamber of Commerce	Loren Furman <i>Colorado Chamber of Commerce</i>	Absent
Colorado Municipal League	Tara Olson <i>Town of Breckenridge Clerk's Office</i>	Present
Colorado Municipal Clerks Association	Colleen Norton <i>Littleton Municipal Clerk's Office</i>	Present
Restaurant Licensee	Sarah Morgan <i>Martinis Bistro</i>	Absent
Tavern/Large Dance Entertainment Venue	Don Strasburg <i>AEG Presents</i>	Absent
Colorado Association of Chiefs of Police	Chief George Dingfelder <i>Monte Vista Police Department</i>	Absent
Restaurant Licensee	Andrew Palmquist <i>Number Thirty Eight</i>	Absent
National Wholesaler	Andrew Quarm <i>Republic National Distributing</i>	Present
Arts Licensee	Andryn Arithson <i>Newman Center for the Performing Arts</i>	Present

- I. Welcome and Introductions
- II. Subgroup Process and Expectations Overview
 - A. Review timeline of topics (from page 3 of the [March meeting agenda](#))
 1. No amendments or objections from subgroup members.
 - B. Volunteer to Report Subgroup Proposals at April LAG Meeting
 1. Colleen Norton volunteered to be the spokesperson for the Licensing subgroup at the large April LAG meeting.
- III. Topic Discussion: On-Premises License Consolidation Based on Primary Use of Premises

A. Background:

1. During the February Licensing subgroup meeting, the group discussed on-premises licenses with the question of how to consolidate and/or streamline the number of license types, along with a discussion around variation of settings and differences in communities (i.e., what works best in one neighborhood versus another), and variations in alcohol type.
2. Keystone facilitators prepared potential consolidation groupings for the subgroup members to consider based on the primary purpose of the business or establishment.

B. High Level Discussion Points:

1. License Type Consolidation:

- a) The general opinion of the subgroup members was that it made sense to organize the license types based on their primary business purpose (e.g., serving food, manufacturing/serving liquor, etc.). There was some debate over whether Hotel & Restaurant (H&R), Lodging & Entertainment (L&E), and Bed & Breakfast (B&B) can be or should be grouped together, as they each have different food requirements. Also, as the license type currently reads in statute, an H&R's primary purpose is for lodging, not to serve food.
 - (1) There was discussion about mixing licenses and permits into the same discussion. Because a B&B is technically a permit, the group members recommended Bed & Breakfast be relocated into the Permits category.
 - (2) Another subgroup member recommended amending the H&R license type to just a Restaurant license.
- b) With regards to licenses whose business purpose is not primarily the serving of liquor, there was a suggestion that these licenses could be consolidated into an "ancillary service license."
- c) The subgroup revisited the idea of incorporating add-ons to simplified license types. Specifically, creating an "essential license type with add-ons."
- d) What is the goal of combining these license types?
 - (1) The initial goal was to streamline the process when many of the license types don't have any true substantive differences. It's difficult for licensees to understand what kind of license they should be applying for, not only for what the business currently is but what their business may grow to be.
 - (2) Many of the existing license types were born out of a specific legislative request that made sense at the time but doesn't necessarily make sense now.
 - (3) It is an easier process to switch/upgrade license type as business needs change and/or evolve.

- e) The subgroup members agreed to reserve time at another subgroup meeting to dive into the similarities and differences between each license type.
2. Concerns and Items for Consideration:
- a) Consolidation of multiple license types:
 - (1) One of the reasons so many license types currently exist is because of the respective crowd, which feeds into the food requirement. For example, an Arts licensee is not allowed to have a Happy Hour and advertise itself as a bar. Could consolidating the license types result in safety issues and/or change the kinds of crowds that will gravitate towards a specific license?
 - (2) Even if licenses are separated by their primary purpose, there will still be a local licensing authority to answer to and restrictions for these license types will be in effect. All of these will need to be complied with by licensees.
 - (3) Is it possible to focus on narrowing the existing list of license types down to three or four license types?
 - (a) With that, is it possible to combine license types based on the basic requirements under each one?
 - b) Modification of premises:
 - (1) The needs and desires of individual neighborhoods directly relate to the different license types. Specificity in the license types is needed for zoning and planning requirements in the neighborhood.
 - (2) On-Premises retail licenses are for a very specific business footprint; the premises is the area that the licensee is responsible for, and likewise for anything that happens on the licensed premises. Modifications to licensed premises don't just apply to special events but also for an event that requires a temporary modification of premises. For example, a local restaurant that holds an annual festival for which they need to utilize the adjacent parking lot. If it's not part of the licensed premises, the business has violated their license.
 - c) Removing "sleeping rooms" as a separate consolidation category and allocating license types to more applicable categories.
 - (1) Concern was expressed by the subgroup members that Lodging can't be placed in another category because while it has set boundaries it isn't as restricted as some of the others. For example, customers can walk freely with their drinks as opposed to being restricted to the restaurant area.
 - (a) There was a question about why Lodging and Entertainment are currently joined together into a license type. This was, in part, born from the systemic issue

created around a Tavern license. Businesses who didn't meet the criteria for an H&R license would apply for a Tavern license, even though they didn't meet that criteria either, and the Tavern license started becoming a catch-all for businesses that didn't qualify for a broader license type. The L&E license type came about to address some of those businesses that were operating under a Tavern license that were not a Tavern (e.g., tea shops, arcades, lodging spaces without a full restaurant).

(2) Additionally, if there were amendments made in regards to the Lodging piece, reframing it to operate like an H&R, it would negate previously expressed concerns (e.g., staffing shortages). The subgroup members felt a staffing shortage, for example, is a business model issue and less of a licensing issue.

(a) A question was raised that, if the subgroup and/or the LAG as a whole made a decision that the H&R license type no longer makes sense and was reconfigured as a license add-on, could an L&E function with the same privileges as the H&R license type currently does?

d) Is there an opportunity to have an essential license type with add-ons?

(1) A proposed option was for the subgroup to create a model of the Essential License Type with specific subparagraphs that relate to each existing license type. The subgroup members thought this process might help on the application side but weren't sure if it would be beneficial on the licensee side. Generally, the subgroup members felt it was different packaging without making much in the way of change.

(2) The subgroup also expressed concerns that too broad of a license category could open a loophole where business owners can just change their license type at random. The subgroup members expressed the desire to be able to control the number of license types allowed unless the open category is very specific. A level of local oversight still needs to be in place.

3. Permits:

a) There was agreement among the subgroup that Permits need to be a separate conversation. However, the following items were discussed during the meeting:

(1) A special event permit could be substituted for an Arts Nonprofit permit, because the license can only be active if there is an arts event occurring at the time.

(2) A question arose as to why we have permits versus licenses?

(a) Permits tend to be more temporary in nature; not an all-the-time for a specific location, with the exception of

a B&B. They are for a specific time and place, whereas licenses are most of the time for a specific space.

- (b) Permits regulate the frequency and scope of liquor service.
- (3) It was noted that the Manager's Permit was recently added and doesn't really belong in this category because it is not a liquor-specific permit for service.
- (4) Is having a Permit category a good idea?
 - (a) There was general agreement from the subgroup members on this.
- (5) Does it make sense to have three different types of permits when there is overlap among the three of them?
 - (a) This question specifically looked at Festival and/or Special Event permits.
 - (b) There was a proposal to pull all three categories into a Temporary Special Event Permit. The biggest concern with this is that there are restrictions with the Festival permit that can't be consolidated (i.e., attendees can sell rather than just pour).
- (6) What are the differences between a Special Event permit and an Art Gallery permit?
 - (a) Art Gallery permit allows for alcohol beverages to be consumed and served for four days and limits the number of days allowed to serve per year to fifteen. It is also restricted to a stationary, brick and mortar building. All fifteen days are applied for at the same time so the licensing authority knows when the events will occur.
 - (i) There was a question about why art galleries are segmented out in general with licensing and permits. The Division will look into this further.
 - (b) Special Event permit was created for nonprofit organizations to further their philanthropic needs by serving alcohol by the drink. The events are transitory and not restricted to a brick and mortar location. The purpose was for fundraising versus just being able to provide a glass of wine to patrons during a gallery event.
- (7) Does it make sense to have combinations with the availability of add-ons?

C. Potential Proposals:

1. It was suggested that we bring the proposed consolidation model to the April LAG meeting and discuss it as a larger group.
2. The subgroup members also stated it would be helpful to create a visual breakdown of potential consolidations for license types.

IV. Public Comment

- A. No members of the public made comments during the public comment portion of the meeting.
- V. Action Items
 - A. The subgroup members requested data on the number of existing licensees under each license type. The Division will provide this information to the LAG group members.
 - B. The Division will provide Colleen Norton with bulleted discussion points from this meeting to use during the April 6 LAG meeting.
 - C. Keystone will work with the Division to put together a new visual display for the proposed Essential License Type with Add-Ons.

The next Licensing Subgroup Meeting will be on April 27, 2023 from 1:00 p.m. to 3:00 p.m.