

Scott Blauweiss

Mr. B's Wine & Spirits

October 29, 2023 Public Comment

Topic: Final Draft - Feedback and Comments on Proposals 27, 33, 34 and 35

My name is Scott Blauweiss. My brother, Jared and I own/operate three bottle shops called, Mr. B's Wine & Spirits in the Denver metro area.

First, I want to thank all of the LAG committee members for dedicating your time and efforts throughout this process. Overall, I believe that collectively you did a good job addressing many of Colorado's antiquated liquor laws. If your proposals gain approval, this should be a great first step in catching our state up with the demands of our marketplace.

I'm writing you to address three items of interest from your final draft:

Proposal 33.

The easiest way for me to address my issue with this proposal is to begin with a logical question: why do off-premise liquor licenses exist in our marketplace?

I think it's safe to say that the primary purpose of this license type is to provide consumers with a place to purchase alcohol for off-premise consumption. It's also the avenue that Colorado consumers are most likely to shop for beer, wine, and spirits for off-premise consumption. Additionally, I want to point out that retail liquor stores are the most experienced and prepared business type to accommodate direct to consumer shipping in our state.

So why is the most logical provider of DTC shipping being excluded from this proposal? To be clear, we support breweries and distilleries being allowed the same opportunity that wineries have, but I think this proposal reads as a non-partisan conclusion that is missing the big picture: what is best for our state, its people, and our marketplace as a whole? Not what is best for an individual business type.

Our request here is that off-premise retailers be included in Direct to Consumer Shipping in our state. We don't see any logical reason for our exclusion.

Next, we want to address Proposals 34 and 35 collectively. I first want to say that we strongly support these proposals.

Of all the issues and solutions being addressed here, these two (and allocating the tax dollars required for the LED to prevent illegal activity) focus on what is by far the most impactful problem facing our state in regards to the LAG's proposals. The amount of wine, spirits, and beer that is being illegally shipped DTC in Colorado is massive, unchecked, and is costing our state millions of dollars in tax revenue. It is also increasingly putting Colorado liquor stores at a major disadvantage. This is not debatable, it is reality. These sales are being processed by out of state businesses, and even international businesses. Unfortunately, it would require significant tax dollars and many jobs to put a stop to it on a state level. It would also require shipping companies to revamp their screening process which I can't even begin to wrap my head around.

My point here is that counteracting this issue is and should be a priority. However, the Colorado businesses that are permitted to sell alcohol for off-premises consumption are losing significant in-state sales to out of state, and foreign businesses given the rise of E-commerce shopping. The most practical way to recoup in-state consumer tax dollars and help Colorado businesses compete is to expedite the process of activating DTC shipping in state, out of state, and internationally. This is common practice in the EU, and is a very large revenue driver for its economy. I realize that this is not a proposed topic, but it is important that our state representatives are aware of this problem facing Colorado retail liquor stores. And for most independent liquor stores which are struggling to survive the implementation of the wine in grocery bill, this is an opportunity for independent liquor stores to build a new revenue stream, and maintain our place in the foundation of our great state.

Finally we would like to express serious concern with Proposal 27 (Catering License)

This would be yet another blow to the very long list of new laws that are hurting retail liquor stores. Speaking from experience, we have spoken to so many friends, customers, even our own sister: they all tell us the same story. The event venue, or catering service informed them that any/all alcohol purchased for their event must be provided by a particular liquor store or catering service. Most specifically, this is done through Peak Beverage, one of the largest bartending services in our state. The owner of Peak Beverage also has a retail liquor license. This is one example of how it is already difficult to compete with educating the consumer that they can and should purchase their event liquor from a retail liquor store. Unfortunately there are many event venues that get kickbacks from companies like Peak Beverage. Therefore it is beneficial for the venue to tell the consumer that they are required to buy the liquor from the catering company's personal liquor store. Allowing this catering license will guarantee that liquor stores lose ALL event business overnight, yet another huge hit to our businesses. Additionally, given the unethical/dishonest narrative that is constantly being forced on uneducated customers by caterers, we would argue that catering licenses should be required to include a disclosure in all catering contracts defining the customer's right to choose where they purchase alcohol for their event.

Thank You, Scott & Jared Blauweiss