



COLORADO
Department of Revenue
Specialized Business Group—
Liquor & Tobacco

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Summary of Proposed Topics for Voting by the LAG

Disclaimer: These are the proposed votes from the Liquor Advisory Group, but the General Assembly is the final decision maker for any subsequent statutory changes.

Pursuant to the LAG Charter, the report to the General Assembly is to include “a final assessment of the LAG’s level of support for a recommendation, option, or idea will be conducted publicly and recorded in the special report. The recommendations or options considered, level of agreement for each recommendation or option, and a summary of the rationale for both supportive and dissenting views. Interim feedback on specific topics, options or alternatives may be provided throughout the process.”

Below is a summary of proposals from LAG Subgroups for consideration and vote by the LAG. The language of each proposal may be amended by the LAG group members during the discussion prior to a vote of the LAG. The proposals and votes will be included in the LAG Report.

Date of Vote: August 3, 2023

Marketplace Structure Subgroup

Proposal 18: Remove prohibition on wine and spirits wholesalers obtaining an importers license

Current Statutory Language:

44-3-405(2): It is unlawful for any licensed importer of vinous or spirituous liquors or any person, partnership, association, organization, or corporation interested financially in or with such a licensed importer to be interested financially, directly or indirectly, in the business of any vinous or spirituous wholesale licensee; except that any such financial interest that occurred on or before July 1, 1969, shall be lawful.

Mike Laszlo’s Submitted Proposal

- Strike subsection (2) from 44-3-405, C.R.S., to allow wine and spirits wholesalers to receive an importer license.
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Proposal 19: Credit terms for Liquor-Licensed Drugstores

Current Statutory Language:

44-3-410(2)(b): A person licensed under this section on or after January 1, 2017, shall not purchase malt, vinous, or spirituous liquors from a wholesaler on credit and shall effect payment upon delivery of the alcohol beverages.

Proposal submitted by Wendy Turk

- Add clarifying language in 44-3-410(2)(b) allowing for electronic funds transfers.
- Possible language: 44-3-410(2)(b): A person licensed under this section on or after January 1, 2017, shall not purchase malt, vinous, or spirituous liquors from a wholesaler on credit and shall effect payment upon delivery of the alcohol beverages. **The acceptance and use of an electronic funds transfer shall not be deemed an extension or acceptance of credit pursuant to this section, provided such transfer is initiated on or before the next business day after the delivery of the product.**

Licensing Subgroup

Proposal 20 (a): Timelines for sharing applications with the state

Current Statutory Language:

- 44-3-302(1)(b) - License renewal - rules
- 44-3-303(1)(c)(I) - Transfer of ownership and temporary permits.
- 44-3-309 - Local licensing authority - applications - optional premises licenses.
- 44-3-301

Proposal from Subgroup

- Add statutory language requiring local licensing authorities to transmit new, transfer, and renewal applications with attached state license fees to the state licensing authority within the following timeframes:
 - Renewals - twenty-one (21) days
 - New applications - thirty (30) days
 - Transfer applications - thirty (30) days
 - Modification of premises - thirty (30) days

Proposal 20 (b) : Division rulemaking authority for application review timelines and process

Current Statutory Language:

- 44-3-202(2)(a)(I) - Duties of the state licensing authority - rulemaking subjects
- 44-3-302(1)(b) - License renewal - rules
- 44-3-303(1)(c)(I) - Transfer of ownership and temporary permits.
- 44-3-309 - Local licensing authority - applications - optional premises licenses.

Proposal from Subgroup

- Add statutory authority to the above listed statutes giving the Division rulemaking authority over the timeline and process for review and transmittal between the state and local licensing authorities of all liquor new, transfer, and renewal applications, with attached state license fees.

Note: The Division will conduct rulemaking working groups with local licensing authorities in order to ensure development of timelines workable for all parties. The proposed rule will also contain language allowing for deviations from established timelines for good cause.

Regulation of Retail Operations Subgroup

Proposal 22: Allow the Liquor Enforcement Division to charge for investigations

Current Statutory Language:

- None

Proposal from Subgroup

- Add statutory authority allowing the Division to charge a licensee for the cost of an investigation and providing the Division rulemaking authority over the same.
- Charges for investigations would be in addition to any penalties for a violation, including but not limited to payment of a fine or a fine in lieu of suspension.
- Charges for investigations would be subject to limitations, including, but not limited to:
 - Investigations where the licensee has admitted guilt or has been found to be in violation through an administrative hearing.
 - Charges would be applied to long-term investigations, not routine compliance checks.
 - The exact hourly charge and the limit that investigation fees could not exceed would be established by liquor stakeholder engagement via the rulemaking process.
 - Costs of investigation would be limited to the criminal investigator's time investigating the violation and, if applicable, testifying at an administrative hearing associated with the violation.
 - Cars, gas, and minor operative time, and time for investigators to prepare for hearing testimony, would not be included in the costs of investigation.

Proposal 23: Controlled substance sales on licensed premises

Current Statutory Language:

- None

Proposal from Subgroup

- Add statutory language making it unlawful for any person licensed to sell at retail pursuant to article 3 or article 4 of title 44 to knowingly permit the illegal sale, or negotiations for the sale, of controlled substances upon their licensed premises.

- Notwithstanding the section above, it shall not be unlawful for a pharmacy licensed by the state board of pharmacy on the premises of a liquor-licensed drugstore licensed pursuant to 44-3-410, C.R.S., to sell lawfully prescribed controlled substances.
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Proposal 24: Support and incentives for responsible vendor training.

Current Statutory Language:

- 44-3-1001 - Short title.
- 44-3-1002 - Responsible vendors - standards.

Proposal from Subgroup

- The LAG recognizes the value of responsible vendor training and its role in ensuring public safety regarding alcohol sales and service. The LAG recommends the General Assembly add language in statute to increase incentives for licensees to attain responsible alcohol beverage vendor certification and/or require licensees to ensure all employees selling or serving alcohol beverages have taken responsible vendor training approved by the Liquor Enforcement Division.
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Proposal 25: Allow restaurants to have the option for customers to bring in a bottle of wine and charge a corkage fee.

Current Statutory Language:

- None addressing corkage fees
- 44-3-423 - Removal of vinous liquor from licensed premises.

Proposal from Subgroup

- Add statutory language allowing a licensee permitted to sell vinous liquor for on-premises consumption to permit a customer to bring one factory-sealed, unopened container of vinous liquor onto the licensed premises for consumption by the customer.
 - The container may not contain more than seven hundred fifty milliliters of vinous liquor.
 - The licensee may charge a corkage fee for serving the vinous liquor supplied by a customer.
 - The customer may carry out the unconsumed portion of the bottle of wine in accordance with 44-3-423, C.R.S.
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