



2018/19 Colorado Liquor Law & Rule Changes



COLORADO

Department of Revenue

Enforcement Division - Liquor & Tobacco

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VinCo - January 14, 2019




AGENDA

- 1 History - SB16-197 through SB18-243
- 2 2019 Rules Changes - Affects on Wineries
- 3 Miscellaneous Law Changes - Wineries
- 4 Q & A




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History – SB16-197 Through SB18-243

Background

- 2015 - Ballot measure to allow spirits, wine and beer to be sold in all grocery and convenience stores was introduced
- Industry was divided on the solution - fear of small businesses being affected negatively
- SB16-197 was developed (several changes to liquor law)
 - Expanded retail liquor stores (RLS) and liquor-licensed drugstores (LLDS) ownership
 - Expanded items to be sold within a RLS
 - Created distance restrictions between new off-premises license locations
 - In 2019 - definition of 3.2% beer and malt liquor become the same - allowing 3.2% beer retailers to sell any beer over 0.5% (but not wine)
 - Created a stakeholder working group to make recommendations to the legislature, one of which was how to transition from 3.2% beer to full strength beer in grocery and convenience stores



History – SB16-197 Through SB18-243

Background (cont.)

- Working group met between August 2016 and September 2017
- In January 2018, the LED published the working group report that laid out several recommendations.
- SB18-243 was developed
 - Allows grocery and convenience stores to sell full strength beer without a new license
 - Created distance restrictions between retail off-premise locations
 - Expanded mandated ID checking
 - Prohibited all off-premises retailers from selling below their costs
 - And more

2019 Rule Changes Affect on Wineries

Rule Making Process

- Started in May 2018
- Several challenges in gaining consensus
- Biggest challenge concerned the value of labor and “hand sales”
 - Value of labor - what can a supplier do at a retailer (deliver, stock, rotate, price stamping and merchandising). Both retailer and supplier must keep track.
 - Hand sales - wine and spirits
 - Wine shipping permit - where to solicit
 - Tastings - who can pour, times, how many per year, etc.
 - Sales/invoices from wineries to retail (RLS or LLDS).
 - ❑ Use of third party companies for invoicing





Miscellaneous Law Changes Affect on Wineries

HB18-1025, HB18-1026, SB18-036

- Recodification of the liquor, beer, special event and tobacco laws

SB18-067

- Auction of alcohol beverages

SB18-079

- Classification of sake

SB18-138

- Transfer alcohol from surrendered license



Miscellaneous Law Changes Affect on Wineries

SB18-173

- Cork and carry

Miscellaneous Changes

- Public Consumption

Q & A?



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THANK YOU!

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