



COLORADO

Department of Revenue

Enforcement Division - Liquor & Tobacco

Physical Address:
1881 Pierce Street
Lakewood, CO 80214

Mailing Address:
P.O. Box 173350
Denver, CO 80217-3350

November 13, 2015

Dear Liquor Industry:

On August 30, 2013, the Liquor Enforcement Division (Division) issued a letter concerning the placement of umbrellas and other display items with another utilitarian value as consumer giveaways in retail accounts. During this last year, the Division worked with the liquor industry in attempts to formalize the contents of the letter into a rule, with the understanding the letter issued on August 30, 2013, would be rescinded.

At the Rule Making Working Group meeting held on October 28, 2015, the Working Group was not able to come to a consensus on a potential rule and requested additional time in drafting rules and to allow retailers to display items with another utilitarian value per the previously issued letter until further analysis could be conducted.

The Division understands the complexity of the issue and will continue to work with the industry to develop clear, concise and enforceable rules that address the Division's and industry's concerns. The Division is providing the following guidelines which outline the parameters for the placement of a display item (with another utilitarian value) in a retail establishment:

1. The item must be properly identified in signage as a prize as part of a consumer giveaway, sweepstakes or contest, e.g. "Win this Umbrella."
2. Signage must also display the starting date of the drawing or contest period, the drawing or contest ending date and time, and the fact that the item is the property of the wholesaler. The wholesaler must be in compliance with any sweepstakes or other applicable laws.
3. No purchase is required in order to enter the drawing.
4. The contest and drawing period cannot last longer than thirty (30) days, and no similar item can be displayed and given away at the same retail establishment more than once during a six-month period.
5. The wholesaler is responsible for removing the display item at the completion of the drawing or contest and awarding the item to the winner. The item may not be left at the retailer for pick up. The retailer, its employees or family members are not eligible to receive or award the prize.
6. The wholesaler must keep a record of the name, address and phone number of the winner of the display item and must maintain such record for a minimum of three years.
7. The wholesaler must leave an invoice with the retailer showing that the display item is the property of the wholesaler and showing the delivery date and the retailer and wholesaler must maintain a record of such invoice for a minimum of three years.

Except for paragraphs 6, both the retailer and wholesaler are responsible for following the conditions set forth in this letter.

This letter supersedes the letter from August 30, 2013 and the Division expects to rescind this letter by December 2016 whether or not a rule is adopted.

The conditions of this letter are effective January 1, 2016 and will be strictly enforced.

If you have any questions, contact the Division at 303-205-2300

Sincerely,

A handwritten signature in black ink that reads "Patrick Maroney". The signature is written in a cursive style with a large initial 'P' and 'M'.

Patrick Maroney
Director
Colorado Liquor Enforcement Division