

Liquor Enforcement Division
Colorado Liquor Compliance Working Group #5

Meeting of August 19, 2014
Beginning at 1:00 pm

Bryan Cave
1700 Lincoln Street, Suite 4100
Denver, CO 80203

Working Group Members Present:

Ron Kammerzell, Chair
Patrick Maroney, Co-Chair
Barbara Brohl, Executive Director, Colorado Department of Revenue
Heather Copp, Deputy Director, Colorado Department of Revenue
Kevin Patterson, Governor's Office
Jennifer Higgs, Agent In Charge, Liquor and Tobacco Enforcement
Sandra Lowman, Executive Assistant to the Director
Wendy Spaulding, Executive Assistant to the Senior Director
Representative Dan Pabon
Doug Caskey, Colorado Wine Industry Development Board
Laura Long, Weist Capitol Group
Jeanne McEvoy, Colorado Licensed Beverage Association
Jim Shpall, Applejack Wine & Spirits
Sonja Riggs (for Pete Meersman), Colorado Restaurant Association
Chuck McGrigg, Wine Institute
Corey Tipton (for John Tipton), The Tipton Law Firm, P.C.
Jenn Penn (for Bob Hunt) MillerCoors
Micki Hackenberger, Wine & Spirit Wholesales of Colorado
Andrew Lemley, New Belgium Brewing Company
Chas Runco, Tipton Law Firm
Kevin Bommer, Municipal League
Stephen Gould, Golden Moon Distillery
Tyler Henson, Axiom Strategies
Joan Green Turner, Distilled Beverage Council of the U.S.
Stephanie Fransen, Lobbyist for Colorado Licensed Beverage Association
Manuel Martinez, Bryan Cave Law Firm
Nick Hoover, Colorado Restaurant Association

I. Welcome and Introductions

Patrick Maroney, Director, opened the meeting by thanking the working group members for their time and the public for coming and encouraged their participation. Each working group member and the public in attendance introduced themselves. He then explained that the goal of this working group is to make recommendations on how we can make changes to the industry to create a more business friendly model with an emphasis on increasing voluntary compliance.

Director Maroney then asked the Chair of each subgroup to give an update on their progress. He also asked that the subgroups complete their final recommendations to present to this Main Working Group at its September meeting.

II. Report from Subgroups

Training and Education

Jeanne McEvoy, stated that the group had two main takeaways from their meeting: 1) the Responsible Vendor Program and how to make it more accommodating for licensees in remote areas where it may be cost prohibitive to attend training in Denver. The group agreed to continue the discussion and will begin looking at online training as a possible solution. 2) education of the industry and licensing agencies; to work closely with Colorado Counties, the Municipal League and the State. Director Maroney added that the group also discussed a Q & A for retail liquor licenses, identifying the top ten that would be important to publish for licensees. He asked for input from other members of the industry.

Executive Director Barb Brohl asked if any other recommendations or ideas to reach out of town licensees. Director Maroney explained that everybody the group focused on specifically on live webinars. He also stated that a large symposium was discussed will be recommended by the subgroup. The Division is in the process of developing a retailer 101 training for new retailers who want training. This training is expected to be available in January 2015.

Trade Practices:

Mr. Runco stated that the group had tried to limit the review of Trade Practices to 2 or 3 areas but ended up with 6-7; not only to ensure better compliance on behalf of retailers and wholesalers, but also look at rules that are enforceable by the Division.

- Hand sales and cumulative discounts
- Warehousing by smaller on premises retailers
- Value of labor by Distributors, what they are able to do with helping out retailers
- Rules 316 and 322, items that can be provided by distributors to retailers
- Breakage
- Education seminars

A discussion of the rule making process was had and determined that as much as possible will be integrated into this rule making. The Trade Practices group will continue to meet and review and may come up with recommendations for additional rule making at a later time.

Director Maroney handed out documents that contain the rule review and rule making process for the Division and explained each step. He explained that a Rules Advisory Working Group will be put together that will encompass the rules listed on the Divisions Regulatory Agenda which Executive Director Brohl explained. The rules from the Advisory Working Group along with the rule changes from the Compliance Working Group will combine for a rule making hearing in December.

Director Kammerzell clarified the "Recommendation Template" that the sub groups will use to make recommendations to the full working group at its next meeting. All recommendations will be reviewed and discussed to develop an action plan to determine if it is a policy, rule or legislative change and how to move forward with each recommendation.

Model Guidelines for Compliance Checks

Ms. Sonya Riggs gave an update for the sub group meeting and explained that there are two items in the packet: 1) current recommendations for liquor violations and 2) model/uniform guidelines for compliance checks. Two things came out of this: fair and reasonable. A conversation was had relating to these items including local licensing control vs. state licensing

and law enforcement. The group also kept in mind Senate Bill 54 to be sure that was integrated into the recommendations.

Director Maroney thanked this working group for its hard work and excellent document that was put together thus far.

BREAK 3:03

Director Maroney brought the meeting back to order and asked the Licensing Sub Group to give their update.

Licensing:

Director Maroney explained that Laura Harris, Chair, forwarded the minutes of their first meeting held on July 16, and are included in the packet. The group identified four takeaways:

#1: Address post 90-day renewal program. Many of the creative ways would take legislative changes. A discussion was had discussing many alternative ways of assisting in making sure the license is renewed on time. Director Maroney explained that the enforcement group as a whole is reviewing the license renewal process as part of a LEAN project. Recommendation is to have legislation to address the 90 day window.

#2: Streamline the renewal process. Director Maroney indicated that this is already underway in the Division.

#3: Staffing and Training. The group recommends that Liquor Enforcement extend the number of staff they have for licensing. The Division is currently in an 8-12 cycle for of turnaround for licensing. The Municipal League will be asking the JBC to allocate funds for additional staff in the Liquor Division. Executive Director Brohl asked the group to define more specifically the needs that aren't being taken care of. A discussion ensued regarding the specifics.

#4: Any recommendation from Local entities.

Wrap Up

Director Maroney asked the group to look at the document provided that is the original list of items from the initial meeting of this Working Group to determine if anything has been left out. With no comment from the group, he then explained the next steps of the sub groups and the main working group. He asked the group to plan on a full day meeting in September to prepare for rulemaking in December.

Director Maroney thanked everybody for their hard work and the commitment of this industry to work through these issues.

Meeting Adjourned: 4:00 pm