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Please Oppose New Restrictions on Beer Sales in Colorado SB 243 by Senators Holbert & Guzman

The Colorado Retail Council is opposed to Senate Bill 243. Here's why:

- This proposal disrupts the deal made in 2016 by imposing new restrictions on the sale of full-strength beer in Colorado and creating new costs for businesses that have been relying on the compromise in SB16-197 to implement full-strength beer sales beginning in 2019;
- The proposal creates new restrictions that were not contemplated in SB16-197, including:
 - creating new licensing requirements that were not agreed to in 2016;
 - restricting the space within the stores where product can be sold;
 - requiring arbitrary age-limits on hundreds of employees across the state.
- We have no doubt such age restrictions in the proposal will **eliminate jobs** in Colorado.

Background:

In 2016, industry representatives reached a compromise on legislation (SB16-197) and brought Colorado into the 21st century by allowing grocery stores and convenience stores to sell full-strength beer by January 1, 2019. Colorado has been only one of five states that still requires the sale of 3.2 beer for a certain class of retailers.

At the time, the bill was referred to as the "Grand Compromise." It was praised by the liquor store lobbyists and when Governor Hickenlooper was hesitant about signing the bill, they lauded the merits of the bill and urged the governor to sign it to protect Colorado liquor stores.

Then in the subsequent 2017 session, the Colorado Licensed Beverage Association continued to support SB16-197 and urged the Colorado legislature to allow the bill go into effect before making any more significant changes to the market.

Since the passage of SB16-197, grocery stores, convenience stores, beer manufacturers, beer distributors and craft brewing companies have made **multi-million dollar investments** to prepare for the major changes in the marketplace upon the January 2019 implementation date.

Such investments include:

- ✓ Purchasing equipment & staff for anticipation of sales in 2019;
- ✓ Reconstructing existing floor space in their stores to accommodate products;
- ✓ Training staff;
- ✓ Beer manufacturers and distributors planning shelf sets & delivery routes; developing strategic plans to manufacturer and deliver the appropriate beer products;
- ✓ Purchasing land & scheduling construction for future development

Now, only eight months before the January 2019 implementation date, Colorado liquor store interests are **trying to renegotiate** this “Grand Compromise” with proposed legislation by Senators Holbert & Guzman that would enact new arbitrary, protectionist regulations and restrictions that were never part of the 2016 agreement. **None** of these proposals were agreed to during the eighteen-month long SB16-197 Statutory Working Group process that our members participated in. The liquor stores made their case for more restrictions and the working group found their arguments to be unconvincing.

‘A Deal is a Deal.’ Please vote NO.

“I would tell John Hickenlooper, our fine governor, to sign the bill into law. It is what he has always asked for - it is taking care of the little guys. We represent the little guys and the little guys were at the table. The little guys have been working on this for years.” - Jeanne McEvoy, President of the Colorado Licensed Beverage Association - May 2016, Source Channel 9 News KUSA Denver, show segment, ‘Balance of Power,’ www.9news.com

“..let me say it's been a very hard negotiation, very difficult, a lot of give and take between all the parties involved... it meets most of the needs of the community... and so I am just here to say that I am personally happy with this bill.” - Jim Dean, an owner of Hazel's liquor store and member of CLBA, testifying in support of SB16-197, 2016 Session

“I am very satisfied and appreciative of the Governor's efforts. This puts owners of small liquor stores in the captain's seat of their businesses. Colorado has changed, There's been an influx of new residents. Colorado is the place to be. People come from states that allow alcohol to be sold in grocery stores and they miss that convenience.” - Jeanne McEvoy, CEO of the Colorado Licensed Beverage Association, October 3, 2016, mywindsomow.com

- *“It has protections for the small guys... it does away with 3.2 beer in a couple years and it again allows small stores who have relied on our regulatory system for over 80 years to actually transition out of this market or be part of this market depending on what they want to do... it is a compromise I would say ... 95 percent of that entire industry supports this bill.”*
- *“... no one is getting 100 percent of what they want but like most compromises people are getting what they need.” - Scott Chase, Coloradans for Safety, testifying in Support of SB-16-197, in Senate and House testimony 2016.*

“The market will never recover if people don't leave it alone,” <Jeanne McEvoy> said. “Senate Bill 197 was a major change, but it needs time to stabilize the market.” - Jeanne McEvoy, President of the Colorado Licensed Beverage Association - May 2017, Source: Colorado Politics, “Late liquor license bill pits smaller stores against some local retail giants.”