## STATE OF COLORADO

## **DEPARTMENT OF REVENUE**

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John Hickenlooper Governor

Barbara J. Brohl Executive Director

Patrick Maroney Acting Division Director

December 23, 2013

Dear Clerks,

Earlier this year, the Liquor Enforcement Division (Division) decided to take a stronger stance on the issuance of tavern licenses in an effort to be more in line with the definition of a tavern, which states (emphasis added):

12-47-103(38) - "Tavern" means an establishment serving alcohol beverages <u>in which the principal business</u> is the sale of alcohol beverages at retail for consumption on the <u>premises</u> and where sandwiches and light snacks are available for consumption on the <u>premises</u>.

The Division worked with many clerks across the state and provided other options to help ensure applicants were able to obtain a liquor license to better fit the law. This included switching to a different license type (i.e. beer and wine) or modifying the premises so it only included the area where the principal business is the sale of alcohol.

Even though the intent of this decision was to better adhere to the liquor code, the Division has decided to re-evaluate this decision. Some aspects of this issue will change immediately, while others will take several months.

Below is the Division's plan on addressing this issue:

- 1. Effective immediately, license applications for taverns will be allowed to include non-traditional tavern establishments as we did before the decision earlier this year. This includes movie theaters, bowling alleys, nail salons, etc..
- 2. The Division will work with local licensing authorities to identify those licensees that were issued under the following criteria:
  - a. If the application was initially <u>approved</u> by the local licensing authority as a tavern but changed at the direction of the Division, the Division is willing to change the license type to tavern without a state fee.

b. If the application was <u>submitted</u> to the local licensing authority as a tavern but was changed at the direction of the Division prior to local approval, the Division is willing to change the license type to tavern without a state fee. The local licensing authority may process this change as a new license in order to establish the needs and desires of the neighborhood since the initial approval was not for a tavern.

c. If the local licensing authority initially approved a license type other than a tavern and the licensee wants to change the type of license, the normal process would be followed. This includes a new application process and fees.

The Division will process the requests giving priority to those in paragraph a, then b, then c.

3. The Division will have meetings with stakeholders to help determine the best approach in addressing the problem of issuing a tavern license to a business that does not fit the definition. You and other stakeholders with have an opportunity to provide input and suggestions on how compliance can be gained in accordance with the laws and rules. Meeting notices will be sent to the clerks, other stakeholders and will be posted on the Division's website.

The Division appreciates your patience as we move forward to resolve this problem.

Sincerely

Patrick Maroney
Acting Director

**Liquor Enforcement Division** 

Patrick Maroney