



**DISTILLED SPIRITS COUNCIL**  
OF THE UNITED STATES

April 11, 2024

From:  
Ainsley Giglierano  
Vice President of Public Affairs and State Policy  
Distilled Spirits Council of the United States

Dear Honorable Members of the House Finance Committee,

This testimony is submitted on behalf of the Distilled Spirits Council of the United States (DISCUS), a national trade association representing producers and marketers of distilled spirits including members here in Colorado. We would like to register our opposition to HB 1373 which would eliminate the liquor-licensed drugstore license, a license type that allows some grocery stores to sell distilled spirits under certain conditions, despite having broad industry support of its creation in the compromise bill of 2016, SB 197.

SB 197 was a bill that was the result of careful and lengthy negotiation between lawmakers and stakeholders that expanded consumer access to alcohol products on a relatively equal basis and with a more than 20-year implementation timeline. By design, it allowed a limited number of grocery stores to obtain an expanded license to sell spirits, while also putting guardrails in place to ensure Colorado package stores would continue to thrive and even grow their businesses, if desired. The passage of SB 197 did not lead to a sudden explosion of spirits flooding grocery stores. In fact, there are still only about 30 of these licenses in the state because of the time, money, effort and investment it takes to obtain one of these licenses.

Spirits producers and consumers are still greatly disadvantaged in Colorado. Beer and wine are sold in more than double the amount of stores as distilled spirits. And while Colorado retailers were open and did very well during the pandemic, distillery tasting rooms were completely shut down. Now, distillers continue to face harsh economic challenges including staffing shortages, inflation and supply chain disruptions. Continuing and implementing new hardships for distillers could lead to business closures, lost jobs and reduced economic activity. Passing HB 1373 will cause further harm to an already decimated industry filled with local business owners, workers and consumers.

Further, this effort to completely undo the compromises reached in SB 197 would reinstate a Prohibition-era ban on spirits sales. More than 30 states already allow some form of beer, wine and spirits in grocery stores – including Colorado. States that do not have this market access channel available to spirits are looking at adding it. And to our

knowledge, **NO state has ever eliminated this consumer access channel.** SB 197 gave consumers increased convenience when shopping for their favorite spirits brands, and they should not be stripped of that convenience nearly a decade later.

HB 1373 eliminates market access consumers already have; reinstates and perpetuates the unfair market access advantages beer and wine enjoy at the expense of spirits producers already struggling to compete in fewer outlets; and takes the state of Colorado backwards when the rest of the country is moving in the opposite direction.

We respectfully ask the committee to vote "NO" on HB 1373 and keep Colorado moving forward by protecting the industry-wide agreed upon modernizations codified in SB 197 that increase consumer convenience and promote a fair marketplace. Thank you for your time and consideration.

Sincerely,

  
Ainsley Giglierano  
Vice President of Public Affairs & State Policy  
Distilled Spirits Council of the United States