



Date Generated: April 25, 2020

**Sub-Issues:**

- IX.A. COVID-Related / Credit Law Changes

**IX. COVID-Related**

**IX.A. Credit Law Changes**

**Alabama**

None at Present

**Arizona**

None at present

**California**

Business and Professions Code Section 25509 prohibits manufacturers, wholesalers, and other specified suppliers from extending credit to retailers beyond 30 days. This section also requires the imposition of statutory penalty charges on delinquent accounts. It further provides that delinquent retailers may purchase additional alcoholic beverages from any unpaid supplier only on a COD basis. The Department will not be enforcing these provisions. It will be up to the parties to determine appropriate credit terms during this time. However, licensees should also consider that when these temporary measures are lifted, the statutory provisions will pre-empt any agreed-upon credit terms.

[CA ABC Regulatory Relief Notice](#)

**Colorado**

Bulletin 20-03 states "Federal and State consignment sales, extensions of credit, and product returns laws and regulations remain in effect, except as provided in Bulletin 20-02 (Lawful Product Returns for Event Cancellations Attributable to COVID-19 Concerns), dated March 13, 2020. At present, there have been no other measures taken to alter these Federal or State laws and regulations due to COVID-19. LED is open to hearing stakeholder ideas as this situation evolves.

[Bulletin 20-03 dated 4/1/20](#)

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## **Connecticut**

April 1 executive order extended credit period to 90 days for on-premise licensees.

[Executive Order 7S](#)

## **Florida**

None at present

## **Illinois**

3/31 guidance establishes a delinquent retailer dispute process.

[ILCC Credit Delinquency Guidance dated 3/31](#)

## **Indiana**

Indiana State Excise Police will respond to complaints but will not be making the 15 day credit terms for retailers/dealers and wholesalers and enforcement priority

[IN ATC Wholesale Guidance](#)

## **Iowa**

None at present.

## **Kansas**

None at present

## **Louisiana**

Credit to bar retailers extended from 15 to 45 days. Full payment due 4/30. 3/25/20 guidance states that retailers may use credit cards in lieu of cash payment at the wholesaler's discretion.

[LA ATC Memo: Credit Extension](#)

[LA ATC Memo dated 3/25/20: Credit Card Usage](#)

## **Massachusetts**

Credit for on-premise licensee purchases made after January 18, extended by 60 days to 120 day credit.

[MA ABCC Credit Terms Memo Dated 4/16/20](#)

## **Michigan**

## **Minnesota**

None at present

## **Missouri**

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4/3/20 Industry circular states: "Ordinary Commercial Credit – At this time, ATC will not extend the ordinary commercial credit terms set forth in 11 CSR 70-2.010(4) (A) and (B)."

[MO ATC COVID Circular Dated 4/3/20](#)

## **Montana**

None at present

## **Nebraska**

30 day credit for wine and spirits sales extended to 90 days for duration of COVID. Guidance states "Allow the credit time on non-beer products to extend beyond 30 days. Neb. Rev. Stat. 53-168. Beer must be paid for upon delivery of the product from a Nebraska Wholesaler to a Nebraska retailer. Wine and spirits are normally allowed to have a credit for up to thirty days before payment is due. With the current closures and restrictions of sales on many bars and restaurants, these payments may become due when the establishment is closed or during modified operations. Executive Order 20-06 allows a temporary extension of credit to 90 days to provide some ease during this crisis. Please be aware that credit may only be extended to wine and spirits and does not apply to beer."

Please note that the NLCC issued clarifying guidance on the extension of credit on 3/26/20.

[NLCC Wholesale Operations Advisory  
3/26/20 Advisory Update](#)

## **New Jersey**

State has authorized wholesalers to extend credit until May 15, 2020 to those on-premises retailers that accepted deliveries between February 23 and March 16, 2020.

[NJ DABC Special Ruling 2020-02](#)

## **New York**

None at present

## **Ohio**

None at present

## **Oklahoma**

None at present

## **Oregon**

## **Texas**

Guidance states:

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- Are still required to comply with cash and/or credit law statutes.
- Are responsible for reporting violations of these statutes.

#### Retailers

- Must still pay distributors what they owe before purchasing new alcohol inventory.
- TABC will not penalize retailers that fail to make timely payments for:
  - cash law purchases from March 1-31, 2020, and
  - credit law purchases from March 1-31, 2020, associated with:
    - o Delinquent List #1794, and
    - o Delinquent List #1795.

[Texas ABC Credit Guidance dated 4/2/20](#)

### **Vermont**

None at present

### **Virginia**

None at present

### **Washington**

None at present