



Date Generated: April 2, 2020

Sub-Issues:

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

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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

None at present

Connecticut

4/1/20 executive order extends credit period to 90 days for on-premise licensees. Off-premise credit period remains 30 days.

[Executive Order 7S \(4/1/20\)](#)

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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 30 days to 90 day credit.

[MA ABCC Credit Terms Memo](#)

Minnesota

None at present

Missouri

None at present

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 York

None at present

Ohio

None at present

Oklahoma

None at present

Texas

Guidance states:

Upper Tier Members

- 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

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None at present

Washington

None at present