

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 10-0674.01 Christy Chase

SENATE BILL 10-083

SENATE SPONSORSHIP

Kester,

HOUSE SPONSORSHIP

Middleton,

Senate Committees

Business, Labor and Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE ENFORCEMENT OF FEDERAL LAW PERTAINING TO**
102 **THE EXTENSION OF CREDIT FOR THE SALE OF ALCOHOL**
103 **BEVERAGES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Current law prohibits the executive director of the department of revenue, in the director's capacity as the state licensing authority for the regulation of the manufacture, distribution, and sale of alcohol beverages, from adopting rules regulating the sale of alcohol beverages on credit and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

requires persons licensed under the "Colorado Liquor Code" to comply with federal regulations that prohibit the extension of credit for more than 30 days for the sale of alcohol beverages. The bill requires the state licensing authority to enforce that prohibition and authorizes the state licensing authority to adopt rules regarding the sale of alcohol beverages on credit, consistent with applicable federal regulations.

Licensees are obligated to comply with the credit sales prohibition and with any rules adopted by the state licensing authority. For purposes of the prohibition on credit sales of alcohol beverages, "licensee" includes, consistent with federal regulations, a person in business as a distiller, brewer, rectifier, blender, or other producer; as an importer or wholesaler of alcohol beverages; or as a bottler or warehouseman and bottler of spiritous liquors.

The bill also specifies that the extension of credit beyond 30 days or in a manner inconsistent with rules of the state licensing authority constitutes unlawful financial assistance under the "Colorado Liquor Code".

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 12-47-202 (2) (b), Colorado Revised Statutes, is
3 amended to read:

4 **12-47-202. Duties of state licensing authority.** (2) (b) (I) (A)
5 The state licensing authority shall make no rule regulating OR
6 PROHIBITING the sale OF ALCOHOL BEVERAGES on credit of any alcohol
7 beverage OFFERED OR EXTENDED BY A LICENSEE TO A RETAILER, WHERE
8 THE CREDIT IS OFFERED OR EXTENDED FOR THIRTY DAYS OR LESS. THE
9 STATE LICENSING AUTHORITY SHALL ENFORCE THE PROHIBITION AGAINST
10 EXTENDING CREDIT FOR MORE THAN THIRTY DAYS FOR THE SALE OF
11 ALCOHOL BEVERAGES, PURSUANT TO 27 CFR PART 6, AND MAY ADOPT
12 RULES REGULATING OR PROHIBITING THE SALE OF ALCOHOL BEVERAGES
13 ON CREDIT WHERE THE CREDIT IS OFFERED OR EXTENDED FOR MORE THAN
14 THIRTY DAYS, CONSISTENT WITH THE FEDERAL REGULATIONS.

15 (B) NOTHING IN THIS SUBPARAGRAPH (I) ALLOWS THE STATE
16 LICENSING AUTHORITY TO ADOPT A RULE THAT RESTRICTS THE ABILITY OF

1 A LICENSEE TO, OR PROHIBITS A LICENSEE FROM, MAKING SALES OF
2 ALCOHOL BEVERAGES, ON A CASH-ON-DELIVERY BASIS, TO A RETAILER
3 WHO IS OR MAY BE IN ARREARS IN PAYMENTS TO A LICENSEE FOR PRIOR
4 ALCOHOL BEVERAGE SALES.

5 (II) Licensees shall comply with the prohibition of AGAINST
6 extending credit TO A RETAILER for more than thirty days for the sale of
7 alcohol beverages, including beer, contained in ~~27 CFR 6~~ 27 CFR PART
8 6 AND WITH RULES ADOPTED BY THE STATE LICENSING AUTHORITY THAT
9 ARE CONSISTENT WITH 27 CFR PART 6. ==

10 (III) AS USED IN THIS PARAGRAPH (b), == "LICENSEE" SHALL HAVE
11 THE SAME MEANING AS "INDUSTRY MEMBER", AS DEFINED IN 27 CFR 6.11,
12 AND INCLUDES A PERSON ENGAGED IN BUSINESS AS A DISTILLER, BREWER,
13 RECTIFIER, BLENDER, OR OTHER PRODUCER; AS AN IMPORTER OR
14 WHOLESALER OF ALCOHOL BEVERAGES; OR AS A BOTTLER OR
15 WAREHOUSEMAN AND BOTTLER OF SPIRITOUS LIQUORS.

16 **SECTION 2.** 12-47-308 (1) (a), Colorado Revised Statutes, is
17 amended to read:

18 **12-47-308. Unlawful financial assistance.** (1) (a) It is unlawful
19 for any person licensed pursuant to THIS ARTICLE OR article 46 ~~or 47~~ of
20 this title as a manufacturer, limited winery licensee, wholesaler, or
21 importer, or any person, partnership, association, organization, or
22 corporation interested financially in or with any of said licensees, to
23 furnish, supply, or loan, in any manner, directly or indirectly, to any
24 person licensed to sell at retail pursuant to ~~the provisions of~~ this article or
25 article 46 or 48 of this title any financial assistance, INCLUDING THE
26 EXTENSION OF CREDIT FOR MORE THAN THIRTY DAYS, AS SPECIFIED IN
27 SECTION 12-47-202 (2) (b) OR IN RULES OF THE STATE LICENSING

1 AUTHORITY, or any equipment, fixtures, chattels, or furnishings used in
2 the storing, handling, serving, or dispensing of food or alcohol beverages
3 within the premises or for making any structural alterations or
4 improvements in or on the building ~~on~~ IN which such premises are
5 located. This section shall not apply to signs or displays within such
6 premises.

7 **SECTION 3. Act subject to petition - effective date.** This act
8 shall take effect at 12:01 a.m. on the day following the expiration of the
9 ninety-day period after final adjournment of the general assembly (August
10 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a
11 referendum petition is filed pursuant to section 1 (3) of article V of the
12 state constitution against this act or an item, section, or part of this act
13 within such period, then the act, item, section, or part shall not take effect
14 unless approved by the people at the general election to be held in
15 November 2010 and shall take effect on the date of the official
16 declaration of the vote thereon by the governor.