SB10-083

Colorado Legislative Council Staff Fiscal Note

STATE FISCAL IMPACT

Drafting Number:	LLS 10-0674	**Date:**	February 1, 2010
Prime Sponsor(s):	Sen. Kester Rep. Middleton	**Bill Status:**	Senate Business, Labor, & Technology
		Fiscal Analyst:	Harry Zeid (303-866-4753)

TITLE: CONCERNING THE ENFORCEMENT OF FEDERAL LAW PERTAINING TO THE EXTENSION OF CREDIT FOR THE SALE OF ALCOHOL BEVERAGES.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.		
Appropriation Summary for FY 2010-2011: None required.		
Local Government Impact: None.		

Summary of Legislation

SB10-083 defines the term "licensee" to mean a person in business as a distiller, brewer, rectifier, blender, or other producer; an importer or wholesaler of alcohol beverages; or a bottler or warehouseman and bottler of spiritous liquors. The Department of Revenue is required by the bill to enforce the federal prohibition against licensees from extending credit to a retailer for more than 30 days. The department is authorized to adopt rules consistent with applicable federal regulations.

State Expenditures

Notwithstanding federal law, the extension of credit by liquor licensees to liquor retailers appears to be a common industry practice. As of December 31, 2009, there were 10,383 licensed retailers and 270 suppliers in the Colorado. The Liquor Enforcement Division will be charged with investigating complaints related to the over-extension of credit by suppliers. However, the number of licensees that are out of compliance with federal regulations related to the extension of credit is not known and the workload impact on the division, if any, cannot be determined at this time.

In order to comply with the bill, the division will require input from industry sources. Procedures will be identified and rules for the bill's implementation will be developed. Additional funding, if any, will be addressed through the budget process. Costs would be paid from the Liquor Enforcement Division and State Licensing Authority Cash Fund.

Departments Contacted

Revenue