

News Release

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Comptroller Extends Freeze on Reporting Alcohol Retailers to the Credit Control List Until February 1

Distributors won't need to notify agency when retailers have payments issues; allows businesses flexibility

ANNAPOLIS, Md. (September 23, 2020) – As COVID-19 continues to impact small businesses, Comptroller Peter Franchot today announced that his agency will forego until February 1, 2021, a requirement that alcohol distributors to report any retailer upon their inability to pay for delivered products within prescribed timelines.

The Field Enforcement Division (FED), which regulates the production and sale of alcoholic beverages in Maryland, works to ensure an even playing field for retailers by regulating the credit that distributors afford retailers when selling products. Ordinarily, distributors must place retailers who do not pay within a certain period of time on a list maintained by FED that requires the retailer to pay in cash until credit debts are paid.

“One thing we are very mindful of during this incredibly difficult time is to not increase the financial burden on individuals or small businesses,” said Comptroller Peter Franchot. “In many cases, alcohol distributors and retailers have long-lasting, positive relationships and have built up a trust with each other that enables them to work out payment plans, if necessary. This action merely removes the reporting requirement temporarily so that distributors don't have to place retailers on a naughty list for circumstances beyond their control.”

This action also reflects the agency's desire to level the playing field for retailers during the COVID pandemic, as cash flow varies greatly between businesses, depending on size, location and other factors.

The suspension of this reporting requirement has been in place since the State of Emergency began in March but was previously issued in two-month increments. This longer freeze provides more certainty for businesses during this difficult and uncertain time.

While the suspension has been in place, the Field Enforcement Division has continued to engage with industry leaders to ensure that businesses are not improperly taking advantage of the situation.

Individuals or businesses with any questions about the action should call the **Field Enforcement Division at 410-260-7388**.

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