



**COLORADO**  
**Department of Revenue**

Enforcement Division – Liquor & Tobacco

Physical Address:  
1697 Cole Boulevard, Suite 200  
Lakewood, CO 80401

Mailing Address:  
P.O. Box 17087  
Denver, CO 80217-0087  
Fax: 303-866-2428

**BULLETIN 20-02**

REFERENCE: LAWFUL PRODUCT RETURNS FOR EVENT CANCELLATIONS ATTRIBUTABLE TO  
COVID-19 CONCERNS

DATE: MARCH 13, 2020

The laws and regulations surrounding when a wholesaler is allowed to accept returns from a retailer are largely in place to protect against prohibited consignment sales. Consignment sales equate to a trade practice violation, because a Retailer's product selection could easily be unduly influenced by such practices.

In the case at hand, LED is not concerned that product returns would be to achieve consignment sales in disregard of the law. Rather, allowing returns in this particular instance is merely a way to protect product and industry from detrimental financial consequences driven solely by unanticipated, emergency circumstances. The cancellation of events due to an unforeseeable public health crisis is a perfectly legitimate reason to allow product that had initially been earmarked for those events, and will no longer be needed at same, to be returned to the Wholesaler so that it may be re-distributed to Retail clients where it could potentially be sold prior to its expiration. No public safety goal is furthered by allowing product to expire on event premises just because there is no enumerated return exception.

Current Regulation 47-322(F) prohibits consignment sales and addresses the ways in which lawful product return is, typically, to be achieved. It is LED's belief that the unforeseeable circumstances surrounding rapid event cancellation in the face of a public health crisis, should not prevent lawful product return, and may fall within the allowable return provisions under "ordinary and usual commercial reasons", which may include such response in order to protect inventory and financial interests for all licensees involved.

If you have any questions about this bulletin, email LED at [dor\\_led@state.co.us](mailto:dor_led@state.co.us) or call the customer service line at (303) 205-2300.