

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.:	SB 1146
Version:	Proposed Committee Sub (7362)
Author:	Representative Jackson Senator Jolley
Date:	March 18, 2009
Impact:	\$0

Bill Summary

Research Analyst: Arnella Karges

The proposed committee substitute (Req. No. 7362) for Engrossed SB1146 adds definitions regarding the administration of the manufacture and sale of intoxicating and nonintoxicating beverages, with the following terms: existing wholesaler, fair market value, good cause, good faith, successor manufacturer and successor wholesaler. Additional amendatory language prevents a manufacturer from terminating an agreement with a wholesaler unless good cause exists, written notification is made regarding noncompliance and the wholesaler fails to become compliant, specifying circumstances permitting termination. Manufacturers retain the right to terminate a contract with a wholesaler provided they give at least 90 days' written notice. The bill outlines the procedure for a manufacturer to transfer purchase of low-point beer to a successor manufacturer, specifying procedures for continuation or termination of contractual relationships with wholesalers, including an arbitration process. The bill allows for recovery of damages for certain violations, some requiring civil court action. The bill does not limit or prohibit good-faith settlements. The bill will not apply to a manufacturer that produces less than 300,000 gallons of low-point beer a year

Fiscal Summary

Fiscal Analyst: Marilyn Anderson

The committee substitute for SB 1146 modifies regulations pertaining to the distribution low-point beer.

Fiscal Analysis

SB 1146 in its current form has no significant fiscal impact.

Long Term Fiscal Considerations

None

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director

