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SENATE BILL NO. 239

INTRODUCED BY Van Valkenburg Ellington
Weldon Ream

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE BEER WHOLESALER INTERBRAND COMPETITION LAW DOES NOT APPLY TO BRANDS PRODUCED IN LIMITED QUANTITIES; AND AMENDING SECTION 16-3-220, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 16-3-220, MCA, is amended to read:

"**16-3-220. Wholesalers' service obligations -- applicability.** (1) A wholesaler appointed to distribute a generally available brand of beer within a territory specified by agreement pursuant to 16-3-221(3) shall call on and offer that brand to at least 75% of the retailers within that territory at least every 3 weeks.

(2) If a retailer's account with a wholesaler is current as required under 16-3-243, the wholesaler may not refuse to sell the retailer any generally available brand of beer for which the wholesaler has been appointed for the territory in which the retailer is located. The wholesaler shall offer to deliver the beer to ~~such~~ the retailer at least every 3 weeks.

(3) For the purposes of this section, a generally available brand of beer is one that is produced in an amount in excess of 250,000 barrels a year.

~~(3)~~(4) This section applies to all beer distribution agreements entered into, assigned, or amended after July 1, 1986. It does not apply to a distribution agreement for a named brand entered into before July 1, 1986, but does not prohibit a brewer who is a party to ~~such~~ an agreement from requiring the appointed wholesaler to fulfill similar service obligations in the territory."

-END-

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BUSINESS & INDUSTRY1
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-END-

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 2 INTRODUCED BY Van Valkenburg Ellington
 3 Weldon Ream

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE BEER WHOLESALER INTERBRAND
 5 COMPETITION LAW DOES NOT APPLY TO BRANDS PRODUCED IN LIMITED QUANTITIES; AND
 6 AMENDING SECTION 16-3-220, MCA."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
 10 **Section 1.** Section 16-3-220, MCA, is amended to read:

11 "**16-3-220. Wholesalers' service obligations -- applicability.** (1) A wholesaler appointed to distribute
 12 a generally available brand of beer within a territory specified by agreement pursuant to 16-3-221(3) shall
 13 call on and offer that brand to at least 75% of the retailers within that territory at least every 3 weeks.

14 (2) If a retailer's account with a wholesaler is current as required under 16-3-243, the wholesaler
 15 may not refuse to sell the retailer any generally available brand of beer for which the wholesaler has been
 16 appointed for the territory in which the retailer is located. The wholesaler shall offer to deliver the beer to
 17 ~~such~~ the retailer at least every 3 weeks.

18 (3) For the purposes of this section, a generally available brand of beer is one that is produced in
 19 an amount in excess of 250,000 barrels a year.

20 ~~(3)(4)~~ This section applies to all beer distribution agreements entered into, assigned, or amended
 21 after July 1, 1986. It does not apply to a distribution agreement for a named brand entered into before July
 22 1, 1986, but does not prohibit a brewer who is a party to ~~such~~ an agreement from requiring the appointed
 23 wholesaler to fulfill similar service obligations in the territory."

24 -END-



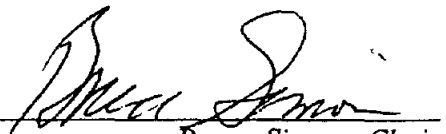
HOUSE STANDING COMMITTEE REPORT

March 1, 1995

Page 1 of 2

Mr. Speaker: We, the committee on **Business and Labor** report that **Senate Bill 239** (third reading copy -- blue) **be concurred in as amended.**

Signed: _____


Bruce Simon, Chair

Carried by: Rep. Ellingson

And, that such amendments read:

1. Page 1, line 12.

Strike: "generally available"

2. Page 1, line 13.

Following: "weeks."

Insert: "However, if the brand of beer for which the wholesaler is appointed is a product of a brewer or beer importer whose products are not generally available, the wholesaler shall, at least every 3 weeks, call on and offer that brand to as many retailers within that territory as is reasonably possible given the amount of that brand that is available to the wholesaler."

3. Page 1, lines 18 and 19.

Following: "section." on line 18

Strike: the remainder of line 18 through "year." on line 19

Insert: "a brewer or beer importer's products are not generally available if:

(a) all of the brands of a brewer or beer importer shipped to a wholesaler during the most recent calendar quarter total less than 600 barrels;

(b) all of the brands of a brewer or beer importer

Committee Vote:

Yes 18, No 2.

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SB 239

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shipped into the state total less than 1,200 barrels in each of the 2 consecutive preceding calendar quarters; and

(c) all of the brands produced by the brewer at all of its facilities total less than 150,000 barrels per year."

-END-

1 SENATE BILL NO. 239

2 INTRODUCED BY VAN VALKENBURG, ELLINGSON, WELDON, REAM

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE BEER WHOLESALER INTERBRAND
5 COMPETITION LAW DOES NOT APPLY TO BRANDS PRODUCED IN LIMITED QUANTITIES; AND
6 AMENDING SECTION 16-3-220, MCA."7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:9
10 **Section 1.** Section 16-3-220, MCA, is amended to read:11 **"16-3-220. Wholesalers' service obligations -- applicability.** (1) A wholesaler appointed to
12 distribute a ~~generally available~~ brand of beer within a territory specified by agreement pursuant to
13 16-3-221(3) shall call on and offer that brand to at least 75% of the retailers within that territory at least
14 every 3 weeks. HOWEVER, IF THE BRAND OF BEER FOR WHICH THE WHOLESALER IS APPOINTED IS
15 A PRODUCT OF A BREWER OR BEER IMPORTER WHOSE PRODUCTS ARE NOT GENERALLY AVAILABLE,
16 THE WHOLESALER SHALL, AT LEAST EVERY 3 WEEKS, CALL ON AND OFFER THAT BRAND TO AS
17 MANY RETAILERS WITHIN THAT TERRITORY AS IS REASONABLY POSSIBLE GIVEN THE AMOUNT OF
18 THAT BRAND THAT IS AVAILABLE TO THE WHOLESALER.19 (2) If a retailer's account with a wholesaler is current as required under 16-3-243, the wholesaler
20 may not refuse to sell the retailer any generally available brand of beer for which the wholesaler has been
21 appointed for the territory in which the retailer is located. The wholesaler shall offer to deliver the beer to
22 ~~such~~ the retailer at least every 3 weeks.23 (3) For the purposes of this section, a generally available brand of beer is one that is produced in
24 an amount in excess of 250,000 barrels a year. A BREWER OR BEER IMPORTER'S PRODUCTS ARE NOT
25 GENERALLY AVAILABLE IF:26 (A) ALL OF THE BRANDS OF A BREWER OR BEER IMPORTER SHIPPED TO A WHOLESALER
27 DURING THE MOST RECENT CALENDAR QUARTER TOTAL LESS THAN 600 BARRELS;28 (B) ALL OF THE BRANDS OF A BREWER OR BEER IMPORTER SHIPPED INTO THE STATE TOTAL
29 LESS THAN 1,200 BARRELS IN EACH OF THE 2 CONSECUTIVE PRECEDING CALENDAR QUARTERS; AND30 (C) ALL OF THE BRANDS PRODUCED BY THE BREWER AT ALL OF ITS FACILITIES TOTAL LESS

1 THAN 150,000 BARRELS PER YEAR.

2 ~~(3)~~(4) This section applies to all beer distribution agreements entered into, assigned, or amended
3 after July 1, 1986. It does not apply to a distribution agreement for a named brand entered into before July
4 1, 1986, but does not prohibit a brewer who is a party to such an agreement from requiring the appointed
5 wholesaler to fulfill similar service obligations in the territory."

6 -END-