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**Act No. 145 (H.710). Alcoholic beverages; beer and wine franchises**

**An act relating to beer franchises**

This act creates a new subchapter that applies to beer franchises for manufacturers and certificate of approval holders who manufacture or distribute up to 50,000 barrels of beer per year and whose products comprise three percent or less of a wholesale dealer's total annual sales of beer by volume. For franchise agreements that are subject to the new subchapter, termination will be governed by the terms of a written agreement and, in the absence of a provision of a written agreement to the contrary, the act establishes default provisions for good cause and no cause termination. In addition, the new subchapter permits a manufacturer or certificate of approval holder to prevent the transfer of a franchise to a third-party through either the payment of compensation or a Superior Court action, provided that the franchise is not being transferred to a family member of the wholesale dealer.

From January 1, 2019 until July 1, 2022, the new subchapter created by this act will only apply to franchise agreements entered into on or after January 1, 2019. Beginning on July 1, 2022, the new subchapter will apply to all franchises for manufacturers and certificate of approval holders who manufacture or distribute up to 50,000 barrels of beer per year and whose products comprise three percent or less of the wholesale dealer's total annual sales of beer by volume. All franchise agreements that will be subject to the new subchapter after July 1, 2022 shall be in writing, and parties to a franchise agreement that will become subject to the act on July 1, 2022 must negotiate a written franchise agreement on or before that date or the franchise will be deemed to terminate on July 1, 2022.

The act also prohibits a manufacturer or certificate of approval holder from requiring a wholesale dealer to agree to a provision that limits the wholesale dealer's right to sell the products of another manufacturer or certificate of approval holder.

Multiple effective dates, beginning on January 1, 2019.