

Bill Summary
1st Session of the 59th Legislature

Bill No.:	SB 422
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Author:	Sen. Coleman
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Bill Analysis

SB 422 provides that a small brewer that produces less than 25,000 barrels annually shall not be subject to termination requirements as it relates to terminating agreements with distributors. The measure increases the time period from 60 days to 90 days as it relates to beer distributors complying with distribution agreements. Additionally, the measure requires brewers to wait 31 days instead of 14 days prior to terminating an agreement with a distributor that failed to renew its permit. The measure provides that current stakeholders shall have the right to purchase the stock, partnership interest, or membership interest of a stockholder has been convicted of a felony that affects the goodwill of the beer distributor or brewer. The measure also provides that a brewer may only terminate an agreement due to stock transfer if the stock transfer equaled or exceeded 50%. Brewers are required by the measure to continue to pay for the fair market value of the distribution rights during the 120 period a distributor may continue to sell the brewer's products after termination.

Prepared by: Kalen Taylor