

Article 13.

Beer Franchise Law.

§ 18B-1300. Purpose.

Pursuant to the authority of the State under the Twenty-First Amendment to the United States Constitution, the General Assembly finds that regulation of the business relations between malt beverage manufacturers and importers and the wholesalers of such products is necessary to:

- (1) Maintain stability and healthy competition in the malt beverage industry in this State.
- (2) Promote and maintain a sound, stable and viable three-tier system of distribution of malt beverages to the public.
- (3) Promote the compelling interest of the public in fair business relations between malt beverage suppliers and wholesalers, and in the continuation of beer franchise agreements on a fair basis.
- (4) Maintain a uniform system of control over the sale, purchase and distribution of malt beverages in the State.
- (5) Prevent unfair or unlawful trade practices by enabling wholesalers to refuse to participate in such practices without fear of arbitrary or unlawful retribution from suppliers.
- (6) Provide wholesalers with rights and remedies in addition to those existing by contract or common law.
- (7) Govern all agreements between suppliers and wholesalers, including any renewals or amendments.
- (8) Protect wholesalers against unfair treatment by suppliers.
- (9) Preserve investments made by wholesalers in franchise agreements through minimization of arbitrary termination.
- (10) Promote consumer choice by ensuring an independent wholesale distribution tier that enables wholesalers to distribute competing products of other suppliers.
- (11) Prevent vertical integration of the malt beverage market. (1989, c. 142, s. 1; 2019-18, s. 4.)