

HB406 INTRODUCED



1 HB406
2 JPPXANF-1
3 By Representative Bracy
4 RFD: Economic Development and Tourism
5 First Read: 06-Mar-25



SYNOPSIS:

Under existing law, beer wholesalers are licensed by the Alcoholic Beverage Control Board to distribute the beer they purchase from manufacturers and suppliers to retailers who are licensed by the board to sell beer to customers for consumption.

This bill would prohibit beer wholesalers from cleaning or paying for the cleaning of the draft lines that retailers use to dispense beer to customers.

This bill would also make nonsubstantive, technical revisions to update the existing code language to current style.

A BILL
TO BE ENTITLED
AN ACT

Relating to beer wholesalers; to amend Section 28-9-5, Code of Alabama 1975, to prohibit a beer wholesaler from providing draft line cleaning services to licensed alcoholic beverage retailers; and to update the existing code language to current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 28-9-5, Code of Alabama 1975, is



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amended to read as follows:

"§28-9-5

A wholesaler ~~is prohibited from doing~~ may not do any of
the following:

(1) Fail to devote reasonable efforts and resources~~,~~
within a supplier's designated sales territory~~,~~ to the sale
and distribution of all the supplier's brands of beer which
the wholesaler has been granted the right to sell or
distribute.

(2) Sell or deliver beer to a ~~retail licensee~~ retailer
located outside the sales territory that is designated to the
wholesaler by the supplier of a particular brand ~~or brands~~ of
beer. Provided, however, ~~during periods of temporary service~~
~~interruptions impacting~~ that during a period of temporary
service interruption that impacts a particular sales
territory, ~~at the~~ wholesaler who normally services the impacted
sales territory shall file with the board and give to the
affected supplier written notice ~~designating~~ that includes: (i)
designation of the ~~specific licensed wholesaler or~~
~~wholesalers, not disapproved~~ wholesaler, approved by the
supplier, who will service the sales territory during the
~~period of~~ temporary service interruption; and (ii) ~~and~~ the
approximate length of time of the service interruption. ~~Each~~ A
wholesaler designated to temporarily service the sales
territory shall be a wholesaler who has a current written
agreement with a supplier for the affected brand ~~or brands~~
~~affected~~. When the temporary service interruption is over, the
wholesaler who normally services the sales territory shall



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57 notify in writing the board, the supplier, and the wholesaler,
58 ~~or wholesalers,~~ that is servicing the sales territory on a
59 temporary basis ~~of this fact,~~ and ~~any~~ the wholesaler servicing
60 the sales territory on a temporary basis shall cease servicing
61 the sales territory ~~upon receipt of the notice.~~ A wholesaler
62 who is designated to service the impacted sales territory
63 during the period of temporary service interruption shall not
64 be in violation of this chapter, and, ~~with respect to the~~
65 temporary service territory, shall not have any of the rights
66 provided under Sections 28-9-6 and 28-9-8.

67 (3) Transfer the wholesaler's business without giving
68 the supplier written notice of intent to transfer the
69 wholesaler's business and, where required by this chapter,
70 ~~receiving~~ receive the supplier's approval for the proposed
71 transfer. Provided, however, that ~~consent or approval for~~ the
72 ~~supplier's~~ supplier's approval shall not be required of: (i) any
73 transfer of the wholesaler's business to a designated member, ~~;~~
74 or (ii) any transfer of less than ~~control of a~~ controlling
75 interest in the wholesaler's business. ~~Provided~~ For all
76 transfers, however, ~~that~~ the wholesaler shall give the
77 supplier written notice of any change in ownership of the
78 wholesaler.

79 (4) Provide draft line cleaning services or pay for
80 draft line cleaning services to a retailer."

81 Section 2. This act shall become effective on October
82 1, 2025.