

CHAPTER 770

(Senate Bill 471)

AN ACT concerning

Alcoholic Beverages - Successor Beer Manufacturers

FOR the purpose of clarifying the identity of a successor beer manufacturer for purposes of certain agreements involving beer manufacturers who leave the business, successor beer manufacturers, and surviving beer distributors.

BY repealing and reenacting, with amendments,

Article 2B - Alcoholic Beverages

Section 21-103

Annotated Code of Maryland

(1996 Replacement Volume and 1997 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 2B - Alcoholic Beverages

21-103.

(a) (1) In this section, the following words have the meanings indicated.

(2) "Agreement" means oral or written evidence between a beer manufacturer and beer distributor where the distributor is granted the right to offer and sell the brands of beer offered by the beer manufacturer.

(3) "Beer manufacturer" means every brewer, fermenter, processor, bottler or packager of beer located within or without the State of Maryland, or any other person whether located within or without the State of Maryland who enters into an "agreement" with any beer distributor doing business in the State of Maryland.

(4) "Gross profit" means:

(i) The beer distributors selling price of the subject brand of beer;
less

(ii) The FOB cost and the transportation cost of the brand to the beer distributor.

(5) "SUCCESSOR BEER MANUFACTURER" INCLUDES A PERSON OR LICENSEE WHO REPLACES A BEER MANUFACTURER WITH THE RIGHT TO SELL, DISTRIBUTE, OR IMPORT A BRAND OF BEER.

(b) Except for the discontinuance of a brand of beer or for good cause shown as provided under § 17-103 of this article, a successor beer manufacturer that continues in the business is obligated under the agreement that was made between the previous