



2011 ASSEMBLY BILL 695

March 13, 2012 - Introduced by Representatives RINGHAND, BEWLEY, ROYS, POPE-ROBERTS and SPANBAUER, cosponsored by Senator VINEHOUT. Referred to Committee on Homeland Security and State Affairs.

1 **AN ACT** *to amend* 125.33 (10) (b); and *to create* 125.33 (10) (f) of the statutes;
2 **relating to:** compensation for loss of fermented malt beverages distribution
3 rights.

Analysis by the Legislative Reference Bureau

Current law requires that wholesalers of fermented malt beverages (beer) enter into written agreements with brewers and brewpubs supplying beer brands that grant to the wholesalers distribution rights within exclusive sales territories. Under current law, with certain exceptions, if a wholesaler's distribution rights to a beer brand are terminated, the successor wholesaler assuming distribution rights of the brand must compensate the terminated wholesaler for the fair market value of the terminated distribution rights.

This bill specifies that "fair market value," for these purposes, does not include any amount related to a brewer's or brewpub's sale of beer that it brews and sells at retail within the terminated wholesaler's territory.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 125.33 (10) (b) of the statutes is amended to read:
5 125.33 **(10)** (b) Except as provided in par. (c) and subject to pars. (d) and, (e),
6 and (f), a successor wholesaler shall compensate a terminated wholesaler for the fair

ASSEMBLY BILL 695**SECTION 1**

1 market value of the terminated wholesaler's distribution rights to any discontinued
2 brand of fermented malt beverages assumed by the successor wholesaler for the
3 same territory, less any amount paid to the terminated wholesaler by the brewer,
4 brewpub, brewer's agent, brewpub's agent, or holder of an out-of-state shipper's
5 permit for the discontinued brand. If the terminated wholesaler's distribution rights
6 to any discontinued brand of fermented malt beverages are divided among 2 or more
7 successor wholesalers, each successor wholesaler shall compensate the terminated
8 wholesaler for the fair market value of the distribution rights to any discontinued
9 brand of fermented malt beverages assumed by that successor wholesaler for the
10 applicable part of the same territory, less any amount paid to the terminated
11 wholesaler by the brewer, brewpub, brewer's agent, brewpub's agent, or holder of an
12 out-of-state shipper's permit for the discontinued brand. A terminated wholesaler
13 may not receive under this paragraph total compensation from the successor
14 wholesaler and brewer, brewpub, brewer's agent, brewpub's agent, or holder of an
15 out-of-state shipper's permit that exceeds the fair market value of the terminated
16 wholesaler's distribution rights specified under this paragraph.

17 **SECTION 2.** 125.33 (10) (f) of the statutes is created to read:

18 125.33 (10) (f) Fair market value under par. (b) shall not include any amount
19 related to a brewer's or brewpub's sale of fermented malt beverages that it
20 manufactures and sells at retail within the terminated wholesaler's territory.

21 (END)