

HB0205/563895/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 205
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, strike “violates” and substitute “terminates”; in line 6, strike “violation” and substitute “termination”; strike beginning with “specifying” in line 7 down through “remedies;” in line 9 and substitute “requiring a successor beer manufacturer to give certain notice to a surviving beer distributor before termination of certain agreements; requiring certain negotiations, certain payments, and certain mediation under certain circumstances; requiring a surviving beer distributor to bring a certain action within a certain period of time against a successor beer manufacturer to determine and recover certain value; requiring certain surviving beer distributors and successor beer manufacturers to support and distribute certain brands under certain circumstances;”.

AMENDMENT NO. 2

On page 2, in line 22, strike “violates” and substitute “**TERMINATES**”; in line 26, strike “violation” and substitute “**TERMINATION**”; after line 26, insert:

“(D) (1) BEFORE A SUCCESSOR BEER MANUFACTURER MAY TERMINATE ANY OF THE AGREEMENT PROVISIONS REQUIRED TO BE CONTINUED UNDER SUBSECTION (B) OF THIS SECTION AND DESIGNATE ANOTHER BEER DISTRIBUTOR, THE SUCCESSOR BEER MANUFACTURER SHALL GIVE NOTICE OF TERMINATION TO THE SURVIVING BEER DISTRIBUTOR.

(2) ON RECEIPT OF THE NOTICE, THE SURVIVING BEER DISTRIBUTOR AND THE DESIGNATED BEER DISTRIBUTOR SHALL NEGOTIATE IN GOOD FAITH TO DETERMINE THE FAIR MARKET VALUE OF THE AFFECTED DISTRIBUTION RIGHTS.

(Over)

(3) IF AN AGREEMENT IS REACHED, THE DESIGNATED BEER DISTRIBUTOR SHALL PROMPTLY PAY THE FAIR MARKET VALUE AS COMPENSATION TO THE SURVIVING BEER DISTRIBUTOR.

(4) IF AN AGREEMENT IS NOT REACHED WITHIN 30 DAYS AFTER THE SURVIVING BEER DISTRIBUTOR RECEIVES NOTICE, THE DESIGNATED BEER DISTRIBUTOR AND THE SURVIVING BEER DISTRIBUTOR SHALL ENTER INTO NONBINDING MEDIATION WITH A MARYLAND MEDIATOR WHO PRACTICES IN ACCORDANCE WITH TITLE 17 OF THE MARYLAND RULES.”;

in line 27, strike “(D) A” and substitute “(5) IF AN AGREEMENT IS NOT REACHED WITHIN 45 DAYS AFTER MEDIATION BEGINS, THE SURVIVING”; in the same line, strike “OR FRANCHISEE MAY” and substitute “SHALL”; in the same line, after “ACTION” insert “WITHIN 90 DAYS”; in line 28, after “SUCCESSOR” insert “BEER”; strike beginning with “FOR” in line 29 down through “FEES” in line 33 and substitute “TO DETERMINE AND AWARD FAIR MARKET VALUE OF THE TERMINATED BRAND OR BRANDS”; and after line 33, insert:

“(E) UNTIL RESOLUTION REGARDING FAIR MARKET VALUE IS REACHED UNDER SUBSECTION (D) OF THIS SECTION AND THE SURVIVING BEER DISTRIBUTOR HAS RECEIVED PAYMENT IN ACCORDANCE WITH THE DETERMINATION OF FAIR MARKET VALUE:

(1) THE SURVIVING BEER DISTRIBUTOR AND THE SUCCESSOR BEER MANUFACTURER SHALL SUPPORT THE BRAND TO AT LEAST THE SAME EXTENT THAT THE BRAND HAD BEEN PREVIOUSLY SUPPORTED IMMEDIATELY BEFORE THE SUCCESSOR BEER MANUFACTURER ACQUIRED RIGHTS TO THE BRAND; AND

**(2) THE SURVIVING BEER DISTRIBUTOR SHALL CONTINUE TO
DISTRIBUTE THE BRAND.**