

BILL ANALYSIS

Senate Research Center

S.B. 2580
By: Lucio
Business & Commerce
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law under Chapter 102 (Intra-Industry Relationships), Alcoholic Beverage Code, allows for a two-year statute of limitations. A civil action brought before the San Antonio Court of Appeals raised uncertainty about this statute of limitations. It was assumed that the issue was a contract dispute, allowing four years to bring the action. The court, however, ruled that the action should be treated as a tort and was therefore subject to a two-year statute of limitations.

S.B. 2580 amends current law relating to the Beer Industry Fair Dealing Law.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 102, Alcoholic Beverage Code, by adding Section 102.21, as follows:

Sec. 102.21. CONTINUITY OF CERTAIN PROTECTIONS FOR BEER DISTRIBUTORS. Provides that the protections provided to beer distributors by Subchapters C (Territorial Limits on Sale of Beer) and D (Beer Industry Fair Dealing Law) apply regardless of whether there is a transfer or change of ownership of a brand at the manufacturing level.

SECTION 2. Provides that Section 102.21, Alcoholic Beverage Code, as added by this Act, is not intended to change the law but is intended to affirm the policy of this state that the protections provided to beer distributors by Subchapters C and D, Chapter 102 (Intra-Industry Relationships), Alcoholic Beverage Code, apply to a distributor regardless of whether there is a transfer or change of ownership of a brand in the manufacturing tier.

SECTION 3. Amends Subchapter D, Chapter 102, Alcoholic Beverage Code, by adding Section 102.82, as follows:

Sec. 102.82. STATUTE OF LIMITATIONS. Requires a person to bring suit on an action arising under this chapter not later than four years after the day the cause of action accrues. Provides that if a termination related to a change in ownership of the brand occurs, the cause of action accrues when either the new brand owner or the transferring or selling brand owner provides notice of termination to the distributor.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2009.