

## **BILL ANALYSIS**

S.B. 2580  
By: Lucio  
Licensing & Administrative Procedures  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Chapter 102 (Intra-Industry Relationships), Alcoholic Beverage Code, does not provide a specific statute of limitations for civil actions arising under that chapter. A civil action brought before the San Antonio Court of Appeals raised uncertainty about the appropriate limitations period. It had been widely assumed that the issue was a contract dispute, allowing four years to bring the action. The court ruled that the action was considered an action in tort, however, and was therefore subject to a two-year statute of limitations.

The purposes of S.B. 2580 are to specify a four-year statute of limitations for all actions arising under Chapter 102, Alcoholic Beverage Code, to reaffirm state policy that protections provided to beer distributors under Subchapters C and D of that chapter apply regardless of a transfer or change of ownership of a brand by a manufacturer, and to describe when the limitation period begins in the event of a relationship termination relating to a transfer or change of brand ownership by a manufacturer .

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **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 and D, Chapter 102, Alcoholic Beverage Code, 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 the 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, 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.

