

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 2170

STATE OF NEW JERSEY
211th LEGISLATURE

ADOPTED SEPTEMBER 26, 2005

Sponsored by:

Senator BERNARD F. KENNY, JR.

District 33 (Hudson)

SYNOPSIS

Concerns relationship between manufacturers and wholesalers of malt alcoholic beverages; authorizes certain alcoholic beverage trade practices.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Law and Public Safety and Veterans' Affairs Committee.



1 AN ACT concerning alcoholic beverages and supplementing Title 33
2 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Sections 1 through 9 of this act shall be known and may be
8 cited as the "Malt Alcoholic Beverage Practices Act."

9

10 2. The Legislature finds and declares that:

11 a. The distribution and sale of malt alcoholic beverages in this
12 State vitally affects the general economy and revenues of the State, as
13 well as the public interest and public welfare.

14 b. It is appropriate to recognize the guiding characteristics
15 regarding the distribution of malt alcoholic beverages to foster
16 responsible industry practices involving the moderate and responsible
17 use of these beverages, to provide a framework for the malt alcohol
18 beverage industry that recognizes and encourages the beneficial
19 aspects of competition, to provide trade stability, to maintain the
20 three-tier distribution system, to protect the interests of the consumer
21 regarding product quality and freshness and to achieve all facets of the
22 legislatively declared public policy of this State as set forth in section
23 4 of P.L.1985, c.258 (C.33:1-3.1).

24 c. It is therefore fitting and proper to regulate the business
25 relationship between and brewers and wholesalers of malt alcoholic
26 beverages and set forth their respective responsibilities to further the
27 public policy of this State and protect beer wholesalers from
28 unreasonable demands and requirements by brewers, while devoting
29 sufficient efforts and resources to the distribution and sale of malt
30 alcoholic beverages.

31 d. The Legislature also finds and declares that nothing in sections
32 1 through 9 of this act shall be construed in any manner whatsoever to
33 apply to wholesalers of wines and spirits and that sections 1 through
34 9 of the act shall be strictly limited to the responsibilities of brewers
35 and wholesalers. But section 10 of this act shall apply to wholesalers
36 of beer, wine and spirits alike.

37

38 3. As used in sections 1 through 9 of this act:

39 "Base product" is a malt alcoholic beverage product distributed by
40 a wholesaler.

41 "Brand extension" means any malt alcoholic beverage product
42 offered for sale in the State, other than on a test market basis in a
43 defined market area, that uses as part of its brand name, logo,
44 packaging or trade dress, including but not limited to, the name of the
45 brewer if the brewer's name is a part of the product name, or that is
46 sold or marketed to the beer trade or to the consumer substantially in

1 association with, a brand name, logo, packaging or trade dress,
2 including, but not limited to, the name of the brewer if the brewer's
3 name is a part of the product name, of a malt alcoholic beverage
4 product then distributed by a wholesaler.

5 "Brewer" means any person, whether located within or outside the
6 State who:

7 a. brews, manufactures, imports, markets or supplies malt
8 alcoholic beverages and sells malt alcoholic beverages to a plenary
9 wholesale licensee or a limited wholesale licensee for the purpose of
10 resale; or

11 b. is an agent or broker of such a person who solicits orders for
12 or arranges sales of such person's malt alcoholic beverages to a plenary
13 wholesale licensee or a limited wholesale licensee for the purpose of
14 resale; or

15 c. is a successor brewer.

16 "Fair market value" of an asset means the price at which the asset
17 would change hands between a willing seller and a willing buyer when
18 neither is acting under compulsion and when both have knowledge of
19 the relevant facts.

20 "Good cause" means and is limited to a failure to substantially
21 comply with reasonable terms contained in a contract or agreement
22 between a brewer and wholesaler that contains the same terms as the
23 brewer's contract with similarly situated United States, not including
24 United States territories or possessions, distributors.

25 "Person" means a natural person, corporation, partnership, trust,
26 or other entity and, in case of an entity, it shall include any other
27 entity, except a natural person, which has a majority interest in such
28 entity or effectively controls such entity.

29 "Sale or transfer" means any disposition of a contract, agreement
30 or relationship between a brewer and a wholesaler or of any rights to
31 acquire and distribute products of a brewer, or any interest therein,
32 with or without consideration, including, but not limited to, bequest,
33 inheritance, gift, exchange, lease or license.

34 "Successor brewer" means any person, not under common control
35 with the predecessor brewer, who by any means, including, without
36 limitation, by way of purchase, assignment, transfer, lease, license,
37 appointment, contract, agreement, joint venture, merger, or other
38 disposition of all or part of the business, assets, including trademarks,
39 brands, distribution rights and other intangible assets, or ownership
40 interests of a brewer, acquires the business or malt alcoholic beverage
41 brands of another brewer, or otherwise succeeds to a brewer's interest
42 with respect to any malt alcoholic beverage brands.

43 "Wholesaler" means a plenary wholesale licensee or a limited
44 wholesale licensee who purchases malt alcoholic beverages from a
45 brewer for the purpose of resale to Class C licensees or State
46 Beverage Distributor Licensees.

1 4. a. Every brewer shall contract and agree in writing with a
2 wholesaler for all supply, distribution and sale of the products of the
3 brewer in this State, and each contract shall provide and specify the
4 rights and duties of the brewer and the wholesaler with regard to such
5 supply, distribution and sale. The terms and provisions of such
6 contracts shall be reasonable, reflect the parties' mutuality of purpose
7 and community of interest in the responsible sale and marketing of
8 their products, and shall comply with and conform to State law and the
9 terms of this act. The provisions of this act may not be waived or
10 modified by written or oral agreement, estoppel or otherwise, and any
11 provision of a contract or ancillary agreement that directly or
12 indirectly requires or amounts to a waiver of any provision of this act,
13 or that would relieve any person of any obligation or liability under
14 this act, or that imposes unreasonable standards of performance on a
15 wholesaler, shall be a violation of this act and shall be null, void and
16 of no effect.

17 b. This act shall apply to all contracts, agreements and
18 relationships among any brewers and wholesalers, including contracts,
19 agreements or relationships entered into, renewed, extended or
20 modified after the effective date of this act. Contracts, agreements and
21 relationships existing prior to the effective date of this act that are
22 continuing in nature, have an indefinite term or have no specific
23 duration shall be deemed for purposes of this act to have been renewed
24 60 days after the effective date of this act.

25 c. The terms or provisions of a contract or agreement between a
26 brewer and wholesaler shall not permit a brewer, and it shall be a
27 violation of this act for a brewer:

28 (1) to terminate, cancel or refuse to renew a contract, agreement
29 or relationship with a wholesaler, or to fail or refuse to grant to a
30 wholesaler the right to purchase and resell any brand extension under
31 the same form of agreement as the base product, in part or in whole,
32 except where the brewer establishes that it has acted for good cause
33 and in good faith;

34 (2) to terminate, cancel or refuse to renew a contract, agreement
35 or relationship with a wholesaler, in part or in whole, because the
36 wholesaler refuses or fails to accept an unreasonable amendment to the
37 contract, agreement or relationship;

38 (3) to terminate, cancel or refuse to renew a contract, agreement
39 or relationship with a wholesaler, in part or in whole, without first
40 giving the wholesaler written notice setting forth all of the alleged
41 deficiencies on the part of the wholesaler and giving the wholesaler a
42 reasonable opportunity of not more than 120 days to cure the alleged
43 deficiencies; provided, however, that such period for cure may be
44 increased or reduced to a commercially reasonable period by an order
45 of a court in this State in a proceeding in which each party shall bear
46 its own costs and expenses;

1 (4) to require the brewer's consent to the acquisition, sale or
2 transfer of distribution rights for products other than those of the
3 brewer or of assets unrelated to the distribution of the brewer's
4 products;

5 (5) to unreasonably withhold consent to a proposed sale or transfer
6 of any ownership interests in the wholesaler to the spouse, children or
7 heirs of existing holders of such ownership interests or to employees
8 of the wholesaler, or to trusts for the benefit of such persons, except
9 upon a statement of reasonable grounds, provided such transfer does
10 not result in a sale or transfer of effective control, including but not
11 limited to a change in the persons holding the majority voting power,
12 of the wholesaler; or to take more than 30 days to approve or
13 disapprove the proposed sale or transfer after the brewer has received
14 written notice of the proposal from the wholesaler and received all
15 reasonably requested information from the wholesaler to enable the
16 brewer to pass upon the proposed sale or transfer.

17 (6) to unreasonably withhold consent to a proposed sale or
18 transfer, in part or in whole, of any ownership interests in the
19 wholesaler or the distribution rights for the brewer's products, assets
20 of the wholesaler related to the distribution of the brewer's products,
21 or of ownership interests in the wholesaler to other parties, except
22 upon a statement of reasonable grounds that are based upon
23 reasonable, previously announced, in an agreement with its
24 wholesalers or otherwise, standards of the brewer, relating to the
25 qualifications of such transferee relating to the character, financial
26 ability or business experience of the proposed transferee, or relating
27 to the resulting market combinations or territory to be serviced by the
28 transferee; or to take more than 30 days to approve or disapprove the
29 proposed sale or transfer after the brewer has received written notice
30 of the proposal from the wholesaler and received all reasonably
31 requested information from the wholesaler to enable the brewer to
32 pass upon the proposed sale or transfer, provided that such period may
33 be extended by agreement of the parties; provided, however, that at
34 any time within such 30-day period prior to the date on which the
35 brewer approves or disapproves such a proposed sale or transfer, the
36 brewer shall have the right and option to purchase, and in the event of
37 a brewer's disapproval relating to the resulting market combinations or
38 territory to be serviced by the transferee, the wholesaler shall have the
39 right and option to require the brewer to purchase at the price and on
40 the terms and conditions set forth in the agreement between the
41 wholesaler and the proposed transferee, all of the distribution rights,
42 assets or ownership interest that are the subject of the proposed sale
43 or transfer, at the price and on the terms and conditions set forth in the
44 agreement between the wholesaler and the proposed transferee,
45 subject to the following:

1 (a) if the proposed transferee is the spouse, children or heirs of
2 existing holders of ownership interests in the wholesaler, then the
3 brewer shall not have the right and option to purchase such ownership
4 interest;

5 (b) if the proposed transferee is an existing holder of ownership
6 interests in the wholesaler, or is the manager or the successor manager
7 of the wholesaler, then if the brewer exercises its option to purchase
8 under this section, the wholesaler may, instead of selling or
9 transferring to the brewer, rescind the proposed sale or transfer by
10 notice to the brewer; and

11 (c) the brewer shall complete such purchase within sixty days of its
12 exercise of its right to do so.

13 (7) to allow more than one wholesaler to sell any of the brewer's
14 product lines or brands within the same territory or area at the same
15 time. This paragraph shall not apply to contracts or agreements
16 entered into prior to the effective date of this act, or future renewals
17 of such contracts or agreements, to the extent that, as permitted under
18 the existing contract or agreement and the future renewals allow, as of
19 the effective date of this act, different wholesalers to sell certain but
20 not all of the brewer's brands or brand extensions within the same
21 territory or area at the same time;

22 (8) to unreasonably fail to consent to the wholesaler's designation
23 of an individual as the wholesaler's manager or successor-manager in
24 accordance with previously announced non-discriminatory and
25 reasonable qualifications and standards;

26 (9) to withdraw approval of an individual as the wholesaler's
27 manager or successor-manager unless in good faith and with just cause
28 based upon deficiencies in the performance of the manager or
29 successor-manager, which in the case of the manager shall be material
30 deficiencies; or

31 (10) to prohibit, directly or indirectly, the right of free association
32 among wholesalers for any lawful purpose; or

33 (11) to fail to act, during the term of the contract, agreement or
34 relationship between them in a manner consistent with the covenant of
35 good faith and fair dealing implicit in State contract law.

36 A wholesaler also shall act in a manner consistent with the
37 covenant of good faith and fair dealing implied in State contract.

38 d. It shall not be a violation of this act for a successor brewer to:

39 (1) terminate, in whole or in part, its contract, agreement or
40 relationship with a wholesaler, or the contract, agreement or
41 relationship with a wholesaler of the brewer it succeeded, for the
42 purpose of transferring the distribution rights in the wholesaler's
43 territory for the malt alcoholic beverage brands to which the successor
44 brewer succeeded, to a wholesaler or wholesalers that then distributes
45 other products of the successor brewer in such territory, provided that
46 the successor brewer or the second wholesaler or wholesalers first

1 pays to the first wholesaler the fair market value of the first
2 wholesaler's business with respect to the terminated brand or brands;
3 provided, however, that such termination shall not be permitted, and
4 may be enjoined, where it may cause irreparable injury to the first
5 wholesaler and the standards for injunctive relief are otherwise met;
6 and provided further that a rebuttable presumption of such irreparable
7 injury shall be inferred when the terminated brand or brands represent
8 20% or more of the first wholesaler's gross sales; or

9 (2) to assume and continue the contract, agreement or relationship
10 of the brewer it succeeded with a wholesaler in the wholesaler's
11 territory for the malt alcoholic beverage brands to which it succeeded,
12 notwithstanding that the successor brewer distributes other products
13 in such territory through another wholesaler.

14 e. Whether the terms of a contract, agreement or relationship
15 conform with the provisions of this section shall be determined by a
16 court of this State in the context of a specific case or controversy
17 among wholesalers and brewers only, and not by generally applicable
18 rule, regulation or otherwise. In any such determination proper
19 consideration should be given to relevant precedents provided under
20 the "Franchise Practices Act," P.L.1971, c.356 (C.56:10-1 et seq.),
21 and the fact that a term of a contract, agreement or relationship may
22 be a term of the kind described in section 9 of this act shall not be
23 considered in making such determination.

24

25 5. Notwithstanding the provisions of paragraphs (1) through (3)
26 of subsection c. of section 4 of this act, a brewer may immediately
27 terminate a contract or agreement with a wholesaler, to the extent
28 provided in reasonable terms of the contract or agreement that
29 contains the same terms as the brewer's contract with similarly situated
30 United States, not including United States territories or possessions,
31 distributors, if any of the following occur:

32 a. The assignment or attempted assignment by the wholesaler for
33 the benefit of creditors, the institution of proceedings in bankruptcy by
34 or against the wholesaler, the dissolution or liquidation of the
35 wholesaler, the insolvency of the wholesaler or the wholesaler's failure
36 to pay for malt alcoholic beverages in accordance with the agreed
37 terms;

38 b. Failure of any owner to sell his ownership interest in a
39 wholesaler within 120 days after the:

40 (1) owner has been convicted of a felony or crime of the third
41 degree or higher which, in the reasonable judgment of the brewer, may
42 adversely affect the goodwill or interests of the wholesaler or the
43 brewer and the brewer notifies the wholesaler that it requires such
44 sale; or

45 (2) brewer learns of such conviction and notifies the wholesaler
46 that it requires such sale because, in the reasonable judgment of the

1 brewer, it may adversely affect the goodwill or interests of the
2 wholesaler or the brewer and the brewer notifies the wholesaler that
3 it requires such sale;

4 c. Fraudulent conduct of the wholesaler, in any of its dealings with
5 the brewer or the brewer's products, that is known to, or should have
6 been known to the senior management or the owners of the
7 wholesaler;

8 d. Revocation or suspension for more than 31 days of the
9 wholesaler's federal basic permit or of any state or local license
10 required of a wholesaler for the normal operation of its business;

11 e. Intentional sale, directly or indirectly, of malt alcoholic
12 beverages by a wholesaler outside the sales territory prescribed by the
13 brewer; or

14 f. Without brewer consent, the wholesaler engages in changes in
15 ownership, the establishment of trusts or other ownership interests,
16 enters into buy-sell agreements, or grants an option to purchase an
17 ownership interest; this provision will not apply if the wholesaler
18 establishes that the brewer's failure to consent, after having received
19 notice as provided in paragraphs (5) or (6) of subsection c. of section
20 4 of this act, was in violation of this act.

21

22 6. During the term of a contract or agreement between a brewer
23 and a wholesaler subject to this act, the wholesaler shall, in accordance
24 with the reasonable standards of such contract or agreement, as
25 reasonably relied upon by the wholesaler, enforced without
26 discriminatory intent and in good faith, and uniformly applicable to
27 similarly situated distributors, maintain physical facilities, equipment
28 and personnel so that the product and brand of the brewer are properly
29 represented in the territory of the wholesaler, the reputation and trade
30 name of the brewer are reasonably protected, and the public is served.

31

32 7. a. Any brewer or wholesaler may bring an action against a
33 brewer for violation of this act, or against a successor brewer in
34 connection with a termination pursuant to paragraph (1) of subsection
35 d. of section 4 of this act, in the Superior Court of the State of New
36 Jersey. Any brewer who violates any provision of this act, and any
37 successor brewer who terminates a contract, agreement or relationship
38 with a wholesaler pursuant to paragraph (1) of subsection d. of section
39 4 of this act, shall pay the injured wholesaler all reasonable damages
40 sustained by it as a result of the brewer's violations. Injunctive and
41 other equitable relief also shall be available in appropriate
42 circumstances under the applicable standards for such relief under
43 State law. Injunctive equitable relief shall be granted against an actual
44 or threatened unlawful failure or refusal to grant a wholesaler the right
45 to purchase and resell a brand extension. The wholesaler or brewer
46 who sues alleging a violation of this act shall, if successful, also be

1 entitled to the costs of the action including, but not limited to,
2 reasonable attorney's fees.

3 b. Without limiting the provisions of subsection a. of this section,
4 if a brewer violates paragraphs (1), (2) or (3) of subsection c. of
5 section 4 of this act, the injured wholesaler's reasonable damages shall
6 include the fair market value of the wholesaler's business with respect
7 to the terminated brand or brands.

8 c. If a brewer terminates or fails to renew, in whole or in part, a
9 contract, agreement or relationship with a wholesaler for good cause
10 and in good faith, other than terminations or failures to renew properly
11 based upon grounds for immediate termination under section 5 of this
12 act, the brewer shall pay to the wholesaler reasonable compensation,
13 which may be established by a reasonable liquidated damages provision
14 in a written contract or written agreement between the brewer and the
15 wholesaler. Payment for inventory and other tangible assets owned
16 and used by the wholesaler in its operation as a wholesaler for the
17 brewer's products as provided for under the standards of a written
18 contract or written agreement, as well as a payment determined by
19 multiplying by two the wholesaler's pre-tax net income attributable to
20 the sale of the brewer's brand or brands for the wholesaler's most
21 recently completed fiscal year preceding the year in which the
22 termination occurs, is deemed to be a reasonable liquidated damages
23 provision under this act for such a termination of the right to distribute
24 brands representing more than 20% of the wholesaler's revenues. This
25 payment shall not be deemed reasonable compensation in any other
26 circumstance or to represent a basis for calculating fair market value.
27 In particular and without limitation, in the case of brands representing
28 20% or less of a wholesaler's revenues, which may not require
29 significant incremental expenses for delivery, sales and service, making
30 a net income standard inappropriate, such payment shall not be
31 deemed to be a reasonable liquidated damages provision under this act.

32 d. In the event of a termination under section 5 of this act,
33 payment for inventory in the manner prescribed under the reasonable
34 standards of a contract or agreement is reasonable compensation under
35 this act.

36 e. Nothing in this act shall be deemed to give a right of action for
37 violation of this act to any third party to the relationship between a
38 brewer and a wholesaler, except for a brewer adversely affected by
39 another brewer's violation of this act with respect to a common
40 wholesaler.

41

42 8. If any material provision within any section of this act is held
43 invalid, the remainder of this act and the act as a whole shall be held
44 invalid; provided that if the application of any material provision
45 within any section of this act to any person or circumstance is held
46 invalid, then the remainder of this act and the act as a whole shall be

1 held invalid as to such person or circumstance. The "Franchise
2 Practices Act," P.L.1971, c. 356 (C.56:10-1 et seq.) shall not apply to
3 those agreements subject to this act; provided, however, that as the
4 material provisions of this act are not severable, this section shall not
5 be severable from the provisions of sections 3, 4 and 7 of this act, and
6 in the event that any provision thereof is held invalid, then the
7 "Franchise Practices Act" shall be fully applicable to the extent it
8 would otherwise apply as if this act had not been enacted, and if the
9 application of any provision thereof to any person or circumstance is
10 held invalid, then the "Franchise Practices Act" shall be fully applicable
11 to such person or circumstance to the extent it would otherwise apply
12 as if this act had not been enacted with respect to such person or
13 circumstance.

14

15 9. The Legislature finds that where a brewer's products represent
16 more than 20% of a wholesaler's gross sales and the brewer and
17 wholesaler have a community of interest in the marketing of the
18 brewer's products, there is a justification for certain input by the
19 brewer into the operations of the wholesaler, but that such input from
20 numerous brewers representing smaller percentages of a wholesaler's
21 gross sales might subject wholesalers to inconsistent obligations,
22 create uncertainty as to those obligations, and interfere unreasonably
23 with the wholesaler's ability to operate its business. Accordingly,
24 consistent with the legislatively declared public policy of this State in
25 section 4 of P.L.1985, c.258 (C.33:1-3.1), the use of the following
26 terms in any agreement or contract, including agreements or contracts
27 existing on the effective date of this act, between manufacturers of
28 malt alcoholic beverages and wholesalers, shall not be construed to
29 grant such manufacturer or wholesaler an interest in another
30 manufacturer or wholesaler under the relevant provisions of Title 33
31 of the Revised Statutes or any rule or regulation promulgated
32 thereunder provided that the brewer's products represent more than
33 20% of the wholesaler's gross sales and the brewer and wholesaler
34 have a community of interest in the marketing of the brewer's
35 products:

36 a. Terms providing brewers the ability to give reasonable consent
37 to wholesaler ownership and management changes, including successor
38 management;

39 b. Terms setting forth quality, operational, marketing and sales
40 standards designed to properly represent the products, brands,
41 reputation and trade name of the brewer, in the territory and at retail,
42 including terms under which a wholesaler commits to provide certain
43 efforts and resources toward a brewer's products;

44 c. Terms concerning ordering and inventory methods with respect
45 to the brewer's products; and

1 d. Terms requiring wholesalers to provide financial information to
2 a brewer related to sales and operations of the brewer's products, and
3 reasonable aggregated financial information related to the sales and
4 operations of all other malt alcoholic beverage products distributed by
5 the wholesaler.

6
7 10. a. Manufacturers, importing entities or wholesalers, as these
8 terms are defined in R.S.33:1-1, or third parties at the direction of
9 manufacturers, importing entities or wholesalers, may sell, lease or
10 provide services, items or equipment to retailers that are intended to
11 enhance or protect the quality, display, availability or marketing of
12 their products to consumers, including:

13 (1) Cleaning and needed repairs of dispensing systems for alcoholic
14 beverage products, including draught systems for malt alcoholic
15 beverages, powered decanter systems for wine and pouring systems,
16 and decanter racks or blending machines for distilled spirits.

17 (2) Certain equipment, such as tap handles, filters, faucets, tavern
18 heads, regulators, and similar ancillary equipment, that protects the
19 quality or taste of the alcoholic beverage products produced or
20 supplied by the appropriate licensee, subject to the provisions of
21 R.S.33:1-43.1. Substantial equipment such as complete draught or
22 refrigeration systems, or coolant shall only be sold at no less than fair
23 market value; however nothing in this subsection shall be construed to
24 prevent a licensee from renting or providing such substantial
25 equipment to a retailer on a short-term temporary basis for special
26 events.

27 (3) Delivery of alcoholic beverages into a retail account at the
28 number of locations as mutually agreed upon by the wholesaler and the
29 retailer.

30 (4) Occasional, unscheduled placing, and stocking of alcoholic
31 beverages sold by the wholesaler within a retail accounts' premises, to
32 ensure the alcoholic beverages will be available for consumers to
33 purchase, as mutually agreed upon by the wholesaler and retailer, and
34 regular rotation of alcoholic beverages sold by the wholesaler as
35 necessary to ensure the freshness of those products with a limited shelf
36 life.

37 (5) Shelf management, marketing and pricing recommendations,
38 and implementation of shelf management decisions and resets of a
39 manufacturer's supplier's, wholesaler's, or third party's own products
40 as mutually agreed upon by the wholesaler and the retailer.

41 (6) Building product displays, including price signs denoting prices
42 established by the retailer, sweepstakes prizes for customers as part of
43 a display and advertising items such as point of sale advertising and
44 consumer novelties, as mutually agreed upon by the wholesaler and
45 retailer.

1 b. A licensee may provide reasonable entertainment to another
2 licensee, such as engaging in sporting activities, taking a licensee to an
3 entertainment or sports event, or providing meals and beverages to the
4 licensee. The licensee shall not condition the provision of such
5 services, equipment, consumer sweepstakes prizes or entertainment on
6 an agreement to sell the alcoholic beverage products of a
7 manufacturer, supplier or wholesaler. A retailer shall not request the
8 provision of such services, equipment, consumer sweepstakes prizes
9 or entertainment as a condition for selling the alcoholic beverage
10 products of a manufacturer, supplier or wholesaler.

11

12 11. This act shall take effect on the first day of the third month
13 after enactment.