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SENATE BILL NO. 174

Senate Amendments in [] - January 16, 2018

A BILL to amend and reenact § 4.1-404 of the Code of Virginia, relating to alcoholic beverage control; wine wholesaler; primary area of responsibility.

Patron Prior to Engrossment—Senator Stanley

Referred to Committee on Rehabilitation and Social Services

Be it enacted by the General Assembly of Virginia:**1. That § 4.1-404 of the Code of Virginia is amended and reenacted as follows:****§ 4.1-404. Sales territory.**

Each winery which enters into an agreement with a wine wholesaler shall designate a sales territory as the primary area of responsibility of that wholesaler which is applicable to the agreement. ~~The term "primary area of responsibility" shall not be construed as restricting sales or sales efforts by a wine wholesaler exclusively to retailers located within the designated sales territory, and any agreement to the contrary shall be void.~~ No winery shall enter into any agreement with more than one wholesaler for the purpose of establishing more than one agreement for its brands of wine in any territory. However, the existence of more than one such agreement as a result of a sale of a winery as contemplated by § 4.1-405 shall not be prohibited. Notwithstanding any other provision in this chapter, a winery may enter into agreements with more than one wholesaler in a sales territory for new brands which are not clearly extensions of existing brands. Territories served by a wine wholesaler on February 18, 1989, shall be deemed designated sales territories within the meaning of this section. Each winery shall notify the Board in writing of all designations of sales territories, the identity of the wholesaler appointed to serve such territory and a statement of any variations which exist in the designated territory in regard to a particular brand. Redesignations shall be reported to the Board within ~~thirty~~ 30 days.

[2. That the provisions of this act shall not render valid the provision of any contract, written or oral, that was entered into prior to July 1, 2018, and that was void under the law in effect prior to July 1, 2018.]

ENGROSSED

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