

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 2775

By Delegate Chiarelli

[Introduced February 21, 2025; referred to the
Committee on Government Organization]

1 A BILL to amend and reenact §11-16-20 of the Code of West Virginia, 1931, as amended, relating
2 to permitting the sale of nonintoxicating beer, ale or other malt beverage or cooler to a
3 distributor or wholesaler at volume discount prices; and to reducing the time from 90 days
4 to 30 days for prices to go into effect.

Be it enacted by the Legislature of West Virginia:

ARTICLE 16. NONINTOXICATING BEER.

§11-16-20. Unlawful acts of brewers or manufacturers; criminal penalties.

1 (a) It is unlawful:

2 (1) For any brewer or manufacturer, or any other person, firm or corporation engaging in
3 the business of selling nonintoxicating beer, ale or other malt beverage or cooler to a distributor or
4 wholesaler, to discriminate in price, allowance, rebate, refund, commission, discount or service
5 between distributors or wholesalers licensed in West Virginia. "Discriminate," as used in this
6 section, shall mean granting of more favorable prices, allowances, rebates, refunds, commissions,
7 discounts or services to one West Virginia distributor or wholesaler than to another: Provided,
8 That sales may be made with volume discounts of the amount of nonintoxicating beer, ale or other
9 malt beverage or cooler sold to a distributor or wholesaler. A price schedule for discount prices for
10 sales by volume shall be submitted to the commissioner as provided for in subdivision (2) of this
11 subsection.

12 (2) For any brewer or manufacturer, or any other person, firm or corporation engaged in the
13 business of selling nonintoxicating beer, ale or other malt beverage or malt cooler to a distributor or
14 wholesaler, to sell or deliver nonintoxicating beer, ale or other malt beverage or malt cooler to any
15 licensed distributor or wholesaler unless and until such brewer, manufacturer, person, firm or
16 corporation, as the case may be, shall have filed the brewery or dock price of such the beer, ale or
17 other malt beverage or malt cooler, by brands and container sizes, with the commissioner. The
18 pricing submitted to the commissioner shall also be submitted contemporaneously to the licensed
19 distributor or wholesaler. No price schedule ~~shall~~ may be put into effect until ~~ninety~~ 30 days after

20 receipt of ~~same~~ the schedule by the commissioner ~~and shall be submitted on or before the~~
21 ~~following quarterly dates of January 1, April 1, July 1 and October 1 of the calendar year to be~~
22 ~~effective: *Provided*, That any price shall remain in effect not less than ninety~~ 30 days.

23 (3) For any brewer or manufacturer, resident brewer or any other person, firm or
24 corporation engaged in the business of selling nonintoxicating beer, ale or other malt beverage or
25 malt cooler to a distributor or wholesaler to sell, offer for sale or transport to West Virginia any
26 nonintoxicating beer, ale or other malt beverage or malt cooler unless it has first registered its
27 labels and assigned to the appropriate distributor per an equitable franchise agreement, all as
28 approved by the commissioner.

29 (4) For any brewer or manufacturer, or any other person, firm or corporation engaged in the
30 business of selling nonintoxicating beer, ale or other malt beverage or malt cooler to provide,
31 furnish, transport or sell its nonintoxicating beer products, brands and line extensions to any
32 person or distributor other than the appointed distributor per the franchise agreement and
33 established in the franchise distributor network in the territory assigned to that appointed
34 distributor.

35 (5) For any brewer or manufacturer, or any other person, firm or corporation engaged in the
36 business of selling nonintoxicating beer, ale or other malt beverage or malt cooler to provide,
37 furnish, transport or sell its nonintoxicating beer products, brands and line extensions that have
38 been denied by the commissioner.

39 (6) For any resident brewer that chooses to utilize a franchise agreement and a franchise
40 distributor network, either in addition to or in conjunction with its limited quantity of nonintoxicating
41 beer for self-distribution, to violate this section and the resident brewer is subject to the sanctions
42 in subsections (b) and (c) of this section.

43 (b) The violation of any provision of this section by any brewer or manufacturer shall
44 constitute grounds for the forfeiture of the bond furnished by such brewer or manufacturer in
45 accordance with ~~the provisions of §11-16-12 of this code.~~

46 (c) The violation of this section by any brewer or manufacturer is grounds for sanctions as
47 determined by the commissioner in accordance with §11-16-23 and §11-16-24 of this code and the
48 rules promulgated by the commissioner.

49 (d) Any resident brewer that chooses to utilize a franchise agreement and a franchise
50 distributor network, either in addition to or in conjunction with its limited quantity of nonintoxicating
51 beer for self-distribution, shall be treated as a brewer under this article and the applicable
52 promulgated rules.

NOTE: The purpose of this bill is to permit the sale of nonintoxicating beer, ale or other malt beverage or cooler to a distributor or wholesaler at volume discount prices and to reduce the time from 90 days to 30 days for prices to go into effect.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.