

By: Representative Horan

To: State Affairs

HOUSE BILL NO. 1600

1 AN ACT TO BRING FORWARD SECTIONS 67-7-1, 67-7-3, 67-7-5,
2 67-7-7, 67-7-9, 67-7-11, 67-7-12, 67-7-13, 67-7-15, 67-7-17,
3 67-7-19, 67-7-21 AND 67-7-23, MISSISSIPPI CODE OF 1972, WHICH ARE
4 THE SECTIONS OF THE BEER INDUSTRY FAIR DEALING ACT, FOR THE
5 PURPOSES OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1.** Section 67-7-1, Mississippi Code of 1972, is
8 brought forward as follows:

9 67-7-1. This chapter shall be known and may be cited as the
10 "Beer Industry Fair Dealing Act."

11 **SECTION 2.** Section 67-7-3, Mississippi Code of 1972, is
12 brought forward as follows:

13 67-7-3. The legislative purpose of this chapter is to
14 provide a structure for the business relations between a
15 wholesaler and a supplier of light wine, light spirit product or
16 beer. Regulation in this area is considered necessary for the
17 following reasons:



(a) To maintain stability and healthy competition in the light wine, light spirit product and beer industry in this state.

(b) To promote and maintain a sound, stable and viable system of distribution of light wine, light spirit product and beer to the public.

(c) To provide for the private settlement of disputes between wholesalers and suppliers of light wine, light spirit product or beer as an alternative to civil litigation which consumes the time and resources of the parties and the judicial system.

(d) To promote the public health, safety and welfare.

SECTION 3. Section 67-7-5, Mississippi Code of 1972, is brought forward as follows:

67-7-5. As used in this chapter, the following words or phrases, or the plural thereof, whenever they appear in this chapter, unless the context clearly requires otherwise, shall have the meaning ascribed to them in this section.

(a) "Agreement" means any agreement between a wholesaler and a supplier, whether oral or written, whereby a wholesaler is granted the right to purchase and sell a brand or brands of light wine, light spirit product or beer sold by a supplier.

(b) "Ancillary business" means a business owned by the wholesaler, by a substantial stockholder of a wholesaler, or by a



substantial partner of a wholesaler, the primary business of which is directly related to the transporting, storing or marketing of the brand or brands of light wine, light spirit product or beer of a supplier with whom the wholesaler has an agreement; or a business owned by a wholesaler, a substantial stockholder of a wholesaler.

(c) "Commission" or "department" means the Department of Revenue of the State of Mississippi.

(d) "Commissioner" means the Commissioner of Revenue of the Department of Revenue.

(e) "Designated member" means the spouse, child, grandchild, parent, brother or sister of a deceased individual who owned an interest, including a controlling interest, in a wholesaler, or any person who inherits under the deceased individual's will, or under the laws of intestate succession of this state; or any person who or entity which has otherwise, through a valid testamentary device by the deceased individual, succeeded the deceased individual in the wholesaler's business, or has succeeded to the deceased individual's ownership interest in the wholesaler pursuant to a written contract or instrument which has been previously approved by the supplier; "designated member" includes the appointed and qualified personal representative and the testamentary trustee of a deceased individual owning an ownership interest in a wholesaler, and it includes the person appointed by a court as the guardian or conservator of the



68 property of an incapacitated individual owning an ownership
69 interest in a wholesaler.

70 (f) "Establish" means to adjust or regulate, to provide
71 for and uphold.

72 (g) "Good faith" means honesty in fact and observance
73 of reasonable commercial standards of fair dealing in the trade,
74 as defined in and interpreted under the Uniform Commercial Code.

75 (h) "Reasonable qualifications" means the standard of
76 the reasonable criteria established and consistently used by the
77 respective supplier for similarly situated wholesalers that
78 entered into, continued or renewed an agreement with the supplier
79 during a period of twenty-four (24) months before the proposed
80 transfer of the wholesaler's business, or for similarly situated
81 wholesalers who have changed managers or designated managers,
82 under the agreement, during a period of twenty-four (24) months
83 before the proposed change in the manager or successor manager of
84 the wholesaler's business.

85 (i) "Retaliatory action" means the refusal to continue
86 an agreement, or a material reduction in the quality of service or
87 quantity of products available to a wholesaler under an agreement,
88 which refusal or reduction is not made in good faith.

89 (j) "Sales territory" means a primary area of sales
90 responsibility for the brand or brands of light wine, light spirit
91 product or beer sold by a supplier as designated by an agreement.



92 (k) "Substantial stockholder or substantial partner"
93 means a stockholder or partner in the wholesaler who owns an
94 interest of ten percent (10%) or more of the partnership or of the
95 capital stock of a corporate wholesaler.

96 (l) "Successor" means a person who replaces a supplier
97 with regard to the right to manufacture, sell, distribute or
98 import a brand or brands of light wine, light spirit product or
99 beer.

100 (m) "Supplier" means a manufacturer or importer of
101 light wine, light spirit product or beer as regulated by the
102 department under Sections 67-3-1 through 67-3-73.

103 (n) "Transfer of wholesaler's business" means the
104 voluntary sale, assignment or other transfer of ten percent (10%)
105 or more of control of the business or all or substantially all of
106 the assets of the wholesaler, or ten percent (10%) or more of
107 control of the capital stocks of the wholesaler, including without
108 limitation the sale or other transfer of capital stock or assets
109 by merger, consolidation or dissolution, or of the capital stock
110 of the parent corporation, or of the capital stock or beneficial
111 ownership of any other entity owning or controlling the
112 wholesaler.

113 (o) "Wholesaler" means a wholesaler of light wine,
114 light spirit product or beer as regulated by the department under
115 Sections 67-3-1 through 67-3-73.



(p) "Similarly situated wholesalers" means wholesalers of a supplier that are of a generally comparable size and operate in markets in Mississippi and adjoining states with similar demographic characteristics, including population size, density, distribution and vital statistics, as well as reasonably similar economic and geographic conditions.

(q) "Light wine, light spirit product and/or beer" has the meaning ascribed to such terms in Section 67-3-3.

SECTION 4. Section 67-7-7, Mississippi Code of 1972, is brought forward as follows:

67-7-7. A supplier shall not do the following:

(a) Fail to provide each wholesaler of the supplier's brand or brands with a written agreement which contains in total the supplier's agreement with each wholesaler, and designates a specific sales territory. Any agreement which is in existence on April 7, 1995, shall be renewed consistent with this chapter, provided that this chapter may be incorporated by reference in the agreement. Nothing contained herein shall prevent a supplier from appointing, one (1) time for a period not to exceed ninety (90) days, a wholesaler to service temporarily a sales territory not designated to another wholesaler, until such time as a wholesaler is appointed by the supplier; and such wholesaler who is designated to service the sales territory during this period of temporary service shall not be in violation of the chapter, and,



with respect to the temporary service territory, shall not have any of the rights provided under Sections 67-7-11 and 67-7-15.

(b) Fix, maintain or establish the price at which a wholesaler shall sell any light wine, light spirit product or beer.

(c) Enter into an additional agreement with any other wholesaler for, or to sell to any other wholesaler, the same brand or brands of light wine, light spirit product or beer in the same territory or any portion thereof, or to sell directly to any retailer in this state.

(d) Require any wholesaler to accept delivery of any light wine, light spirit product or beer or other commodity which has not been ordered by the wholesaler, except that a supplier may impose reasonable inventory requirements upon a wholesaler if the requirements are made in good faith and are generally applied to other similarly situated wholesalers who have an agreement with the supplier.

(e) Require any wholesaler to accept delivery of any light wine, light spirit product or beer or other commodity ordered by a wholesaler if the order was properly cancelled by the wholesaler in accordance with the supplier's procedure.

(f) Require any wholesaler to do any illegal act or to violate any law or regulation by threatening to amend, modify, cancel, terminate or refuse to renew any agreement existing between the supplier and wholesaler.



165 (g) Require a wholesaler to assent to any condition,
166 stipulation or provision limiting the wholesaler's right to sell
167 the brand or brands of light wine, light spirit product or beer of
168 any other supplier unless the acquisition of the brand or brands
169 of another supplier would materially impair or adversely affect
170 the wholesaler's quality of service, sales or ability to compete
171 effectively in representing the brand or brands of the supplier
172 presently being sold by the wholesaler, except that in any action
173 challenging a supplier's position, the supplier shall have the
174 burden of providing that such acquisition of such other brand or
175 brands would have such effect.

176 (h) Require a wholesaler to purchase one or more brands
177 of light wine, light spirit product or beer products in order for
178 the wholesaler to purchase another brand or brands of light wine,
179 light spirit product or beer for any reason, except that a
180 wholesaler that has agreed to distribute a brand or brands before
181 April 7, 1995, shall continue to distribute the brand or brands in
182 conformance with this chapter.

183 (i) Require a wholesaler to submit audited profit and
184 loss statements, balance sheets or financial records as a
185 condition of renewal or continuation of an agreement, except that
186 a supplier may require reasonable proof of a wholesaler's
187 financial condition prior to extending credit terms to a
188 wholesaler.



189 (j) Withhold delivery of light wine, light spirit
190 product or beer ordered by wholesaler, or change a wholesaler's
191 quota of a brand or brands if the withholding or change is not
192 made in good faith.

193 (k) Require a wholesaler by any means directly to
194 participate in or contribute to any local or national advertising
195 fund controlled directly or indirectly by a supplier.

196 (l) Take any retaliatory action against a wholesaler
197 that files a complaint in good faith regarding an alleged
198 violation by the supplier of federal, state or local law or an
199 administrative rule as a result of that complaint.

200 (m) Require or prohibit any change in the manager or
201 successor manager of any wholesaler who has been approved by the
202 supplier as of or after April 7, 1995, unless the supplier acts in
203 good faith. Should a wholesaler change an approved manager or
204 successor manager, a supplier shall not require or prohibit the
205 change unless the person selected by the wholesaler fails to meet
206 the nondiscriminatory, material and reasonable standards and
207 qualifications for managers consistently applied to similarly
208 situated wholesalers by the supplier, except that, in any action
209 challenging a supplier's decision, the supplier shall have the
210 burden of proving that such person fails to meet such standards
211 and qualifications.

212 (n) Upon written notice of intent to transfer the
213 wholesaler's business, interfere with, prevent or unreasonably



214 delay (not to exceed thirty (30) days) the transfer of the
215 wholesaler's business if the proposed transferee is a designated
216 member.

217 (o) Upon written notice of intent to transfer the
218 wholesaler's business other than to a designated member, withhold
219 consent to or approval of, or unreasonably delay (not to exceed
220 thirty (30) days after receipt of all material information
221 reasonably requested) a response to a request by the wholesaler
222 for any transfer of a wholesaler's business if the proposed
223 transferee meets the nondiscriminatory material and reasonable
224 qualifications and standards required by the supplier for
225 similarly situated wholesalers.

226 (p) Restrict or inhibit the right of free association
227 among wholesalers for any lawful purpose.

228 (q) Threaten to cancel or withhold credit, or to reduce
229 the time period normally given the wholesaler to make payment on a
230 delivery from the supplier as a means of compelling the wholesaler
231 to meet certain standards of performance in any area of business
232 not directly related to credit.

233 **SECTION 5.** Section 67-7-9, Mississippi Code of 1972, is
234 brought forward as follows:

235 67-7-9. A wholesaler shall not do any of the following:

236 (a) Fail to devote such efforts and resources to the
237 sale and distribution of all the supplier's brands of light wine,
238 light spirit product or beer which the wholesaler has been granted



the right to sell or distribute as are required in the
wholesaler's agreement with the supplier.

(b) Sell or deliver light wine, light spirit product or
beer to a retail licensee located outside the sales territory
designated to the wholesaler by the supplier of a particular brand
or brands of light wine, light spirit product or beer, except that
during periods of temporary service interruptions impacting a
particular sales territory, a supplier may appoint another
wholesaler to service the sales territory during the period of
temporary service interruption. A wholesaler who is designated to
service the impacted sales territory during the period of
temporary service interruption shall not be in violation of this
chapter and shall not have any of the rights provided under
Sections 67-7-11 and 67-7-15 with respect to the temporary service
territory.

(c) Transfer the wholesaler's business without giving
the supplier written notice of intent to transfer the wholesaler's
business and, where required by this chapter, receiving the
supplier's written approval for the proposed transfer, except that
the consent or approval of the supplier shall not be required of
any transfer of the wholesaler's business to a designated member,
or of any transfer of less than ten percent (10%) of the
wholesaler's business unless such transfer results in a change in
control. The wholesaler shall give the supplier written notice of
any change in ownership of the wholesaler.



SECTION 6. Section 67-7-11, Mississippi Code of 1972, is brought forward as follows:

67-7-11. (1) Except as otherwise provided for in this chapter, a supplier shall not amend or modify an agreement; cause a wholesaler to resign from an agreement; or cancel, terminate, fail to renew or refuse to continue under an agreement, unless the supplier has complied with all of the following:

(a) Has satisfied the applicable notice requirements of this section.

(b) Has acted in good faith.

(c) Has good cause for the amendment, modification, cancellation, termination, nonrenewal, discontinuance or forced resignation.

(2) In any action challenging such amendment, modification, termination, cancellation, nonrenewal or discontinuance, the supplier shall have the burden of proving that it has acted in good faith, that the notice requirements under this section have been complied with, and that there was good cause for the amendment, modification, termination, cancellation, nonrenewal or discontinuance.

(3) Except as otherwise provided in this section, and in addition to the time limits set forth in subsection (4) (d) of this section, the supplier shall furnish written notice of the amendment, modification, termination, cancellation, nonrenewal or discontinuance of an agreement to the wholesaler not less than



289 thirty (30) days before the effective date of the amendment,
290 modification, termination, cancellation, nonrenewal or
291 discontinuance. The notice shall be by certified mail and shall
292 contain all of the following:

293 (a) A statement of intention to amend, modify,
294 terminate, cancel, nonrenew or discontinue the agreement.

295 (b) A statement of the reason for the amendment,
296 modification, termination, cancellation, nonrenewal or
297 discontinuance.

298 (c) The date on which the amendment, modification,
299 termination, cancellation, nonrenewal or discontinuance takes
300 effect.

301 (4) Good cause shall exist for the purposes of a
302 termination, cancellation, nonrenewal or discontinuance under
303 subsection (1)(c) of this section when all of the following occur:

304 (a) There is a failure by the wholesaler to comply with
305 a provision of the agreement which is both reasonable and of
306 material significance to the business relationship between the
307 wholesaler and the supplier.

308 (b) The supplier first acquired knowledge of the
309 failure described in subparagraph (a) not more than twenty-four
310 (24) months before the date notification was given pursuant to
311 subsection (3) of this section.

312 (c) The wholesaler was given notice by the supplier of
313 failure to comply with this agreement.



314 (d) The wholesaler has been afforded thirty (30) days
315 in which to submit a plan of corrective action to comply with the
316 agreement and an additional ninety (90) days to cure such
317 noncompliance in accordance with the plan.

318 (5) Notwithstanding subsections (1) and (3) of this section,
319 a supplier may terminate, cancel, fail to renew or discontinue an
320 agreement immediately upon written notice given in the manner and
321 containing the information required by subsection (3)(a), (b) and
322 (c) of this section if any of the following occur:

323 (a) Insolvency of the wholesaler, the filing of any
324 petition by or against the wholesaler under any bankruptcy or
325 receivership law or the assignment for the benefit of creditors or
326 dissolution or liquidation of the wholesaler which materially
327 affects the wholesaler's ability to remain in business.

328 (b) Revocation or suspension of the wholesaler's state
329 or federal license by the appropriate regulatory agency whereby
330 the wholesaler cannot service the wholesaler's sales territory for
331 more than thirty-one (31) days.

332 (c) The wholesaler, or a partner or an individual who
333 owns ten percent (10%) or more of the partnership or stock of a
334 corporate wholesaler, has been convicted of a felony under the
335 United States Code or the laws of any state which reasonably may
336 adversely affect the good will or interest of the wholesaler or
337 supplier. However, an existing stockholder or stockholders, or
338 partner or partners, or a designated member or members, shall



339 have, subject to the provisions of this chapter, the right to
340 purchase the partnership interest or the stock of the offending
341 partner or stockholder prior to the conviction of the offending
342 partner or stockholder, and if the sale is completed prior to
343 conviction the provisions of this subparagraph shall not apply.

344 (d) There was fraudulent conduct relating to a material
345 matter on the part of the wholesaler in dealings with the supplier
346 or its product, except that the supplier shall have the burden of
347 proving fraudulent conduct relating to a material matter on the
348 part of the wholesaler in any legal action challenging such
349 termination.

350 (e) The wholesaler failed to confine to the designated
351 sales territory its sales of a brand or brands to retailers except
352 that this subsection does not apply if there is a dispute between
353 two (2) or more wholesalers as to the boundaries of the assigned
354 territory, and the boundaries cannot be determined by a reading of
355 the description contained in the agreements between the supplier
356 and the wholesalers.

357 (f) A wholesaler has failed to pay for light wine,
358 light spirit product or beer ordered and delivered in accordance
359 with established terms and the wholesaler fails to make full
360 payment within five (5) business days after receipt of written
361 notice of the delinquency and demand for immediate payment from
362 the supplier.



(g) A wholesaler intentionally has made a transfer of wholesaler's business, other than a transfer to a designated member without prior written notice to the supplier.

(h) A wholesaler intentionally has made a transfer of wholesaler's business, other than a transfer to a designated member, although the wholesaler has prior to said transfer received from supplier a timely notice of disapproval of said transfer in accordance with this chapter.

(i) The wholesaler intentionally ceases to carry on business with respect to any of supplier's brand or brands previously serviced by wholesaler in its territory designated by the supplier, unless such cessation is due to force majeure or to labor dispute and the wholesaler has made good faith efforts to overcome such events. Provided, however, this shall affect only that brand or brands with respect to which the wholesaler ceased to carry on business.

(6) Notwithstanding subsections (1), (3) and (5) of this section, a supplier may terminate, cancel, not renew or discontinue an agreement upon not less than thirty (30) days prior written notice if the supplier discontinues production or discontinues distribution in this state of all the brands sold by the supplier to the wholesaler, except that nothing in this section shall prohibit a supplier from: (a) upon not less than thirty (30) days notice, discontinuing the distribution of any particular brand or package of light wine, light spirit product or



beer; or (b) conducting test marketing of a new brand of light wine, light spirit product or beer which is not currently being sold in this state, except that the supplier has notified the department in writing of its plans to test market, which notice shall describe the market area in which the test shall be conducted; the name or names of the wholesaler or wholesalers who will be selling the light wine, light spirit product or beer; the name or names of the brand of light wine, light spirit product or beer being tested; and the period of time, not to exceed eighteen (18) months, during which the testing will take place.

SECTION 7. Section 67-7-12, Mississippi Code of 1972, is brought forward as follows:

67-7-12. A successor shall become obligated to all of the terms and conditions of the agreement in effect on the date of succession. This section applies regardless of the character or form of the succession. A successor has the right to contractually require its wholesalers to comply with operational standards of performance if the standards are uniformly established for all the successor's wholesalers and conform to the provisions of this chapter.

SECTION 8. Section 67-7-13, Mississippi Code of 1972, is brought forward as follows:

67-7-13. (1) Upon written notice of intent to transfer the wholesaler's business, any individual owning or deceased individual who owned an interest in a wholesaler may transfer the



413 wholesaler's business to a designated member, or to any other
414 person who meets the nondiscriminatory material and reasonable
415 qualifications and standards required by the supplier for
416 similarly situated wholesalers. The consent or approval of the
417 supplier shall not be required of any transfer of the wholesaler's
418 business, including the assignment of the wholesaler's rights
419 under the agreement, to a designated member or shall not be
420 withheld or unreasonably delayed to a proposed transferee who
421 meets such nondiscriminatory, material and reasonable
422 qualifications and standards. Such designated member or
423 transferee shall in no event be qualified as a transferee, without
424 the written approval or consent of the supplier, where such
425 proposed transferee shall have been involved in the following:

426 (a) Insolvency, filing of any voluntary or involuntary
427 petition under any bankruptcy or receivership law, or execution of
428 any assignment for the benefit of creditors; or

429 (b) Revocation or suspension of a special occupational
430 tax license by the regulatory agency of the United States
431 government or any state, whereby service was interrupted for more
432 than thirty-one (31) days; or

433 (c) Conviction of the proposed transferee or any owner
434 thereof of a felony under the United States Code or the laws of
435 any state which reasonably may adversely affect the good will or
436 interest of the wholesaler or supplier; or



437 (d) Had an agreement involuntarily terminated,
438 cancelled, not renewed or discontinued by a supplier for good
439 cause.

440 (2) The supplier shall not interfere with, prevent or
441 unreasonably delay the transfer of the wholesaler's business,
442 including an assignment of wholesaler's rights under the
443 agreement, if the proposed transferee is a designated member, or
444 if the transferee other than a designated member meets such
445 nondiscriminatory, material and reasonable qualifications and
446 standards required by the supplier for similarly situated
447 wholesalers. Where the transferee is other than a designated
448 member, the supplier may in good faith and for good cause related
449 to the reasonable qualifications refuse to accept the transfer of
450 the wholesaler's business or the assignment of the wholesaler's
451 rights under the agreement.

452 **SECTION 9.** Section 67-7-15, Mississippi Code of 1972, is
453 brought forward as follows:

454 67-7-15. (1) Except as provided for in this chapter, a
455 supplier that has amended, modified, cancelled, terminated or
456 refused to renew any agreement; or caused a wholesaler to resign
457 from an agreement; or has interfered with, prevented or
458 unreasonably delayed, or where required by this chapter, has
459 withheld or unreasonably delayed consent to or approval of, any
460 assignment or transfer of a wholesaler's business, shall pay the
461 wholesaler reasonable compensation for the diminished value of the



wholesaler's business, including any ancillary business which has been negatively affected by the act of the supplier. The value of the wholesaler's business or ancillary business shall include, but not be limited to, its good will, except that nothing contained in this chapter shall give rise to a claim against the supplier or wholesaler by any proposed purchaser of wholesaler's business.

(2) Should either party, at any time, determine that mutual agreement on the amount of reasonable compensation cannot be reached, the supplier or the wholesaler may send by certified mail, return receipt requested, written notice to the other party declaring its intention to proceed with arbitration. Arbitration shall proceed only by mutual agreement of both parties.

(3) Not more than ten (10) business days after the notice to enter into arbitration has been delivered, the other party shall send written notice to the requesting party declaring its intention either to proceed or not to proceed with arbitration. Should the other party fail to respond within ten (10) business days, it shall be conclusively presumed that said party shall have agreed to arbitration.

(4) The matter of determining the amount of compensation may, by agreement of the parties, be submitted to a three (3) member arbitration panel consisting of one (1) representative selected by the supplier but unassociated with the affected supplier; one (1) wholesaler representative selected by the



wholesaler but unassociated with the wholesaler; and an impartial arbitrator.

(5) Not more than ten (10) business days after mutual agreement of both parties has been reached to arbitrate, each party shall designate, in writing, its one (1) arbitrator representative and the party initiating arbitration shall request, in writing, a list of five (5) arbitrators from the American Arbitration Association or its successor and request that the list be mailed to each party by certified mail, return receipt requested. Not more than ten (10) business days after the receipt of the list of five (5) choices, the wholesaler arbitrator and the supplier arbitrator shall strike and disqualify up to two (2) names each from the list. Should either party fail to respond within the ten (10) business days or should more than one (1) name remain after the strikes, the American Arbitration Association shall make the selection of the impartial arbitrator from the names not stricken from said list.

(6) Not more than thirty (30) days after the final selection of the arbitration panel is made, the arbitration panel shall convene to decide the dispute. The panel shall conclude the arbitration within twenty (20) days after the arbitration panel convenes and shall render a decision by majority vote of the arbitrators within twenty (20) days from the conclusion of the arbitration. The award of the arbitration panel shall be final



and binding on the parties as to the amount of compensation for said diminished value.

(7) The cost of the impartial arbitrator, the stenographer and the meeting site shall be equally divided between the wholesaler and the supplier. All other costs shall be paid by the party incurring them.

(8) After both parties have agreed to arbitrate, should either party, except by mutual agreement, fail to abide by the time limitations as prescribed in subsections (3), (5) and (6) of this section, or fail or refuse to make the selection of any arbitrators, or fail to participate in the arbitration hearings, the other party shall make the selection of its arbitrators and proceed to arbitration. The party who has failed or refused to comply as prescribed in this section shall be considered to be in default. Any party considered to be in default pursuant to this subsection shall have waived any and all rights the party would have had in the arbitration and shall be considered to have consented to the determination of the arbitration panel.

SECTION 10. Section 67-7-17, Mississippi Code of 1972, is brought forward as follows:

67-7-17. A wholesaler may not waive any of the rights granted in any provision of this chapter and the provisions of any agreement which would have such an effect shall be null and void. Nothing in this chapter shall be construed to limit or prohibit



good faith dispute settlements voluntarily entered into by the parties.

SECTION 11. Section 67-7-19, Mississippi Code of 1972, is brought forward as follows:

67-7-19. (1) This chapter shall apply to agreements entered into or renewed after April 7, 1995.

(2) A transferee of a wholesaler that continues in business as a wholesaler shall have the benefit of and be bound by all terms and conditions of the agreement with the supplier in effect on the date of the transfer, except that a transfer of a wholesaler's business which requires supplier's consent or approval but is disapproved by the supplier shall be null and void.

SECTION 12. Section 67-7-21, Mississippi Code of 1972, is brought forward as follows:

67-7-21. (1) If a supplier or wholesaler engages in conduct prohibited under this chapter, either party may maintain a civil action against the other to recover actual damages reasonably incurred as the result of the prohibited conduct.

(2) A supplier or wholesaler that violates any provision of this chapter shall be liable for all actual damages and all court costs and, in the court's discretion, reasonable attorney fees incurred by the other party as a result of that violation.



557 (3) A supplier or wholesaler may bring an action for
558 declaratory judgment for determination of any controversy arising
559 pursuant to this chapter.

560 (4) Upon proper application to the court, a supplier or
561 wholesaler may obtain injunctive relief against any violation of
562 this chapter.

563 (5) Any legal action taken under this chapter, or in a
564 dispute over the provisions of an agreement shall be filed in a
565 court, state or federal, located in Mississippi, which state court
566 is located in, or which federal court has jurisdiction and venue
567 of, the county in which the wholesaler maintains its principal
568 place of business in this state.

569 **SECTION 13.** Section 67-7-23, Mississippi Code of 1972, is
570 brought forward as follows:

571 67-7-23. No right or cause of action authorized by
572 Mississippi law shall be waived by the supplier or wholesaler
573 unless specifically waived in the agreement.

574 **SECTION 14.** This act shall take effect and be in force from
575 and after July 1, 2025.

