

The Law of Alcohol Distribution in the United States: an Introduction to the Three-tier System

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Topics to Be Covered:

- ❑ History and Overview of the Three-Tier System
- ❑ State Distribution Laws
- ❑ Recent Exceptions to the Three-Tier System
- ❑ Sales of Distribution Rights
- ❑ Small Brewer Exemptions to State Distribution Laws
- ❑ Distribution Issues in the Wine and Spirits Industries

History and Overview of the Three-Tier System



History and Overview of the Three-Tier System

- “Tied Houses”
- Prohibition: 18th Amendment and the Volstead Act
- 21st Amendment and State Regulation of the Liquor Industry

State Distribution Laws



State Distribution Laws

- Creation of the Distribution Agreement
- Termination Restrictions
- What Constitutes “Good Cause”?
- Notice Requirement
- Reasonable Compensation

Exceptions to the Three-Tier System





Exceptions to the Three-Tier System

- Self-Distribution Rights
- Growlers, Etc.
- Taprooms

Sales of Distribution Rights



Small Brewer Exemptions to State Distribution Laws



Distribution Issues in the Wine and Spirits Industries



Questions?

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