

## Coldwell, Cotton, Dahlstrom in DBA Headnotes: Industry Specific Relationship Statutes ? Traps for the Unwary

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June 28, 2018 Deborah Coldwell

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**PRACTICES** Franchise and Distribution, Litigation

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If you represent clients seeking advice for a franchise or distribution company in Texas, read this article and take heed! As most lawyers know, some states have franchise relationship laws that are normally designed to protect franchisees from termination or nonrenewal without cause. While the Lone Star State does not have a generally applicable franchise relationship law, it does have many nuanced industry-specific relationship statutes regulating a wide assortment of businesses, from automobile dealers and manufacturers, to farm and industrial equipment manufacturers and wholesalers, to beer, wine and other alcoholic beverage manufacturers and distributors.

***Alcoholic Beverages, including Beer, Ale, and Malt Liquor.*** Perhaps one of the more interesting industries subject to relationship regulation in Texas is the alcoholic beverage industry. With the number of breweries and distilleries in Texas on the rise, the Beer Industry Fair Dealing Law (Beer Franchise Law) warrants special attention. The law regulates the relationship between a beer manufacturer (brewer) and a beer distributor and the rights of a distributor to purchase, resell, and distribute beer offered by the manufacturer. Tex. Alco. Bev. Code § 102.71, et seq. It also provides protections for a distributor related to termination, territory, dispute resolution, and inventory repurchasing requirements. It typically requires 90 days' notice and good cause for termination, cancellation, or nonrenewal. The law also applies to agreements concerning the distribution and sale of ale and malt liquor. Id. § 102.81.

Excerpted from Dallas Bar Association's *Headnotes*. To read the full article, click [here](#).