

§ 18B-1119. Supplier's financial interest in wholesaler.

(a) A supplier or an officer, director, employee or affiliate of a supplier may not acquire, possess, or otherwise maintain an ownership interest in its wholesaler except as expressly authorized by this Chapter.

(b) Repealed by Session Laws 2018-100, s. 7(b), effective June 26, 2018.

(c) A supplier or an officer, director, employee or affiliate of a supplier may have a security interest in the inventory or property of its wholesaler to secure payment for such inventory or other loans for other purposes.

(d) For purposes of this section, "supplier" means a manufacturer, bottler, importer, or owner of one or more brands of malt beverages, unfortified wine, or fortified wine distributed by its wholesaler. The term "supplier" does not include a wholesaler that meets either of the following criteria:

- (1) The wholesaler also possesses a wine importer permit or a malt beverages importer permit and does not directly or through an affiliated entity also possess a nonresident wine vendor permit or a nonresident malt beverages vendor permit issued pursuant to this Chapter.
- (2) The wholesaler is an importer in another state, provided such malt beverages, unfortified wine, or fortified wine are transferred to it through an unaffiliated and independent third party. (1989, c. 142, s. 2; 2018-100, s. 7(b); 2022-1, s. 5; 2022-51, s. 11; 2024-41, s. 21(c).)