

Fifty-fifth  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1322

Introduced by

Representatives Tollefson, Murphy

1 A BILL for an Act to amend and reenact section 5-01-11 of the North Dakota Century Code,  
2 relating to normal commercial credit between beer wholesalers and retailers.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 5-01-11 of the 1995 Supplement to the North  
5 Dakota Century Code is amended and reenacted as follows:

6 **5-01-11. Unfair competition - Penalty.** A manufacturer may not have any financial  
7 interest in any wholesale alcoholic beverage business. A manufacturer or wholesaler may not  
8 have any financial interest in any retail alcoholic beverage establishment and may not furnish  
9 any such retailer with anything of value. A retailer may not have any financial interest in any  
10 manufacturer, supplier, or wholesaler. A wholesaler may:

- 11 1. Extend normal commercial credits to retailers for industry products sold to them.  
12 The state treasurer may determine by regulation the definition of "normal  
13 commercial credits" for each segment of the industry. The definition for the normal  
14 commercial credit between beer wholesalers and retailers must include the  
15 extension of credit for at least ten days.
- 16 2. Furnish retailers with beer containers and equipment for dispensing of tap beer if  
17 the expense does not exceed fifty dollars per tap per calendar year.
- 18 3. Furnish outside signs to retailers if the sign cost does not exceed one hundred  
19 dollars exclusive of costs of erection and repair.
- 20 4. Furnish miscellaneous materials to retailers not to exceed one hundred dollars per  
21 year. "Miscellaneous materials" not subject to this limitation include any indoor  
22 point-of-sale items for retail placement. Point-of-sale items include back bar signs,  
23 pool table lights, neon window signs, and items of a similar nature. The  
24 point-of-sale items must be limited to two hundred fifty dollars per retail account

1                   from the wholesaler for each of the wholesaler's brewers or suppliers. The state  
2                   treasurer may, to keep current with market conditions, adjust the limitation amount  
3                   for the point-of-sale items on an annual basis upon consultation with  
4                   representatives of the alcohol beverage industry.

5 Any wholesaler, retailer, or manufacturer violating this section, or any rule adopted to  
6 implement this section, and any retailer receiving benefits thereby, is guilty of a class A  
7 misdemeanor. A microbrew pub is exempt from the provisions of this section to the extent that  
8 this section restricts the coownership of a manufacturer's license and a retail license for the  
9 purpose of a microbrew pub.