



SPONSOR: Rep. Hudson & Rep. Roy &
Sen. DeLuca; Reps. Spence, DiPinto, Buckworth,
D. Ennis, Ewing, Miro, Van Sant, Houghton,
Williams; Sens. Adams, Blevins, Bunting, Vaughn,
Amick

HOUSE OF REPRESENTATIVES

142nd GENERAL ASSEMBLY

HOUSE BILL NO. 339

AN ACT TO AMEND TITLE 4, DELAWARE CODE, RELATING TO ALCOHOLIC BEVERAGE LICENSES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 506(a), Title 4, Delaware Code, by renumbering subparagraph 2 as subparagraph 3 and striking
2 subparagraph 1 in its entirety and substituting in lieu thereof the following:

3 “(1) For a manufacturer or supplier, or the owner, partner or stockholder of a manufacturer or supplier, to
4 own or be interested in any manner in any establishment licensed by the Commissioner to sell alcoholic liquors, either
5 by the bottle or by the glass, to the consumer thereof, for consumption either on or off the premises where sold;

6 (2) For a manufacturer or supplier licensed by the Commissioner, or the owner, partner or stockholder of
7 such a licensed manufacturer or supplier, to own or be interested in any manner in any establishment licensed by the
8 Commissioner to import alcoholic liquors into the State; or”.

SYNOPSIS

The provisions of Title 4, Delaware Code, § 506, the “tied-house” law prohibit inter-tier ownership of entities in the alcoholic beverage industry who operate under the “three-tier” system, i.e. manufacturers and suppliers in “Tier 1”, wholesalers (also known as importers) in “Tier 2” and retailers in “Tier 3”. This bill continues the ban on persons or entities in “Tier 1” from owning any interest in a “Tier 3” entity. The bill also modifies the ban so that a person or entity in “Tier 1” who is not licensed by the Commissioner may own an interest in a “Tier 2” entity licensed by the Commissioner.