

**SUBSTITUTE FOR  
HOUSE BILL NO. 5349**

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending section 401 (MCL 436.1401).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 401. (1) A manufacturer and outstate seller of beer and  
2 malt beverages shall grant to each of its wholesalers an exclusive  
3 sales territory, as agreed ~~upon~~**on** between the wholesaler and  
4 manufacturer or outstate seller of beer, within which the  
5 wholesaler ~~shall be~~**is** the exclusive distributor of the specified  
6 brand or brands of the manufacturer or outstate seller of beer.

7           (2) If the manufacturer or outstate seller manufactures or  
8 supplies more than 1 brand of beer or malt beverage, the  
9 manufacturer or outstate seller may grant exclusive sales



1 territories to different wholesalers for the sale of the different  
2 brand or brands.

3 (3) Notwithstanding subsection (2), a brand extension is not  
4 considered a new or different brand. A manufacturer or outstate  
5 seller of beer or malt beverages shall assign a brand extension to  
6 the wholesaler that was granted the exclusive sales territory to  
7 the brand from which the brand extension resulted.

8 (4) Subsection (3) does not apply ~~where,~~ **if**, before January 1,  
9 1994, a manufacturer or outstate seller of beer or malt beverages  
10 had assigned a brand extension to a wholesaler that was not the  
11 appointed wholesaler for the brand from which the brand extension  
12 was made.

13 (5) ~~Until July 1, 1995, a manufacturer or outstate seller of~~  
14 ~~beer or malt beverages who acquired or otherwise obtained the right~~  
15 ~~to assign brands of another manufacturer or outstate seller of beer~~  
16 ~~or malt beverages between January 1, 1994 and July 1, 1995 shall~~  
17 ~~assign a brand extension to the wholesaler that was granted the~~  
18 ~~exclusive sales territory to the brand from which the brand~~  
19 ~~extension resulted. Beginning July 1, 1995, a manufacturer or~~  
20 ~~outstate seller of beer or malt beverages who acquires or otherwise~~  
21 ~~obtains the right to assign brands of another manufacturer or~~  
22 ~~outstate seller of beer or malt beverages is not required to assign~~  
23 ~~a new brand extension to the wholesaler that is granted the~~  
24 ~~exclusive sales territory to the brand from which the new brand~~  
25 ~~extension results. Any brand extension assigned between January 1,~~  
26 ~~1994 and July 1, 1995 shall remain assigned to the assigned~~  
27 ~~wholesaler.~~ **Subsection (3) does not apply if, before October 1,**  
28 **2019, a successor manufacturer or successor outstate seller of beer**  
29 **or malt beverages had assigned a brand extension to a wholesaler**



1 that was not the appointed wholesaler for the brand from which the  
2 brand extension was made.

3 (6) The sales territory ~~shall be~~ **under this section is** the  
4 territory agreed ~~upon~~ **on** between the wholesaler and manufacturer or  
5 outstate seller **of beer**.

6 Enacting section 1. This amendatory act does not take effect  
7 unless all of the following bills of the 100th Legislature are  
8 enacted into law:

- 9 (a) House Bill No. 5341.
- 10 (b) House Bill No. 5342.
- 11 (c) House Bill No. 5343.
- 12 (d) House Bill No. 5344.
- 13 (e) House Bill No. 5345.
- 14 (f) House Bill No. 5346.
- 15 (g) House Bill No. 5347.
- 16 (h) House Bill No. 5348.
- 17 (i) House Bill No. 5350.
- 18 (j) House Bill No. 5351.
- 19 (k) House Bill No. 5352.
- 20 (l) House Bill No. 5353.
- 21 (m) House Bill No. 5354.
- 22 (n) House Bill No. 5355.
- 23 (o) House Bill No. 5400.

