

# SFA BILL ANALYSIS



Senate Fiscal Agency • Lansing, Michigan 48909 • (517) 373-5383

Senate Bill 656 (as enrolled)  
Sponsor: Senator Art Miller  
Senate Committee: Commerce and Technology  
House Committee: Liquor Control

**PUBLIC ACT 298 of 1990**

RECEIVED

MAR 07 1990

Date Completed: 1-24-90

Mich State Law Library

SUMMARY OF SENATE BILL 656 as enrolled:

The bill would amend the section of the Michigan Liquor Control Act that regulates the business relationships between wholesalers and suppliers of beer to prohibit suppliers from requiring disputes to be settled according to the laws of another state or in courts outside this State; specify the point at which a supplier's successor is obligated by agreements entered into by the supplier; and define the term "successor".

Specifically, the bill would:

- Prohibit suppliers of beer from requiring as part of an agreement or other instrument pertaining to the agreement that any dispute arising from or in connection with the agreement be determined through the application of any other state's laws. Any supplier or distributor aggrieved by a dispute arising out of or in connection with an agreement governed by this section would be allowed to file an appropriate action in any court in this State having venue.
- Specify that a successor to a supplier that continued in business as a brewer, an outstate seller of beer, or a master distributor would be bound by all terms and conditions of each agreement of the supplier with a wholesaler licensed in Michigan that were in effect on the date on which the successor received the distribution rights of the previous supplier. The Act currently binds the successor to the terms and conditions of each agreement of the supplier in effect on the date of purchase.
- Define "successor" as a supplier who obtained in any manner from any person, including a person who was not a supplier, the distribution rights of one or more brands of beer, that a licensed Michigan wholesaler had distributed in this State according to an agreement with another supplier who previously had the distribution rights for the brand or brands.

MCL 436.30b

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: J. Schultz

s8990\s656es

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

S.B. 656 (1-24-90)

SENATE ANALYSIS SECTION

SENATE BILL 657

ANALYSIS First

SEE SB 447

SENATE ANALYSIS SECTION

SENATE BILL 658

ANALYSIS First

SEE SB 447



**House  
Legislative  
Analysis  
Section**

Manufacturer's Bank Building, 12th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

**TRANSPORTATION ECON. DEVELOPMENT BONDS**

**Senate Bills 659 and 660** as passed by the Senate  
First Analysis (11-15-89)

**RECEIVED**

Sponsor: Senator Connie B. Binsfeld  
Senate Committee: State Affairs, Tourism and  
Transportation

**DEC 19 1989**

House Committee: Appropriations

Mich. State Law Librari

**THE APPARENT PROBLEM:**

Public Acts 231 and 233 of 1987, part of a comprehensive transportation funding package, established the transportation economic development program. Public Act 231 created the transportation economic development fund, established general criteria for funding projects in urban areas, allocated sums to various categories of projects, and provided for the issuance of bonds to help fund the program. Public Act 233 set forth general criteria for funding projects in rural areas. Both acts assigned administrative authority for the program to the state transportation commission. The commission was also assigned the role of issuing bonds, and proceeded with the development of a \$100 million bond issue. The attorney general acts as bond counsel for the state, and, in a letter opinion to the transportation department and the commission, warned that he would be unable to approve the proposed bond issue because the acts impermissibly empowered the commission, rather than the department, with administrative functions. He pointed out that the acts conflicted with Article V, Section 28 of the state constitution, which assigns policy-making functions to the commission and administrative functions to the department. Amendments have been proposed to correct this flaw.

**THE CONTENT OF THE BILL:**

Senate Bill 659 would amend Public Act 231 of 1987 to create the office of economic development within the transportation department, and to replace various references to the transportation commission with references to the office or its administrator, who would be appointed by the department in accordance with the policies of the commission and civil service rules. In accordance with the adopted policies of the commission, the office would administer the economic development fund, and review and make recommendations on project applications. The department, rather than the commission, would be the contracting agent for all projects to be funded under the act; the department would have to award contracts in accordance with the policies of the commission.

Under the bill, the commission would continue to set criteria for projects to be funded; it also would exercise oversight to facilitate its development of policy for administration of the fund, and review all projects recommended for funding to assure that they satisfy commission policies and criteria. Funds could not be allocated unless they were in accord with commission policy and criteria. Bonds would be issued "as authorized by the commission," rather than by the commission.

MCL 247.901 et al.

Senate Bill 660 would amend Public Act 233 of 1987 to replace various references to the transportation commission with references to the administrator of the

office of economic development. As under Senate Bill 659, the department, rather than the commission, would be contracting agent for projects funded under the act, and contracts would have to be awarded in accordance with the adopted policies of the commission.

MCL 247.931 et al.

**FISCAL IMPLICATIONS:**

The House Fiscal Agency says that the bills would have no fiscal implications. (11-8-89)

**ARGUMENTS:**

**For:**

The bills would make revisions in administrative structure necessary to answer attorney general criticisms of Public Acts 231 and 233 of 1987, the acts that established funding for transportation economic development projects. By doing so, the bills would enable a major bond proposal to go forward. Speedy enactment is needed to take advantage of a favorable bond market and to enable projects to get underway in the spring.

**POSITIONS:**

The attorney general supports the bills. (11-14-89)

The Department of Transportation is supportive of the bills. (11-14-89)