



# HOUSE BILL No. 4223

January 30, 1995, Introduced by Reps. Profit, Alley, McBryde, Vaughn, Varga, Middaugh, Randall, Bullard, Owen, Palamara, Griffin, Johnson, Gilmer, Price, Rocca, London, Harder, Yokich, Hanley, Curtis, DeMars and Jaye and referred to the Committee on Regulatory Affairs.

A bill to amend sections 30a and 30d of Act No. 8 of the Public Acts of the Extra Session of 1933, entitled as amended "The Michigan liquor control act," as amended by Act No. 275 of the Public Acts of 1994, being sections 436.30a and 436.30d of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Sections 30a and 30d of Act No. 8 of the Public  
2 Acts of the Extra Session of 1933, as amended by Act No. 275 of  
3 the Public Acts of 1994, being sections 436.30a and 436.30d of  
4 the Michigan Compiled Laws, are amended to read as follows:

5       Sec. 30a. (1) A manufacturer and outstate seller of beer  
6 and malt beverages shall grant to each of its wholesalers an  
7 exclusive sales territory, as agreed upon between the wholesaler  
8 and manufacturer or outstate seller of beer, within which the

1 wholesaler shall be the exclusive distributor of the specified  
2 brand or brands of the manufacturer or outstate seller of beer.

3 (2) If the manufacturer or outstate seller manufactures or  
4 supplies more than 1 brand of beer or malt beverage, the manufac-  
5 turer or outstate seller may grant exclusive sales territories to  
6 different wholesalers for the sale of the different brand or  
7 brands.

8 (3) Notwithstanding subsection (2), a brand extension is not  
9 considered a new or different brand. A manufacturer or an out-  
10 state seller of beer or malt beverages shall assign a brand  
11 extension to the wholesaler which was granted the exclusive sales  
12 territory to the brand from which the brand extension resulted.

13 (4) Subsection (3) does not apply where, before January 1,  
14 1994, a manufacturer or an outstate seller of beer or malt bever-  
15 ages had assigned a brand extension to a wholesaler which was not  
16 the appointed wholesaler for the brand from which the brand  
17 extension was made.

18 ~~(5) Until March 1, 1995, a manufacturer or an outstate~~  
19 ~~seller of beer or malt beverages who acquired or otherwise~~  
20 ~~obtained the right to assign brands of another manufacturer or~~  
21 ~~outstate seller of beer or malt beverages between January 1, 1994~~  
22 ~~and March 1, 1995 shall assign a brand extension to the whole-~~  
23 ~~saler which was granted the exclusive sales territory to the~~  
24 ~~brand from which the brand extension resulted. Beginning~~  
25 ~~March 1, 1995, a manufacturer or an outstate seller of beer or~~  
26 ~~malt beverages who acquires or otherwise obtains the right to~~  
27 ~~assign brands of another manufacturer or outstate seller of beer~~

~~1 or malt beverages is not required to assign a new brand extension~~  
~~2 to the wholesaler which is granted the exclusive sales territory~~  
~~3 to the brand from which the new brand extension results. Any~~  
~~4 brand extension assigned between January 1, 1994 and March 1,~~  
~~5 1995 shall remain assigned to the assigned wholesaler.~~

6       (5) ~~(6)~~ The sales territory shall be the territory agreed  
7 upon between the wholesaler and manufacturer or outstate seller.

8       Sec. 30d. (1) A manufacturer and outstate seller of wine  
9 shall grant to each of its wholesalers a sales territory within  
10 which the wholesaler shall be a distributor of the specified  
11 brand or brands of the manufacturer or outstate seller of wine.  
12 The territory shall be the territory agreed upon between the  
13 wholesaler and manufacturer or outstate seller of wine. A manu-  
14 facturer or outstate seller of wine may grant the right to sell a  
15 specified brand or brands in a sales territory to more than 1  
16 wholesaler.

17       (2) Notwithstanding subsection (1), a brand extension is not  
18 considered a new or different brand and a manufacturer or an out-  
19 state seller of wine shall assign a brand extension to the whole-  
20 saler which was granted the sales territory for the brand from  
21 which the brand extension resulted.

22       (3) Subsection (2) does not apply where, before January 1,  
23 1994, a manufacturer or an outstate seller of wine had assigned a  
24 brand extension to a wholesaler which was not the appointed  
25 wholesaler for the brand from which the brand extension was  
26 made.

1       ~~-(4) Until March 1, 1995, a manufacturer or an outstate~~  
2 ~~seller of wine who acquired or otherwise obtained the right to~~  
3 ~~assign brands of another manufacturer or outstate seller of wine~~  
4 ~~between January 1, 1994 and March 1, 1995 shall assign a brand~~  
5 ~~extension to the wholesaler which was granted the sales territory~~  
6 ~~for the brand from which the brand extension resulted. Beginning~~  
7 ~~March 1, 1995, a manufacturer or an outstate seller of wine who~~  
8 ~~acquires or otherwise obtains the right to assign brands of~~  
9 ~~another manufacturer or outstate seller of wine is not required~~  
10 ~~to assign a new brand extension to the wholesaler which is~~  
11 ~~granted the exclusive sales territory to the brand from which the~~  
12 ~~new brand extension results. Any brand extension assigned~~  
13 ~~between January 1, 1994 and March 1, 1995 shall remain assigned~~  
14 ~~to the assigned wholesaler.~~

15       (4) ~~-(5)~~ A manufacturer of a mixed wine drink, mixed spirit  
16 drink manufacturer, outstate seller of a mixed wine drink, or  
17 outstate seller of mixed spirit drink shall grant to each of its  
18 wholesalers an exclusive sales territory in which the wholesaler  
19 shall be a distributor of the specified brand or brands of the  
20 manufacturer or outstate seller. The territory shall be the ter-  
21 ritory agreed upon between the wholesaler and manufacturer of a  
22 mixed wine drink, mixed spirit drink manufacturer, outstate  
23 seller of mixed wine drinks, or outstate seller of mixed spirit  
24 drink.

25       (5) ~~-(6)~~ Notwithstanding subsection ~~-(5)~~ (4), a brand  
26 extension is not considered a new or different brand. A  
27 manufacturer of a mixed wine drink, mixed spirit drink

1 manufacturer, outstate seller of a mixed wine drink, or outstate  
2 seller of mixed spirit drink shall assign a brand extension to  
3 the wholesaler which was granted the exclusive sales territory  
4 for the brand from which the brand extension resulted.

5       (6) ~~-(7)-~~ Subsection ~~-(6)-~~ (5) does not apply where, before  
6 January 1, 1994, a manufacturer of a mixed wine drink, mixed  
7 spirit drink manufacturer, outstate seller of a mixed wine drink,  
8 or outstate seller of mixed spirit drink had assigned a brand  
9 extension to a wholesaler which was not the appointed wholesaler  
10 for the brand from which the brand extension was made.

11       ~~-(8) Until March 1, 1995, a manufacturer of a mixed wine~~  
12 ~~drink, mixed spirit drink manufacturer, outstate seller of mixed~~  
13 ~~wine drink, or an outstate seller of mixed spirit drink who~~  
14 ~~acquired or otherwise obtained the right to assign brands of~~  
15 ~~another manufacturer of a mixed wine drink, mixed spirit drink~~  
16 ~~manufacturer, outstate seller of a mixed wine drink, or outstate~~  
17 ~~seller of mixed spirit drink between January 1, 1994 and March 1,~~  
18 ~~1995 shall assign a brand extension to the wholesaler which was~~  
19 ~~granted the exclusive sales territory for the brand from which~~  
20 ~~the brand extension resulted. Beginning March 1, 1995, a manu-~~  
21 ~~facturer of mixed wine drink, mixed spirit drink manufacturer, an~~  
22 ~~outstate seller of mixed wine drink, or an outstate seller of~~  
23 ~~mixed spirit drink who acquires or otherwise obtains the right to~~  
24 ~~assign brands of another manufacturer of mixed wine drink, mixed~~  
25 ~~spirit drink manufacturer, outstate seller of mixed wine drink,~~  
26 ~~or outstate seller of mixed spirit drink is not required to~~  
27 ~~assign a new brand extension to the wholesaler which is granted~~

1 ~~the exclusive sales territory to the brand from which the new~~  
2 ~~brand extension results. Any brand extension assigned between~~  
3 ~~January 1, 1994 and March 1, 1995 shall remain assigned to the~~  
4 ~~assigned wholesaler.~~