Senate Fiscal Agency P. O. Box 30036 Lansing, Michigan 48909-7536



Telephone: (517) 373-5383 Fax: (517) 373-1986 TDD: (517) 373-0543

S.B. 256 (S-1): FIRST ANALYSIS

Senate Bill 256 (as enrolled) Sponsor: Senator Shirley Johnson

Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 4-13-01

RATIONALE

Unless otherwise provided by rule of the Liquor Control Commission, the Michigan Liquor Control Code prohibits a person from conducting samplings or tastings of any alcoholic liquor for a commercial purpose except at premises that are licensed by the Commission for on-premises sale and consumption of alcoholic liquor. Apparently, it is quite common in some restaurants for customers to ask staff to recommend a type of wine for a particular meal. In order to education restaurant staff on the taste and other attributes of the various wines offered by the restaurant, an owner or manager sometimes will provide wine tasting sessions for the employees. The Liquor Control Commission has given a citation to an onpremises liquor licensee for doing so in violation of the prohibition described above. Some people feel that the Code should specifically allow sampling or tasting by employees of an on-premises liquor licensee for educational purposes.

CONTENT

The bill would amend the Michigan Liquor Control Code to allow an on-premises licensee to give a sample or taste of alcoholic liquor to an employee of the licensee during the legal hours for consumption for the purpose of educating him or her regarding one or more types of alcoholic liquor, as long as the employee was at least 21 years old.

The Code currently specifies that the prohibition against conducting samplings or tastings for a commercial purpose does not prevent a vendor of spirits, brewer, wine maker, mixed spirit drink manufacturer, small wine maker, outstate seller of beer, outstate seller of wine, or outstate seller of mixed spirit

drink, or a bona fide market research organization retained by one of those persons, from conducting samplings or tastings of an alcoholic liquor product before it is approved for sale in Michigan if the sampling or tasting is conducted pursuant to the Commission's prior written approval. Under the bill, the sampling or tasting prohibition also would not prevent an on-premises licensee from giving a sample or taste to an employee under the conditions described above.

MCL 436,2027

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

In some restaurants, servers might be expected to be able to offer diners an informed opinion regarding what type of wine should accompany a particular food dish or to recommend an appropriate after-dinner liqueur. Similarly, the staff at a brewpub should be knowledgeable about the different brews of beer and ale offered at the establishment. In order for the staff of an onpremises liquor licensee to make such recommendations, they need to be trained to recognize the differences in the taste, body, bouquet, and other characteristics of various beverages.

Although the Michigan Liquor Control Code's prohibition against conducting tastings and samplings contains an exception for premises that are licensed for on-premises sale and consumption, the Liquor Control Commission

Page 1 of 2 sb256/0102

has interpreted that exception to apply only to the Code's specific approval for sampling and tasting conducted by a vendor, manufacturer, wholesaler, or researcher. Indeed, according to testimony before the Senate Committee on Economic Development, International Trade and Regulatory Affairs by a representative of the Michigan Restaurant Association, a member of that organization was issued a citation by the Liquor Control Commission for conducting an educational tasting and sampling session for the restaurant's staff. The bill specifically would allow that type of training session, limiting it to employees of legal drinking age and to legal hours for alcohol consumption, thereby enabling an onpremises licensee to provide its employees with the knowledge they need to make informed recommendations to customers.

Legislative Analyst: P. Affholter

FISCAL IMPACT

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

Fiscal Analyst: M. Tyszkiewicz

A0102\s256a

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.