

Legislative Analysis



ELIMINATE BARREL LIMIT FOR BREWERS

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House Bill 5087 as reported without amendment

Sponsor: Rep. Margaret O'Brien

Committee: Regulatory Reform

(Enacted as Public Act 298 of 2011)

Complete to 12-7-11

A SUMMARY OF HOUSE BILL 5087 AS REPORTED FROM COMMITTEE 12-7-11

Section 411 of the Liquor Control Code allows a brewer that is not licensed as a microbrewer but produces under 200,000 barrels of beer per calendar year to sell its beer for on-premises consumption at not more than one location that is on any of its licensed brewery premises. Such a brewer can also sell to consumers for off-premises consumption where the beer is produced, just like a microbrewer. In each case, the bill would remove the 200,000-barrel limit.

MCL 436.1411 et al.

FISCAL IMPACT:

The bill will not have a significant fiscal impact on state or local budgets. Currently, Bell's Brewery, Inc. (formerly Kalamazoo Brewing Co.) is the only licensed brewery in Michigan and operates Bell's Eccentric Café, a tavern, beer garden, and venue at its original Kalamazoo location. Bell's Brewery is the only business that would be directly affected by the amendments in the bill. It is anticipated by the Liquor Control Commission that Bell's Brewery will soon surpass the 200,000 barrels-of-beer-per-year limit currently in the Code for a brewery to sell its beer to consumers for on-premises or off-premises consumption.

POSITIONS:

Bell's Brewery, Inc. supports the bill. (11-30-11)

Michigan Beer and Wine Wholesalers Association supports the bill. (11-30-11)

Michigan Brewers Guild supports the bill. (11-30-11)

Michigan Grocers Association supports the bill. (11-30-11)

Michigan Restaurant Association supports the bill. (11-30-11)

Representatives of Arcadia Brewing Company and Founders Brewing Company testified in support of the bill. (12-7-11).

Michigan Alcohol Policy opposes the bill. (12-7-11)

Legislative Analyst: Jeff Stoutenburg
Fiscal Analyst: Paul Holland

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.