

Legislative Analysis



ALLOW QUALIFIED MICRO BREWERS TO SELL DIRECTLY TO RETAILERS

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Senate Bill 650 (Substitute S-1)

Sponsor: Sen. Joe Hune

House Committee: Regulatory Reform

Senate Committee: Regulatory Reform

Complete to 12-2-13

A SUMMARY OF SENATE BILL 650 AS PASSED BY THE SENATE 11-7-13

The bill would amend the Liquor Control Code (at MCL 436.1203) to allow *qualified micro brewers* and their out-of-state equivalents to sell and deliver beer directly to retailers under the following conditions:

- The retailer is not located in a sales territory for which the qualified micro brewer has granted exclusive sales rights to a wholesaler for the sale of any brand(s) of beer produced by the micro brewer.
- The beer is sold and delivered by an employee of the micro brewer using a vehicle owned by the micro brewer. The beer cannot be sold or delivered by an agent and may not be transported in a vehicle owned by a third-party delivery service.
- The qualified micro brewer is in compliance with applicable state and federal law, applicable regulatory provisions of the Liquor Control Code, and administrative rules, including requirements related to (1) employees that sell and deliver beer to retailers, (2) vehicles used to deliver beer to retailers, and (3) price schedules and temporary price reductions.

“*Qualified micro brewer*” would mean a microbrewer that produces in total less than 1,000 barrels of beer per year. In determining the 1,000-barrel threshold, all brands and labels of a microbrewer, whether brewed in or out of state, would have to be counted.

The bill is tie-barred to Senate Bills 504-507, Senate Bill 651, and House Bills 4277, 4709, 4710, and 4711, all of which would amend the Liquor Control Code.

FISCAL IMPACT:

The bill would not have a substantial fiscal impact on the state or local units of government.

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