

Legislative Analysis



LIQUOR CONTROL CODE: PROHIBIT COOPERATIVE ADVERTISING

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Senate Bill 1181 (S-3) as passed by the Senate
Sponsor: Sen. Peter MacGregor
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform
Complete to 12-3-18

SUMMARY:

Senate Bill 1181 would add a new section to the Michigan Liquor Control Code to prohibit *cooperative advertising*.

Cooperative advertising would mean a jointly funded effort between licensees or between vendors of spirits. Cooperative advertising between a manufacturer, an outstate seller of beer, an outstate seller of wine, and a retailer or wholesaler would be prohibited, as well as between a wholesaler and a retailer.

The bill would also prohibit the name of a retailer from appearing in the advertising of a manufacturer, an outstate seller of beer, an outstate seller of wine, or a wholesaler.

However, the bill would allow a manufacturer, an outstate seller of beer, or an outstate seller of wine to do any of the following:

- Pay any portion of the cost of painting a truck of a wholesaler.
- Supply a brand logoed decal or advertising mat, or both, to a wholesaler without cost.
- Use the name or logo of the wholesaler of the outstate seller of beer or outstate seller of wine in the advertising of the outstate seller of beer or outstate seller of wine.

Proposed MCL 436.1610d

FISCAL IMPACT:

Senate Bill 1181 would not have a significant fiscal impact on any unit of state or local government. The bill would prohibit certain actions, and Section 903 of the Michigan Liquor Control Code provides that a license may be suspended or revoked for a violation of the Code or associated rules and a penalty of not more than \$300 for assessed for each violation. Given the relatively narrow scope of the bill and the population of licensees it would apply to, it is unlikely that a significant number of violations would occur.

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