

Legislative Analysis



WINERY: ALLOW SALES OF NONALCOHOLIC DRINKS

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House Bill 5606 as enacted
Public Act 560 of 2018
Sponsor: Rep. Jim Lilly
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform
Complete to 2-10-19

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5606 amends the Michigan Liquor Control Code to require a wine maker, brandy manufacturer, small distiller, micro brewer, brewer, or brewpub to provide water, and to allow these licensees, in their sole discretion, to also sell or provide other nonalcoholic beverages, for consumption on or off the licensed premises.

The bill also incorporates language placed in statute by Public Act 413 of 2018 (Senate Bill 1164) regarding wine tastings and classes of vendors authorized to sell alcoholic liquor at retail.

The bill took effect December 28, 2018.

MCL 436.1537

BACKGROUND INFORMATION:

Under the Code, licensed brewpubs, micro brewers, and brewers may sell the beer they manufacture for consumption on or off the licensed premises, and licensed small distillers may sell the spirits they manufacture to consumers at retail for consumption on or off the licensed premises. A wine maker may offer samples (for free or for a small charge) or sell its wine by the glass on the winery premises. The wine maker may also conduct wine tastings off the winery premises under a permit from the Liquor Control Commission (LCC) and may charge a small amount for the wine samples, but may not sell wine by the glass at the tasting locations. The wine maker may also sell bottles of its wine at any of the licensed premises for consumption off the premises.¹ Though wineries offer tastings at off-site locations under a permit process, the tasting locations are considered to be licensed premises by the LCC; presumably, a wine maker would be able to sell or provide nonalcoholic beverages at its tasting locations under the bill, as well.

¹ Michigan Liquor Control Commission. *Michigan Wine Maker & Small Wine Maker Requirements and General Information*. Revised 6/2017. http://www.michigan.gov/documents/lara/Winemaker-rev-11-11_368820_7.pdf

BRIEF DISCUSSION:

Reportedly, at least one local government has interpreted provisions of the Michigan Liquor Control Code as allowing a winery to sell only wine for consumption on or off the premises. Under that interpretation, the municipality denied a local winery a use permit to sell or provide nonalcoholic beverages such as soda or water in its tasting room. According to testimony offered in committee, House Bill 5606 would add clarity to the Code by specifically authorizing wineries, as well as certain other licensees such as brandy manufacturers and small distillers, among others, to offer water and other nonalcoholic beverages to those who choose not to consume alcohol.

FISCAL IMPACT:

House Bill 5606 would not have a fiscal impact on any unit of state or local government.

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