

Legislative Analysis



SALES AND DELIVERY OF BEER, WINE, OR MIXED SPIRIT DRINK

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<http://www.house.mi.gov/hfa>

House Bill 5768 (proposed substitute H-1)
Sponsor: Rep. Brandt Iden
Committee: Regulatory Reform
Complete to 4-11-18

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

SUMMARY:

Generally speaking, the sale, delivery, and importation into the state of beer, wine, and mixed spirit drink are strictly regulated by the Michigan Liquor Control Code. Licensees, except for warehousemen, are divided among three tiers: suppliers, wholesalers, and retailers. A person or entity may only be licensed in one of the 3 tiers.

House Bill 5768 would add a new section to the Code to specify certain prohibitions and conditions for the sale, delivery, and importation of beer, wine, and mixed spirit drink by a vendor in one of the three tiers to a vendor in another tier.

Briefly, the bill would do the following:

- Prohibit, with some exceptions, a person from selling, delivering, or importing beer, wine, or mixed spirit drink unless he or she is:
 - A supplier (manufacturer, mixed spirit drink manufacturer, outstate seller of beer, outstate seller of wine, outstate seller of mixed spirit drink, and vendor of spirits).
 - A licensed direct shipper (e.g., sells directly to the consumer via mail order or internet wine produced and bottled by the direct shipper or wine manufactured by one wine maker for another).
 - A wholesaler.
- Allow a supplier, direct shipper, or wholesaler to sell, deliver, or import wine, beer, or mixed spirit drink in the state only as prescribed in the bill.

The above provisions would not apply to an individual who brings, transports, ships, or imports alcohol into the state for personal use as permitted by federal law, to a retailer that sells and delivers alcohol to a consumer under Section 203 (e.g., home deliveries), or to sacramental wines imported under Section 301.

For beer, wine, or mixed spirit drink delivered to a wholesaler, the bill would:

- Require the wholesaler to maintain the products on its licensed premises.
- Require the wholesaler to make those products available for inspection by the Michigan Liquor Control Commission (LCC) for at least 24 hours before the wholesaler delivers the beer, wine, or mixed spirit drink to a retailer.

The above provisions would not apply to products delivered to a wholesaler, and the wholesaler could deliver beer, wine, or mixed spirit drink to a retailer, *if certain conditions listed in the bill applied*; for example, if the wholesaler could not fulfill the retailer's order for the beer, wine, or mixed spirit drink from the inventory currently available on the wholesaler's licensed premises, the product had been delivered to the address of the wholesaler's licensed premises, and the wholesaler maintained the invoice of the delivery and attached documentation to the invoice detailing each product and the amount of each product that was not placed on the wholesaler's floor.

FISCAL IMPACT:

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

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