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BILL



ANALYSIS

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Senate Bill 1181 (as introduced 11-8-18)
Sponsor: Senator Peter MacGregor
Committee: Regulatory Reform

Date Completed: 11-28-18

CONTENT

The bill would amend the Michigan Liquor Control Code to prohibit cooperative advertising between certain entities involved in the manufacture and sale of alcoholic liquor, but allow certain other types of advertising.

Specifically, under the bill, beginning July 1, 2015, there could not be cooperative advertising:

- Between a manufacturer, an outstate seller of beer, an outstate seller of wine, and a retailer.
- Between a wholesaler and a retailer.
- Between a manufacturer, an outstate seller of beer, an outstate seller of wine, and a wholesaler.

("Manufacturer" means a person engaged in the manufacture of alcoholic liquor, including a distiller, a rectifier, a wine maker, and a brewer. "Outstate seller of beer" means a person licensed by the Michigan Liquor Control Commission (MLCC) to sell beer that has not manufactured in Michigan to a wholesaler in the State in accordance with rules promulgated by the MLCC. "Outstate seller of wine" means a person licensed by the MLCC to sell wine that has not been manufactured in Michigan to a wholesaler in the State in accordance with rules promulgated by the MLCC and to sell sacramental wine. "Wholesaler" means a person who is licensed by the MLCC and sells beer, wine, or mixed spirit drink only to retailers or other licensees, and who sells sacramental wine.)

Beginning July 1, 2015, an outstate seller of beer or wine could do any of the following:

- Pay any portion of the cost of painting a wholesaler's truck.
- 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 wine in the outstate seller's advertising.

The name of a retailer could not appear in the advertising of a manufacturer, an outstate seller of beer or wine, or a wholesaler.

"Cooperative advertising" would mean a jointly funded effort between licensees, or between vendors of spirits.

Proposed MCL 436.1610d

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Abbey Frazier

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