



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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House Bill 4559 (as passed by the House)  
Sponsor: Representative Tom Barrett  
House Committee: Regulatory Reform  
Senate Committee: Regulatory Reform

Date Completed: 6-7-17

### **CONTENT**

**The bill would amend the Michigan Liquor Control Code to do the following:**

- **Allow a wholesaler or manufacturer to give samples of beer or wine to an employee of the wholesaler if certain conditions were met.**
- **Allow a "vendor that is a manufacturer", rather than "manufacturers", to give away alcoholic liquor for on-premises consumption in connection with its business.**
- **Specify that a provision that prohibits a vendor from giving away alcoholic liquor would not prevent the holder of a farmer's market permit or a retailer licensed for on-premises consumption from conducting a tasting or sampling authorized under the Code.**
- **Specify that the prohibition would not prevent a person from conducting a consumer sampling event authorized under the Code.**

#### Wholesaler & Manufacturer: Beer & Wine Samples

The bill would allow a wholesaler or manufacturer to give samples of beer or wine to an employee of the wholesaler if all of the following conditions were met:

- The sampling was for the purpose of educating the employee regarding the beer or wine.
- The employee was at least 21 years of age.
- The sampling took place on the licensed premises of the wholesaler.

#### Allowed Samplings & Tastings

The Code prohibits a vendor from giving away any alcoholic liquor of any kind or description at any time in connection with his or her business, except manufacturers for consumption on the premises only. The bill would refer to "a vendor that is a manufacturer", rather than "manufacturers".

Currently, this prohibition does not prevent any of the following:

- A vendor of spirits, brewer, mixed spirit drink manufacturer, wine maker or small wine maker, or outstate seller of beer, wine, or mixed spirit drink, or a bona fide market research organization retained by one of those people from conducting samplings or tastings of an alcoholic liquor product before it is approved for sale in the State, if the sampling or tasting is conducted pursuant to prior written approval of the Commission.

- A person from conducting any sampling or tasting authorized by Section 537 of the Code or rule of the Commission.
- A class A or B hotel designed to attract and accommodate tourists and visitors in a resort area from giving away alcoholic liquor to an invitee or guest in connection with a business event or as a part of a room special or promotion for overnight accommodations.

(Section 537 allows beer and wine, and brandy and spirits, tastings to be conducted under certain conditions.)

Under the bill, the prohibition against giving away liquor also would not prevent any of the following:

- The holder of a farmer's market permit from conducting a tasting authorized under the Code.
- A retailer licensed for consumption on the premises from conducting a sampling authorized under Section 1027(2) of the Code.
- A person from conducting a sampling at a consumer sampling event authorized under Section 1027(4) and (5) of the Code.

(Under Section 1027(2), a retailer licensed for on-premises consumption may allow customers to sample beer, wine, and spirits if the retailer does not charge for the samples provided to customers. Section 1027(2) also sets limits on serving sizes.

Section 1027(4) allows a vendor of spirits or a manufacturer to conduct a consumer sampling event on the premises of a holder of a specially designated distributor license upon submission of a completed application to the Commission. The holder of a consumer sampling event license must comply with conditions listed in Section 1027(5).)

MCL 436.2025

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

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

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.