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BILL



ANALYSIS

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House Bill 5767 (Substitute H-2 as passed by the House)
Sponsor: Representative Roger Hauck
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Date Completed: 5-16-18

CONTENT

The bill would amend the Michigan Liquor Control Code to allow a manufacturer, wholesaler, or retailer of alcoholic liquor to provide certain equipment to a special licensee, and deliver alcohol to the special licensee's premises.

The Code permits the Michigan Liquor Control Commission (MLCC) to issue a special license to a nonprofit organization to sell beer, wine, mixed spirit drink, or spirits for on-premises consumption for a limited period of time.

Under the bill, notwithstanding Section 609 of the Code, a manufacturer, wholesaler, or retailer could provide a special licensee, including the holder of a special license to conduct a beer festival, with either of the following:

- Beer or wine dispensing equipment or cooling equipment for use by the special licensee during the effective period of the special license.
- A brand logoed tent for use by the special licensee during the effective period of the special license.

A manufacturer, wholesaler, or retailer authorized to sell alcoholic liquor to a special licensee also could deliver the alcoholic liquor to the special licensee's premises on the MLCC's issuance of the special license.

A special licensee could not sell alcoholic liquor before the effective period of the special license.

A special licensee could purchase alcoholic liquor under Administrative Rule 436.582 or under Section 526 of the Code.

(Section 609 prohibits a manufacturer, mixed spirit drink manufacturer, warehouser, wholesaler, outstate seller of beer, wine, or mixed spirit drink, or vendor of spirits from aiding or assisting any other vendor by gift, loan of money or property, or other valuable thing. However, a manufacturer, mixed spirit drink manufacturer, warehouser, wholesaler, outstate seller of beer, wine, or mixed spirit drink, or vendor of spirits may, in a manner consistent with rules, regulations, and orders made by the Commission, provide another licensee with advertising items that promote the brands and prices of alcoholic liquor produced by the manufacturer; sold by the outstate seller of beer, wine, or mixed spirit drink; or distributed by the wholesaler. In addition, except for orders that were approved for specific sponsorships or festivals, a manufacturer, mixed spirit drink manufacturer, warehouser, wholesaler,

outstate seller of beer, wine, or mixed spirit drinks, or vendor of spirits may provide to another licensee certain goods and services that were approved by the MLCC before January 1, 2014, as well as items listed in the Code. Section 609 also governs the sale, use, possession, or display, and provision of brand logoed merchandise.

Section 526 permits the MLCC to issue to a nonprofit entity consisting of brewers, microbrewers, and brewpubs a special license to conduct a beer festival.

Rule 436.582 allows a special licensee to purchase spirits from a licensed specially designated distributor (SDD) at the uniform sales price set by the MLCC; purchase beer and wine from a licensed specially designated merchant, a licensed wholesaler, and a licensed Michigan wine maker or small wine maker; and purchase mixed spirit drink from an SDD or from a licensed wholesaler.)

Proposed MCL 436.1610c

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

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

Fiscal Analyst: Elizabeth Raczkowski

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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.