

Act No. 113  
Public Acts of 2020  
Approved by the Governor  
July 1, 2020  
Filed with the Secretary of State  
July 1, 2020  
EFFECTIVE DATE: July 1, 2020

**STATE OF MICHIGAN  
100TH LEGISLATURE  
REGULAR SESSION OF 2020**

Introduced by Reps. Hall, Garza, Cambensy and Wendzel

## **ENROLLED HOUSE BILL No. 5349**

AN ACT to amend 1998 PA 58, entitled “An act to create a commission for the control of the alcoholic beverage traffic within this state, and to prescribe its powers, duties, and limitations; to provide for powers and duties for certain state departments and agencies; to impose certain taxes for certain purposes; to provide for the control of the alcoholic liquor traffic within this state and to provide for the power to establish state liquor stores; to prohibit the use of certain devices for the dispensing of alcoholic vapor; to provide for the care and treatment of alcoholics; to provide for the incorporation of farmer cooperative wineries and the granting of certain rights and privileges to those cooperatives; to provide for the licensing and taxation of activities regulated under this act and the disposition of the money received under this act; to prescribe liability for retail licensees under certain circumstances and to require security for that liability; to provide procedures, defenses, and remedies regarding violations of this act; to provide for the enforcement and to prescribe penalties for violations of this act; to provide for allocation of certain funds for certain purposes; to provide for the confiscation and disposition of property seized under this act; to provide referenda under certain circumstances; and to repeal acts and parts of acts,” by amending section 401 (MCL 436.1401).

*The People of the State of Michigan enact:*

Sec. 401. (1) A manufacturer and outstate seller of beer and malt beverages shall grant to each of its wholesalers an exclusive sales territory, as agreed on between the wholesaler and manufacturer or outstate seller of beer, within which the wholesaler is the exclusive distributor of the specified brand or brands of the manufacturer or outstate seller of beer.

(2) If the manufacturer or outstate seller manufactures or supplies more than 1 brand of beer or malt beverage, the manufacturer or outstate seller may grant exclusive sales territories to different wholesalers for the sale of the different brand or brands.

(3) Notwithstanding subsection (2), a brand extension is not considered a new or different brand. A manufacturer or outstate seller of beer or malt beverages shall assign a brand extension to the wholesaler that was granted the exclusive sales territory to the brand from which the brand extension resulted.

(4) Subsection (3) does not apply if, before January 1, 1994, a manufacturer or outstate seller of beer or malt beverages had assigned a brand extension to a wholesaler that was not the appointed wholesaler for the brand from which the brand extension was made.

(5) Subsection (3) does not apply if, before October 1, 2019, a successor manufacturer or successor outstate seller of beer or malt beverages had assigned a brand extension to a wholesaler that was not the appointed wholesaler for the brand from which the brand extension was made.

(6) The sales territory under this section is the territory agreed on between the wholesaler and manufacturer or outstate seller of beer.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 100th Legislature are enacted into law:

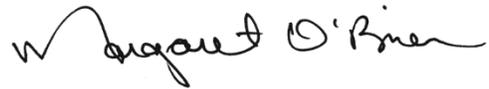
- (a) House Bill No. 5341.
- (b) House Bill No. 5342.
- (c) House Bill No. 5343.
- (d) House Bill No. 5344.
- (e) House Bill No. 5345.
- (f) House Bill No. 5346.
- (g) House Bill No. 5347.
- (h) House Bill No. 5348.
- (i) House Bill No. 5350.
- (j) House Bill No. 5351.
- (k) House Bill No. 5352.
- (l) House Bill No. 5353.
- (m) House Bill No. 5354.
- (n) House Bill No. 5355.
- (o) House Bill No. 5400.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved \_\_\_\_\_

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Governor