

Legislative Analysis



INCREASE LIQUOR CONTROL COMMISSION FEE PAYMENT TO VENDOR OF SPIRITS

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

House Bill 6087 (H-1) as reported from committee
Sponsor: Rep. Roger Hauck
Committee: Regulatory Reform
Complete to 6-15-22

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

(Enacted as Public Act 142 of 2022)

SUMMARY:

House Bill 6087 would amend the Michigan Liquor Control Code to increase the fee the Michigan Liquor Control Commission (MLCC) may pay to a *vendor of spirits* as an offset to the costs incurred by the vendor in contracting with an authorized distribution agent for warehousing and delivering spirits to retailers.

The code defines a *vendor of spirits* as a person selling spirits to the commission.

At present, the code allows the MLCC to pay a fee to a vendor of spirits that is no less than \$4.50 per case and no more than \$8.25 per case. The bill instead would allow a fee that is no less than \$8.25 per case and no more than \$12.50 per case. The last increase in the allowable per-case fee that the MLCC could pay to a vendor was signed into law in 2015.¹

MCL 436.1205

FISCAL IMPACT:

House Bill 6087 would not have a direct fiscal impact on the Department of Licensing and Regulatory Affairs (LARA) or any other unit of state or local government. The MLCC currently pays vendors the \$8.25 price floor established by the bill, so the bill would not necessitate an increase to the amount paid. By establishing a price ceiling of \$12.50, the bill would allow the MLCC to increase the amount it pays up to \$12.50, but such action is not required by the bill and would occur at the MLCC's discretion.

POSITIONS:

The following entities indicated support for the bill (5-17-22):

- Republic National Distributing Company
- Great Lakes Wine and Spirits
- Michigan Beer and Wine Wholesalers Association
- Michigan Licensed Beverage Association
- Michigan Spirits Association
- Midwest Independent Retailers
- Michigan Teamsters Joint Council 43
- Imperial Beverage

¹ <http://legislature.mi.gov/doc.aspx?2015-HB-4581>

The Michigan Liquor Control Commission indicated no position on the bill. (5-17-22)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.