Act No. 227
Public Acts of 2022
Approved by the Governor
October 14, 2022
Filed with the Secretary of State
October 14, 2022

EFFECTIVE DATE: October 14, 2022

## STATE OF MICHIGAN 101ST LEGISLATURE REGULAR SESSION OF 2022

Introduced by Reps. Hoitenga, Steenland and Hauck

## ENROLLED HOUSE BILL No. 6107

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 609a (MCL 436.1609a), as amended by 2020 PA 119, and by adding section 609f.

## The People of the State of Michigan enact:

Sec. 609a. (1) A manufacturer or wholesaler shall file with the commission a schedule of net cash prices to the retailer for all brands of case and keg beer for its market area. If a person sells beer that has not received a registration number from the commission in violation of subrule (1)(d) of R 436.1611 of the Michigan Administrative Code and if a wholesaler files a schedule of net cash prices as required under this subsection, both of the following apply:

- (a) The wholesaler is not considered to have violated subrule (1)(d) of R 436.1611 of the Michigan Administrative Code.
- (b) A retailer is not considered to have violated subrule (1)(d) of R 436.1611 of the Michigan Administrative Code.
- (2) A manufacturer or wholesaler shall file with the commission a beer package price change for its market area. The manufacturer or wholesaler shall file the price change before its effective date. A price reduction under this subsection must continue for at least 90 days after the effective date.

- (3) The beer package price for a market area may be increased during the 90-day period described in subsection (2) for any of the following reasons:
  - (a) To reflect a tax increase in the market area.
  - (b) To reflect a general industry price increase in the market area.
- (4) The beer package price for a market area may be decreased during the 90-day period described in subsection (2) if both of the following conditions are met:
  - (a) The price reduction is not greater on a cents-per-case basis than the price reduction filed by the competition.
  - (b) The price reduction continues for the balance of the 90 days filed by the competition.
  - (5) A manufacturer or wholesaler shall not sell beer at a quantity discount.
- (6) A net cash price filed under subsection (1) and a price change filed under subsection (2) are exempt from disclosure under section 13 of the freedom of information act, 1976 PA 442, MCL 15.243, until 1 year after the net cash price or price change is filed, as applicable.
- (7) The commission shall periodically compare a manufacturer's or wholesaler's filing under subsection (1) or (2) with the manufacturer's or wholesaler's tax filing under section 409.
  - (8) This section does not apply to a brewpub.
- (9) Beginning July 1, 2020, the commission shall not implement or enforce subrule (1)(c) and (d) of R 436.1611 of the Michigan Administrative Code for products manufactured by a brewer and for products that a micro brewer or brewer sell exclusively at its tasting room or to a beer festival. As used in this subsection, "beer festival" means that term as defined in section 526.
- (10) A manufacturer or wholesaler shall file with the commission a schedule of the net cash prices to retailers for all wine, mixed wine drink, and mixed spirit drink by kind, type, size, and brand.
- (11) A manufacturer or wholesaler shall file with the commission a wine, mixed wine drink, and mixed spirit drink price change for its market area. The manufacturer or wholesaler shall file the price change before its effective date. A price change under this subsection must continue for at least 2 weeks after the effective date.
- (12) A manufacturer or wholesaler shall not charge a retailer a fee in addition to the net cash prices filed under this section, except for a split case fee. If a manufacturer or wholesaler charges a split case fee to a retailer, the fee must be at the same per unit rate, nondiscriminatory, and not be based on a sliding scale. A manufacturer or wholesaler shall file with the commission a split case fee charged under this subsection.
- (13) A manufacturer or wholesaler shall not sell wine, mixed wine drink, and mixed spirit drink at a quantity discount.
- (14) A net cash price filed under subsection (10) and a price change filed under subsection (11) are exempt from disclosure under section 13 of the freedom of information act, 1976 PA 442, MCL 15.243, until 1 year after the net cash price or price reduction is filed, as applicable.
- (15) The commission shall periodically compare a manufacturer's or wholesaler's filing under subsections (10) and (11) with the manufacturer's or wholesaler's tax filing under section 301.
  - (16) The regulation described in this section is necessary for both of the following reasons:
  - (a) To promote temperance and the public health and welfare.
- (b) To promote a stable 3-tier distribution system with orderly markets for wine and malt beverage products in which there is no price discrimination by a wholesaler in its sales to retailers within the wholesaler's sales territory.
- Sec. 609f. (1) Notwithstanding section 609, a manufacturer, outstate seller of beer, outstate seller of wine, or outstate seller of mixed spirit drink may provide a wholesaler with technology to assist in sales, marketing, delivery, merchandising, or training.
- (2) A manufacturer, outstate seller of beer, outstate seller of wine, or outstate seller of mixed spirit drink that provides technology to a wholesaler under subsection (1) shall do both of the following:
  - (a) Comply with this act, including, but not limited to, section 608, and the rules promulgated under this act.
- (b) Obtain approval by written order of the commission authorizing the technology before it is provided to a wholesaler

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 101st Legislature are enacted into law:

- (a) House Bill No. 6105.
- (b) House Bill No. 6106.

Sany Exampal
Clerk of the House of Representative
Wargaret O'Prier
Secretary of the Senat

Governor