Legislative Analysis

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DISPLAYING CO-BRANDED ALCOHOLIC BEVERAGES

Senate Bill 730 (S-2) as reported from House committee
Sponsor: Sen. Dayna Polehanki
House Committee: Regulatory Reform
Senate Committee: Regulatory Affairs
Complete to 12-13-24

SUMMARY:

Senate Bill 730 would amend the Michigan Liquor Control Code to prohibit off-premises retailers[1] that have a retail sales floor of over 2,500 square feet from displaying ***co-branded alcoholic beverages*** next to or otherwise in a location where they share a common border with snack foods that portray cartoons or youth-oriented images, soft drinks, fruit juices, bottled water, candy, or toys.

> ***Co-branded alcoholic beverage*** would mean any alcoholic liquor that has the same or similar brand name, logo, or packaging as a nonalcoholic beverage.

Off-premises retailers with a retail sales floor of 2,500 square feet or less could display co-branded alcoholic beverages next to or sharing a border with the items described above if they post signage (at least 8.5 inches by 11 inches in size) that is clearly visible to consumers and states the following: "THIS PRODUCT IS AN ALCOHOLIC BEVERAGE AVAILABLE ONLY TO PERSONS WHO ARE 21 YEARS OF AGE OR OLDER." on any relevant display.

The bill would not specify any penalties, other than those otherwise provided for in the code, but would require any fines ordered by the Michigan Liquor Control Commission (MLCC) for violations of the bill to be deposited into the Liquor Control Enforcement and License Investigation Revolving Fund.

Proposed MCL 436.1609k

BRIEF DISCUSSION:

According to committee testimony, the growth in co-branded alcoholic products, such as spiked Sunny D or Mountain Dew, has led to instances where they are displayed next to the nonalcoholic version. The bill is intended to prevent the confusion and potential risks created by such occurrences.

FISCAL IMPACT:

Senate Bill 730 would have an indeterminate fiscal impact on the Michigan Liquor Control Commission, housed with the Department of Licensing and Regulatory Affairs (LARA). The MLCC could receive increased revenue from collected violation fines, although the amount of

[1] According to MLCC, off-premises retailer licenses are granted to grocery stores, convenience stores, and liquor stores, among other retailers. (https://www.michigan.gov/lara/bureau-list/lcc/faq/retailer-faq)

this revenue would depend on the number of violations. Revenue from these fines would be deposited into the Liquor Control Enforcement and License Investigation Revolving Fund, which is used to support enforcement of the Liquor Control Code and license investigations. LARA may also experience modest additional administrative and enforcement costs. The bill would not have a fiscal impact on any other units of state or local government.

POSITIONS:

A representative of the Michigan Beer & Wine Wholesalers Association testified in support of the bill. (12-3-24)

The following entities indicated support for the bill:

- Anheuser-Busch (12-3-24)
- Great Lakes Wine & Spirits (12-10-24)

The following entities indicated a neutral position on the bill (12-3-24):

- Michigan Liquor Control Commission
- Department of Licensing and Regulatory Affairs

Michigan Alcohol Policy Promoting Health & Safety indicated opposition to the bill. (12-10-24)

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