

Legislative Analysis



ALLOW CERTAIN ELECTRONIC LIQUOR COUPONS

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

House Bill 4561 as reported from committee

Sponsor: Rep. Tullio Liberati, Jr.

Committee: Regulatory Reform

Complete to 6-13-23

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

(Enacted as Public Act 183 of 2023)

SUMMARY:

House Bill 4561 would amend the Michigan Liquor Control Code to modify the conditions under which manufacturers or suppliers can issue electronic rebate coupons directly to retail consumers.

Currently, the act allows a manufacturer or supplier to offer electronic rebate coupons directly to a retail customer if all of the following requirements are met:

- The coupons have a specific expiration date and specific cash refund value. The refund may be paid by cash, check, or debit card, through an electronic funds transfer to a bank account, or through an internet or mobile payment account.
- The coupons cannot result in the retail customer's purchase of alcoholic liquor being below the retailer's cost.
- Coupons that can be applied to more than one specific product sold by that manufacturer or supplier must state the manufacturer or supplier to which they apply.
- Coupons must require the retail customer to purchase at least one product of alcoholic liquor to be redeemed. Coupons can be issued that require the retail customer to purchase two or more alcoholic liquor products from the same manufacturer or supplier to redeem the coupon.
- Coupons requiring purchase of a product other than alcoholic liquor cannot be issued.
- A wholesaler cannot pay for or participate in the offering of coupons except for providing signs that promote the electronic rebate coupon in accordance with section 610a of the code (which addresses promotion requirements).
- A manufacturer can only issue coupons that may be redeemable after a purchase of alcoholic liquor at all retail locations where that alcoholic liquor is sold.

The bill would amend the prohibition of coupons that would reduce the retail cost of alcohol below the retailer's cost to instead prohibit the issuance of coupons that make any alcoholic liquor free.

The bill would also allow the issuance of coupons that require the purchase of a product other than alcohol.

MCL 436.1609h

BACKGROUND:

According to committee testimony, manufacturers and suppliers are currently allowed to issue physical coupons that reduce the cost of alcohol below the retailer's cost or require the purchase

of a product other than alcohol. The bill is intended to allow the same for electronic coupons and so avoid confusion.

FISCAL IMPACT:

House Bill 4561 would not have a fiscal impact on the state or local units of government.

POSITIONS:

A representative of the Michigan Beer & Wine Wholesalers Association testified in support of the bill. (5-23-23)

The following entities indicated support for the bill (5-23-53):

- Anheuser Busch
- Molson-Coors

A representative of the Liquor Control Commission indicated a neutral position on the bill. (5-23-23)

The following entities indicated opposition to the bill (5-23-23):

- Midwest Independent Retailers Association
- Michigan Alcohol Policy Promoting Health & Safety

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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.