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**BILL ANALYSIS**

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Senate Bill 671 (Substitute S-2 as reported by the Committee of the Whole)  
Sponsor: Senator Goeff Hansen  
Committee: Regulatory Reform

**CONTENT**

The bill would amend the Michigan Liquor Control Code to codify and expand provisions of Executive Reorganization Order 2014-2 regarding the Grape and Wine Industry Council. Specifically, the bill would do the following:

- Rename the Grape and Wine Industry Council as the Grape, Wine, Brewing, and Distilling Industries Council.
- Increase the membership of the Council to include brewer, distiller, and certain agricultural industries related to the creation of alcoholic beverages.
- Require the Council to provide for research on apples, hops, barley, beer, and spirits.
- Require the Council to provide the wine industry with information relative to proper methods of handling and selling apples, in addition to wine grapes and wines.
- Require the Council to provide the brewing and distilling industries with information relative to proper methods of handling and selling hops, barley, beer, and spirits.
- Require the Council to provide for market surveys and analyses, and promote the sale of apples, hops, barley, beer, and spirits, in addition to Michigan wine grapes and wines, for the purpose of maintaining or expanding present markets and creating new markets.
- Require the Council to develop and administer financial aid programs to apple, hops, and barley growers to encourage increased planting in Michigan of desirable varieties.
- Prohibit the Council from engaging in lobbying.

The bill would permit the Council, a Council member, or an employee to provide technical information to the Legislature or to the Department of Agriculture and Rural Development, regardless of whether the Council, Council member, or employee was appearing before an officially convened legislative committee or Department hearing panel, if the technical information were related to the Council's duties.

MCL 436.1303 & 436.1543

Legislative Analyst: Drew Krogulecki

**FISCAL IMPACT**

The bill would have a minimal fiscal impact on the Department of Agriculture and Rural Development, the department in which appropriations for the Council are provided. Currently, the administration and activities of the Council are funded only by annual restricted revenue from nonretail liquor fees, obtained through the Liquor Control Commission. According to the most recent report of the Council, for FY 2013-14, \$797,831 in total restricted revenue was spent on the Council. That amount includes \$373,295 designated for departmental salaries to assist in achieving the objectives of the Council; \$151,473 for research and grower education; \$149,535 for promotional activity; \$22,732 for a conference; \$10,101 for travel; \$44,394 for administrative costs; and \$22,500 for a Pure Michigan partnership.

Without the identification of a new source of revenue or a greater amount of existing revenue, the bill would provide a revised Council with increased membership and broader responsibilities, with a continuance of the current approximately \$800,000 in annual support.

Date Completed: 5-11-16

Fiscal Analyst: Bruce Baker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.