



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 356 (as introduced 5-2-17)  
Sponsor: Senator Joe Hune  
Committee: Regulatory Reform

Date Completed: 5-22-17

**CONTENT**

**The bill would amend the Michigan Liquor Control Code to do the following:**

- **Provide for a salesperson license and require the Michigan Liquor Control Commission to issue a license to an individual who met specified criteria.**
- **Require a prospective salesperson to complete a salesperson accreditation program before the Commission could issue him or her a salesperson license.**
- **Prohibit an individual from selling, delivering, promoting, or assisting in the sale of alcoholic liquor in any manner to a retailer in the State unless licensed as a salesperson, subject to certain exceptions.**
- **Require the Commission to approve a salesperson license accreditation program if it were certified by the Attorney General or his or her assistant for meeting specific criteria.**
- **Require the Commission, on certification of the Attorney General or his or her designated assistant, to reapprove an approved salesperson accreditation program every three years.**

Specifically, the bill could require the Commission to issue a salesperson license to an individual who had successfully completed a salesperson accreditation program and who was a designated employee of any of the following:

- A vendor of spirits.
- A broker.
- A manufacturer of beer or wine.
- An outstate seller of beer or wine.
- A wholesaler.

The Commission could not issue a salesperson license unless the applicant submitted with his or her application written documentation that the applicant successfully completed a salesperson accreditation program.

The bill would not require an individual to be licensed as a salesperson if he or she were at least 18 years of age and only did any of the following:

- Built a display of those brands that were represented or sold by the individual's employer for an off-premises retailer.
- Marked the price on those brands that were represented or sold by the individual's employer for an off-premises retailer.

- Rotated brands that were represented or sold by the individual's employer for an off-premises retailer.
- Placed brands that were represented or sold by the individual's employer on shelves for an off-premises retailer.
- Held a Michigan commercial driver license and transported, in a vehicle licensed by the Commission, and delivered alcoholic liquor to a retailer.

The Commission would have to approve a salesperson license accreditation program designed for salesperson licensees if the Attorney General or his or her designated assistant Attorney General certified that the program's curriculum included an understanding of all of the following:

- Section 609 of the Code (which prohibits specific individuals from aiding or assisting a vendor by gift or other valuables, but specifies particular items that may be provided to another licensee; and regulates brand logoed merchandise).
- Section 609a of the Code (which requires a manufacturer or wholesaler to file with the Commission a schedule of prices, and regulates beer package price reductions).
- Section 609b of the Code (which contains certain record-keeping requirements, and details promotional restrictions regarding the purchase of drinks for customers at on- or off-premises licensed locations).
- The provisions of Section 1013 of the Code that require the sale or purchase of alcoholic liquor by a licensee for cash only.
- R 436.1315 of the Michigan Administrative Code (which prohibits a manufacturer, an outstate seller of beer or wine, or a wholesaler from selling or furnishing to a retail licensee advertising or money or other valuables for advertising space).
- R 436.1319 of the Michigan Administrative Code (which requires cooperative advertising between certain entities, and specifies actions a manufacturer or an outstate seller of beer or wine may take in regards to advertising).
- R 436.1726 of the Michigan Administrative Code (which regulates the filing of price schedules with the Commission each year, among other things).
- The Commission's order for on-premises brand promotions issued October 27, 1999 (which contains provisions that wholesalers, manufacturers, outstate sellers, vendors of spirits, and brokers must comply with regarding on-premises brand promotions).
- The Commission's Administrative Order 2016-05 for product adjustments (which allows product adjustments made by wholesalers and manufacturers to be refunded for specified reasons, and governs exchanges of like products).

A person could apply to the Commission for qualification as an administrator for the offering of a salesperson accreditation program. ("Administrator" would mean a qualified trade association authorized by the Commission to offer salesperson accreditation programs.)

On approval of a salesperson accreditation program, the Commission would have to appoint the person sponsoring the program as administrator of that program.

The bill would take effect 90 days after its enactment.

Proposed MCL 436.1502

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

The bill would not have a significant fiscal impact on the Michigan Liquor Control Commission (MLCC). The licensure of spirits salespersons is already MLCC practice; the bill would appear to generally codify this practice with some changes that would not seem to drastically change the amount of work or cost associated with licensure. Currently, applicants are charged a

\$35 fee for a new license, which is good for three years. In total, the program annually generates about \$100,000, which is used to offset the cost of licensure.

The bill would have no fiscal impact on local government.

Fiscal Analyst: Josh Sefton

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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.