



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 6105 (Substitute S-2 as reported)
House Bill 6106 (Substitute S-1 as reported)
House Bill 6107 (Substitute S-1 as reported)
Sponsor: Representative Roger Hauck (H.B. 6105)
Representative Richard Steenland (H.B. 6106)
Representative Michele Hoytenga (H.B. 6107)
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

CONTENT

House Bill 6105 (S-2) would amend the Michigan Liquor Control Code to do the following:

- Allow a manufacturer that sold directly to a retailer or a wholesaler, to refund the price of a mixed spirit drink if it met certain conditions.
- Specify that if a wholesaler sold nonalcoholic products to a retailer, the Code would not apply to the sale, marketing, merchandising, or distribution of those products, except that the wholesaler could not provide free product or a credit to a retailer.
- Prescribe circumstances under which the Code would not apply to a company that sold nonalcoholic products.
- Allow a wholesaler that separately owned or had a financial interest in a company that sold nonalcoholic products, and the company, to share human resources departments, have joint payroll and vehicle maintenance, and recycle beverage containers, among other things.
- Allow a manufacturer or supplier to offer electronic rebate coupons directly to a retail customer after the retail customer purchased alcoholic liquor from a retailer.
- Specify that if demands exceeded supply for a beer, wine, mixed wine drink, or mixed spirit drink product, a manufacturer, supplier, or wholesaler would have to engage in commercially reasonable efforts to make the product available to purpose by a wholesaler or retailer that placed the order.
- Require a manufacturer to notify the Michigan Liquor Control Commission (MLCC) and the affected wholesaler within two days if the manufacturer recalled a beer, wine, or mixed spirit drink and determined it was necessary for the wholesaler to remove the product.
- Require a wholesaler to notify the MLCC within seven days after receiving a notice of the timeline of the removal and destruction process of the recalled beer, wine, or mixed drink and to notify the MLCC upon completion of the process.

House Bill 6106 (S-1) would amend the Code to do the following:

- Allow a person licensed in the supplier tier to manufacture a private label of beer, wine, or mixed spirit drink for a retailer if the MLCC determined that certain requirements were met.
- Prohibit the MLCC from issuing a wholesaler license to a producer of nonalcoholic beverages or an entity that the producer of nonalcoholic beverages had a direct or indirect ownership or financial interest in under certain circumstances.
- Modify the definition of "brand extension".

House Bill 6107 (S-1) would amend the Code to do the following:

- Require a manufacturer or wholesaler to file with the MLCC a schedule of net cash prices to retailers for all wine, mixed wine drinks, and mixed spirit drink by kind, type, size, and brand and a wine, mixed wine drink, and mixed spirit drink price change for its market area before its effective date.
- Prohibit a manufacturer or wholesaler from charging a retailer a fee in addition to the net cash prices, except for a split case fee.
- Prohibit a manufacturer or wholesaler from selling wine, mixed wine drink, and mixed spirit drink at a quantity discount.
- Require the MLCC to compare a manufacturer's or wholesaler's filing under the bill periodically with the manufacturer's or wholesaler's tax filing.
- Allow a manufacturer, outstate seller of beer, outstate seller of wine, or outstate seller of mixed spirit drink to provide a wholesaler with technology to assist in sales, marketing, delivery, merchandising or training.

The bills are tie-barred.

MCL 436.1609c et al.
436.1105 & 436.1603
436.1609a et al.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bills would have a limited fiscal impact on State and local government, mainly in the form of administrative costs to the Michigan Liquor Control Commission. These costs should not exceed current appropriations.

Date Completed: 10-17-22

Fiscal Analyst: Jonah Houtz