



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

BILL ANALYSIS



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

House Bill 6541 (Substitute S-1 as reported)
House Bill 6542 (as reported without amendment)
House Bill 6543 (Substitute H-2 as reported without amendment)
Sponsor: Representative Brandt Iden (H.B. 6541 & 6543)
Representative Curtis S. VanderWall (H.B. 6542)
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

CONTENT

House Bill 6541 (S-1) would amend the Michigan Liquor Control Code to do the following:

- Allow a specially designated distributor (SDD) that sold spirits to a special licensee to offer the licensee a discount.
- Allow an SDD to refund a special licensee for the return of unopened bottles in the same amount that the licensee paid for the spirits, less any of the SDD's credit card transaction sales incurred from the sale.
- Allow an SDD that refunded spirits to charge a licensee a restocking fee.

House Bill 6542 would amend the Code to allow a vendor of spirits to provide a special licensee with certain brand logoed merchandise.

House Bill 6543 (H-2) would amend the Code to do the following:

- Allow the Michigan Liquor Control Commission (MLCC) to issue a special license to a qualified organization for a spirits tasting.
- Prohibit a special licensee from holding more than six spirits tastings per calendar year.
- Allow a special licensee that did not receive a discount from an SDD for the purchase of spirits under House Bill 6541 to receive a rebate if certain conditions were met.

House Bill 6543 (H-2) is tie-barred to Senate Bill 1181, which would prohibit cooperative advertising between certain entities involved in the manufacture and sale of alcoholic liquor.

Proposed MCL 436.1609d (H.B. 6541)
Proposed MCL 436.1609e (H.B. 6542)
Proposed MCL 436.1028 (H.B. 6543)

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

House Bills 6541 (S-1) and 6542 would have no fiscal impact on State or local government.

House Bill 6543 (H-2) would have an indeterminate but likely minor fiscal impact on the Department of Licensing and Regulatory Affairs. A qualified organization would have to pay the Michigan Liquor Control Commission a fee of \$25 per day in order to obtain the special license. An organization could obtain this license for no more than six events per calendar year. An organization that did not receive a discount from a specially designated distributor

on their purchase of spirits could apply to the MLCC for a rebate. The MLCC would be required to issue a qualified rebate according to the formula described in the bill.

The new license fee and existing appropriations likely would be sufficient to cover any additional processing expenses created by the bill. The magnitude of the fiscal impact would depend on the number of license applications, as well as the size and number of any rebates.

The bill would have no fiscal impact on local government.

Date Completed: 12-17-18

Fiscal Analyst: Elizabeth Raczkowski