

Act No. 275  
Public Acts of 1994  
Approved by the Governor  
July 10, 1994  
Filed with the Secretary of State  
July 11, 1994

**STATE OF MICHIGAN  
87TH LEGISLATURE  
REGULAR SESSION OF 1994**

**Introduced by Reps Profit Rocca Randall Palamara Gilmer Johnson Bullard Keith London Harder  
Joe Young Jr Price DeMars McBryde Shugars and Curtis**

# **ENROLLED HOUSE BILL No. 5558**

AN ACT to amend sections 30a and 30d of Act No 8 of the Public Acts of the Extra Session of 1933 entitled as amended An act to create a liquor control commission for the control of the alcoholic beverage traffic within the state of Michigan and to prescribe its powers duties and limitations to provide for the control of the alcoholic liquor traffic within the state of Michigan and the establishment of state liquor stores to provide for the care and treatment of alcoholics to provide for the incorporation of farmer cooperative wineries and the granting of certain rights and privileges thereto to provide for the licensing and taxation thereof and the disposition of the moneys received under this act to prescribe liability for retail licensees under certain circumstances to require security for that liability to provide procedures defenses and remedies regarding violations of this act to provide for the enforcement and to prescribe penalties for violations of this act to provide for the confiscation and disposition of property seized under the provisions of this act to provide a referendum in certain cases to repeal certain acts and parts of acts and to repeal certain parts of this act on a specific date section 30a as amended by Act No 159 of the Public Acts of 1984 and section 30d as amended by Act No 118 of the Public Acts of 1989 being sections 436 30a and 436 30d of the Michigan Compiled Laws and to add sections 2cc and 2dd

*The People of the State of Michigan enact*

Section 1 Sections 30a and 30d of Act No 8 of the Public Acts of the Extra Session of 1933 section 30a as amended by Act No 159 of the Public Acts of 1984 and section 30d as amended by Act No 118 of the Public Acts of 1989 being sections 436 30a and 436 30d of the Michigan Compiled Laws are amended and sections 2cc and 2dd are added to read as follows

Sec 2cc Brand means any word name group of letters symbol trademark or combination thereof adopted and used by a supplier to identify a specific beer malt beverage wine mixed wine drink or mixed spirit drink product and to distinguish that product from another beer malt beverage wine mixed wine drink or mixed spirit drink product produced or marketed by that or another supplier As used in this section and notwithstanding sections 30b(2)(j) and 30c(2)(j) supplier means a brewer an outstate seller of beer a wine maker a small wine maker an outstate seller of wine a manufacturer of mixed wine drink an outstate seller of a mixed wine drink a mixed spirit drink manufacturer or an outstate seller of mixed spirit drink

Sec 2dd Brand extension means any brand which incorporates all or a substantial part of the unique features of a preexisting brand of the same supplier As used in this section and notwithstanding sections 30b(2)(j) and 30c(2)(j) supplier means a brewer an outstate seller of beer a wine maker a small wine maker an outstate seller of wine a manufacturer of mixed wine drink an outstate seller of a mixed wine drink a mixed spirit drink manufacturer or an outstate seller of mixed spirit drink

Sec 30a (1) A manufacturer and outstate seller of beer and malt beverages shall grant to each of its wholesalers an exclusive sales territory as agreed upon between the wholesaler and manufacturer or outstate seller of beer within which the wholesaler shall be the exclusive distributor of the specified brand or brands of the manufacturer or outstate seller of beer

(2) If the manufacturer or outstate seller manufactures or supplies more than 1 brand of beer or malt beverage the manufacturer or outstate seller may grant exclusive sales territories to different wholesalers for the sale of the different brand or brands

(3) Notwithstanding subsection (2) a brand extension is not considered a new or different brand A manufacturer or an outstate seller of beer or malt beverages shall assign a brand extension to the wholesaler which was granted the exclusive sales territory to the brand from which the brand extension resulted

(4) Subsection (3) does not apply where before January 1 1994 a manufacturer or an outstate seller of beer or malt beverages had assigned a brand extension to a wholesaler which was not the appointed wholesaler for the brand from which the brand extension was made

(5) Until March 1 1995 a manufacturer or an outstate seller of beer or malt beverages who acquired or otherwise obtained the right to assign brands of another manufacturer or outstate seller of beer or malt beverages between January 1 1994 and March 1 1995 shall assign a brand extension to the wholesaler which was granted the exclusive sales territory to the brand from which the brand extension resulted Beginning March 1 1995 a manufacturer or an outstate seller of beer or malt beverages who acquires or otherwise obtains the right to assign brands of another manufacturer or outstate seller of beer or malt beverages is not required to assign a new brand extension to the wholesaler which is granted the exclusive sales territory to the brand from which the new brand extension results Any brand extension assigned between January 1 1994 and March 1 1995 shall remain assigned to the assigned wholesaler

(6) The sales territory shall be the territory agreed upon between the wholesaler and manufacturer or outstate seller

Sec 30d (1) A manufacturer and outstate seller of wine shall grant to each of its wholesalers a sales territory within which the wholesaler shall be a distributor of the specified brand or brands of the manufacturer or outstate seller of wine The territory shall be the territory agreed upon between the wholesaler and manufacturer or outstate seller of wine A manufacturer or outstate seller of wine may grant the right to sell a specified brand or brands in a sales territory to more than 1 wholesaler

(2) Notwithstanding subsection (1) a brand extension is not considered a new or different brand and a manufacturer or an outstate seller of wine shall assign a brand extension to the wholesaler which was granted the sales territory for the brand from which the brand extension resulted

(3) Subsection (2) does not apply where before January 1 1994 a manufacturer or an outstate seller of wine had assigned a brand extension to a wholesaler which was not the appointed wholesaler for the brand from which the brand extension was made

(4) Until March 1 1995 a manufacturer or an outstate seller of wine who acquired or otherwise obtained the right to assign brands of another manufacturer or outstate seller of wine between January 1 1994 and March 1 1995 shall assign a brand extension to the wholesaler which was granted the sales territory for the brand from which the brand extension resulted Beginning March 1 1995 a manufacturer or an outstate seller of wine who acquires or otherwise obtains the right to assign brands of another manufacturer or outstate seller of wine is not required to assign a new brand extension to the wholesaler which is granted the exclusive sales territory to the brand from which the new brand extension results Any brand extension assigned between January 1 1994 and March 1 1995 shall remain assigned to the assigned wholesaler

(5) A manufacturer of a mixed wine drink mixed spirit drink manufacturer outstate seller of a mixed wine drink or outstate seller of mixed spirit drink shall grant to each of its wholesalers an exclusive sales territory in which the wholesaler shall be a distributor of the specified brand or brands of the manufacturer or outstate seller The territory shall be the territory agreed upon between the wholesaler and manufacturer of a mixed wine drink mixed spirit drink manufacturer outstate seller of mixed wine drinks or outstate seller of mixed spirit drink

(6) Notwithstanding subsection (5) a brand extension is not considered a new or different brand A manufacturer of a mixed wine drink mixed spirit drink manufacturer outstate seller of a mixed wine drink or outstate seller of mixed spirit drink shall assign a brand extension to the wholesaler which was granted the exclusive sales territory for the brand from which the brand extension resulted

(7) Subsection (6) does not apply where before January 1 1994 a manufacturer of a mixed wine drink mixed spirit drink manufacturer outstate seller of a mixed wine drink or outstate seller of mixed spirit drink had assigned a brand extension to a wholesaler which was not the appointed wholesaler for the brand from which the brand extension was made

(8) Until March 1 1995 a manufacturer of a mixed wine drink mixed spirit drink manufacturer outstate seller of mixed wine drink or an outstate seller of mixed spirit drink who acquired or otherwise obtained the right to assign

brands of another manufacturer of a mixed wine drink mixed spirit drink manufacturer outstate seller of a mixed wine drink or outstate seller of mixed spirit drink between January 1 1994 and March 1 1995 shall assign a brand extension to the wholesaler which was granted the exclusive sales territory for the brand from which the brand extension resulted Beginning March 1 1995 a manufacturer of mixed wine drink mixed spirit drink manufacturer an outstate seller of mixed wine drink or an outstate seller of mixed spirit drink who acquires or otherwise obtains the right to assign brands of another manufacturer of mixed wine drink mixed spirit drink manufacturer outstate seller of mixed wine drink or outstate seller of mixed spirit drink is not required to assign a new brand extension o the wholesaler which is granted the exclusive sales territory to the brand from which the new brand extension results Any brand extension assigned between January 1 1994 and March 1 1995 shall remain assigned to the assigned wholesaler

This act is ordered to take immediate effect

Co Clerk of the House of Representatives

Secretary of the Senate

Approved

Governor