



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1154 (Substitute S-2 as reported)
Senate Bill 1155 (Substitute S-1 as reported)
Senate Bills 1156 through 1158 (as reported without amendment)
Senate Bill 1159 (Substitute S-1 as reported)
Senate Bills 1160 through 1165 (as reported without amendment)
Senate Bill 1166 (Substitute S-1 as reported)
Senate Bills 1167 and 1168 (as reported without amendment)
Sponsor: Senator Tory Rocca (S.B. 1155 through 1158)
 Senator Joe Hune (S.B. 1159 through 1163)
 Senator Rebekah Warren (S.B. 1164 through 1168)

CONTENT

Senate Bill 1154 (S-2) would amend the Michigan Liquor Control Code to

- Refer to "approved tasting room", instead of "location".
- Modify certain provisions pertaining to brewers and micro brewers who sell beer for on-premises consumption at a licensed brewery premises.
- Allow a brewer or micro brewer to sell beer that it produced at one licensed brewery premises at an approved tasting room located on any of its brewery premises if certain requirements were met.

Senate Bill 1155 (S-1) would amend the Code to do the following:

- Prohibit a manufacturer from selling or transfer alcoholic liquor to a licensed manufacturer in the State, unless certain conditions were met.
- Allow a manufacturer to sell or transfer wine or spirits to a licensed manufacturer, and allow a licensed manufacturer to receive wine or spirits, only if certain conditions were met.
- Prohibit a wine make, small wine maker, distiller, or small distiller from selling alcoholic liquor it purchased or received unless certain conditions were met.

Senate Bills 1156 and 1167 would amend Sections 436.1113 and 436.1113a of the Code, respectively, to revise the definition of "wine", and add to both sections a definition of "tasting room".

Senate Bills 1157 and 1158 would amend the Code to change citations to the Michigan Compiled Laws sections that Senate Bill 1160 would amend.

Senate Bill 1159 (S-1) would amend the Code to do the following:

- Require the Michigan Liquor Control Commission (MLCC) to allow a person to be licensed as more than one type of manufacturer.
- Allow the MLCC to approve a licensed manufacturer to operate one or more tasting rooms.
- Allow a tasting room to be operated by two or more manufacturers if certain conditions were met.

- Require on-premises and off-premises tasting rooms to comply with certain requirements.
- Allow a manufacturer to sell alcoholic liquor it manufactured for on-premises or off-premises consumption in an approved tasting room.
- Allow a manufacturer to sell or give away samples of alcoholic liquor it manufactured for on-premises consumption, if the samples did not exceed certain limits.
- Require revenue received from initial permit fees for an approved tasting room to be deposited into the Liquor Control Enforcement and License Investigation Revolving Fund.

Senate Bill 1160 would amend the Code to revise the definition of "manufacturer" and add definitions of "manufacture" and "manufacturing premises".

Senate Bill 1161 would amend the Code to modify provisions that allow a small distiller to sell at retail from its licensed premises and give samplings or tastings.

Senate Bills 1162 and 1163 would amend the Code to change citations to the Michigan Compiled Laws sections that Senate Bill 1166 would amend.

Senate Bill 1164 would amend the Code to do the following:

- Modify certain classes of vendors that could sell alcoholic liquor at retail
- Include additional classes of vendors that could sell alcoholic liquor at retail.
- Delete various provisions allowing a wine maker to conduct wine tastings on its manufacturing premises.
- Delete a provision allowing a brandy manufacturer or small distiller to conduct tastings of brandy or spirits, respectively, on its manufacturing premises.

Senate Bills 1165 and 1166 (S-1) would amend the Code to revise various definitions, and add new definitions.

Senate Bill 1168 would amend the Code to change citations to the Michigan Compiled Laws section that Senate Bills 1159 and 1164 would amend.

Senate Bills 1154 (S-2), 1155 (S-1), 1156, 1159 (S-1) through 1161, and 1164 through 1166 (S-1) are tie-barred to each other. Senate Bills 1157 and 1158 are tie-barred to Senate Bill 1160. Senate Bills 1162 and 1163 are tie-barred to Senate Bill 1166. Senate Bill 1168 is tie-barred to Senate Bills 1159 and 1164.

MCL 436.1411 (S.B. 1154)
 Proposed MCL 436.1204a (S.B. 1155)
 MCL 436.1113 (S.B. 1156)
 MCL 436.1307 (S.B. 1157)
 MCL 436.1603 (S.B. 1158)
 Proposed MCL 436.1536 (S.B. 1159)
 MCL 436.1109 (S.B. 1160)
 MCL 436.1534 (S.B. 1161)
 MCL 436.1517a (S.B. 1162)
 MCL 436.1517 (S.B. 1163)
 MCL 436.1537 (S.B. 1164)
 MCL 436.1105 (S.B. 1165)
 MCL 436.1111 (S.B. 1166)
 MCL 436.1113a (S.B. 1167)
 MCL 436.1607 (S.B. 1168)

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

Senate Bills 1154 (S-2), 1155 (S-1), 1156-1158, 1160-1163, 1165, 1166 (S-1), and 1167-1168 would have no fiscal impact on State or local government.

Senate Bill 1159 (S-1) would have a neutral impact on the Department of Licensing and Regulatory Affairs and no fiscal impact on local government units.

The Michigan Liquor Control Commission expects no significant increase in revenues due to the tasting room permit provisions. Manufacturers currently pay a \$100 permit fee. The Department does not expect a meaningful increase in the number of tasting room permits issued. Current appropriations would likely be sufficient to cover the regulatory costs associated with the bill.

Senate Bill 1164 would have a neutral impact on the Department of Licensing and Regulatory Affairs and an indeterminate, but likely negligible, impact on other State funds. The bill would have no fiscal impact on local government units.

The Michigan Liquor Control Commission expects no significant increase in revenues due to the tasting room permit provisions. Manufacturers currently pay a \$100 permit fee. The Department does not expect a meaningful increase in the number of tasting room permits issued. Current appropriations would likely be sufficient to cover the regulatory costs associated with the bill.

To the extent that the clarification of rules regarding tasting rooms encouraged increased sales of alcoholic beverages at these locations, the bill would result in a positive, but negligible, increase in liquor tax revenue, to be deposited as follows: 4.0% to the School Aid Fund, 4.0% to the Convention Facility Development Fund, and 4.0% to the General Fund.

Date Completed: 11-30-18

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