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BILL ANALYSIS



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House Bill 5175 (Substitute H-1 as passed by the House)
Sponsor: Representative Tommy Brann
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Date Completed: 1-30-18

CONTENT

The bill would amend the Michigan Liquor Control Code to exempt from growler labeling requirements a brewpub, micro brewer, or brewer, and revise the definition of "eligible merchant" to include only a person that holds a specially designated merchant license.

(A growler is any clean, refillable, resealable container that is exclusively intended, and used only, for the sale of beer for consumption off the premises and that has a liquid capacity that does not exceed one gallon.) The Code permits an eligible merchant to fill and sell growlers with beer for off-premises consumption under the following conditions:

- The premises where the filling of growlers takes place comply with the requirements for food service establishments under the Food Law.
- The eligible merchant or his or her agent or employee does not fill a growler in advance.
- The eligible merchant or his or her agent or employee only uses containers that have a capacity of five gallons or more to fill a growler.
- The eligible merchant complies with all applicable rules promulgated by the Michigan Liquor Control Commission.
- The growler is sealed and has affixed to it a label that includes at least the brand name of the beer, the class of the beer, the net contents of the container, and the name of the retailer filling the growler.

Under the bill, the label conditions would not apply to either of the following:

- A brewpub, where beer manufactured on the premises by a licensee may be sold for consumption on or off the premises by any of the following licensees: class C, tavern, or class A or B hotel, but only as to beer that the brewpub produces.
- A microbrewer or brewer, where beer produced by the microbrewer or brewer may be sold to a consumer for consumption on or off the brewery premises.

The Code defines "eligible merchant" as a person that holds a specially designed merchant (SDM) license and one of the following licenses: a specially designated distributor (SDD), class C, tavern, class A or B hotel, club, or class G-1 or G-2. The bill would define "eligible merchant" as a person that holds an SDM license.

(An SDM licensee may sell beer and wine for off-premises consumption. An SDD licensee may sell spirits and mixed spirit drink in the original package for off-premises consumption. A class C licensee may sell beer, wine, mixed spirit drink, and spirits for on-premises consumption.

A tavern licensee may sell beer and wine for on-premises consumption. A class A hotel licensee may sell beer and wine for consumption on the premises and in bona fide registered guests' rooms. A class B hotel licensee may sell beer, wine, mixed spirit drink, and spirits for similar consumption. A club licensee may sell beer, wine, mixed spirit drink, and spirits for on-premises consumption by bona fide members and their guests. A G-1 licensee may sell beer, wine, mixed spirit drink, and spirits for on-premises consumption at a golf course by members required to pay an annual membership fee and their bona fide guests, and a G-2 licensee may sell beer and wine for on-premises consumption by similar individuals.)

The bill would take effect 90 days after it was enacted.

MCL 436.1537

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have no fiscal impact on State or 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.