



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 711 (as reported without amendment)
Sponsor: Senator Jon Bumstead
Committee: Regulatory Reform

CONTENT

The bill would amend the Michigan Liquor Control Code to do the following:

- Allow the Michigan Liquor Control Commission (MLCC) to issue a limited production manufacturer license.
- Require the MLCC to charge an initial and renewal license fee for a limited production manufacturer license of \$1,000.
- Allow a brewer, micro brewer, or their out-of-State equivalents to sell beer to a limited production manufacturer, and allow a limited production manufacturer to buy beer from a brewer, micro brewer, or their out-of-State equivalents, if certain conditions were met.
- Specify that a limited production manufacturer sell beer only to a wholesaler or a person located outside of the State regardless of whether the person was licensed under the Code.
- Prohibit a limited production manufacturer from holding a license in the wholesaler tier or retailer tier as provided under the Code.
- Require a limited production manufacturer to comply with all provisions of the Code that apply to the activities of a brewer.
- Prohibit a limited production manufacturer from self-distributing.
- Require a limited production manufacturer to register its beer and receive a registration number of approval before selling the beer in the State to a wholesaler.
- Require a limited production manufacturer to be the holder of a Federal brewer's notice issued by the United States Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau.

MCL 436.1109 et al.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would not have a significant fiscal impact on State government and would have no fiscal impact on local units of government. Under the bill, the initial and renewal fees for a limited production manufacturer license each would be \$1,000. Revenue from these fees would be deposited in the Michigan Craft Beverage Council Fund in an amount that cannot be determined at this time. Currently, annual revenue deposited into the Fund averages \$700,000 to \$800,000. Revenue from the \$70 inspection fee would be retained by the Michigan Liquor Control Commission. Existing appropriations likely would be sufficient to fund administrative activities related to the bill. The Department of Licensing and Regulatory Affairs currently expects one entity to apply for the proposed license.

Date Completed: 1-23-20

Fiscal Analyst: Elizabeth Raczkowski