

WINERY: ALLOW SALES OF NONALCOHOLIC DRINKS

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House Bill 5606 (reported from committee as substitute H-3)

Sponsor: Rep. Jim Lilly

Committee: Regulatory Reform

Complete to 5-23-18

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5606 would amend the Michigan Liquor Control Code to require a wine maker, brandy manufacturer, small distiller, micro brewer, brewer, or brewpub to provide water, and to allow these licensees, in their sole discretion, to also sell or provide other nonalcoholic beverages, for consumption on or off the licensed premises. The bill would take effect 90 days after enactment.

MCL 436.1537

BACKGROUND INFORMATION:

Under the Code, licensed brewpubs, micro brewers, and brewers may sell the beer they manufacture for consumption on or off the licensed premises, and licensed small distillers may sell the spirits they manufacture to consumers at retail for consumption on or off the licensed premises. A wine maker may offer samples (for free or for a small charge) or sell its wine by the glass on the winery premises. The wine maker may also conduct wine tastings off the winery premises under a permit from the Liquor Control Commission (LCC) and may charge a small amount for the wine samples, but may not sell wine by the glass at the tasting locations. The wine maker may also sell bottles of its wine at any of the licensed premises for consumption off the premises.¹ Though wineries offer tastings at off-site locations under a permit process, the tasting locations are considered to be licensed premises by the LCC; presumably, a wine maker would be able to sell or provide nonalcoholic beverages at its tasting locations under the bill, as well.

BRIEF DISCUSSION:

Reportedly, at least one local government has interpreted provisions of the Michigan Liquor Control Code as allowing a winery to sell only wine for consumption on or off the premises. Under that interpretation, the municipality denied a local winery a use permit to sell or provide nonalcoholic beverages such as soda or water in its tasting room. According to testimony offered in committee, House Bill 5606 would add clarity to the Code by specifically authorizing wineries, as well as certain other licensees such as brandy manufacturers and small distillers, among others, to sell water and other nonalcoholic beverages to those who choose not to consume alcohol.

¹ Michigan Liquor Control Commission. *Michigan Wine Maker & Small Wine Maker Requirements and General Information*. Revised 6/2017. http://www.michigan.gov/documents/lara/Winemaker-rev-11-11_368820_7.pdf

However, the bill may still lack clarity. House Bill 5606 requires the wineries and other designated licensees to provide water, but allows the sale or provision of other nonalcoholic beverages. In so doing, the bill may inadvertently prohibit any of the listed licensees from selling bottled water on their licensed premises, instead requiring them to provide water for free and reserving sales of nonalcoholic beverages to include drinks other than water such as juice or soda.

FISCAL IMPACT:

House Bill 5606 would not have a fiscal impact on any unit of state or local government.

POSITIONS:

The Michigan Alcohol Policy Promoting Health and Safety indicated support for the bill. (5-9-18)

The Michigan Liquor Control Commission does not have a position on the bill. (5-2-18)

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