
THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 203a. (1) The legislature finds that the 3-tier system is necessary to protect public health and safety of Michigan residents and to promote competition and access to market for all alcoholic beverage suppliers.

(2) The legislature further finds that vertical integration of the alcoholic beverage industry is contrary to this state's interest in protecting public health and safety of Michigan residents and leads to anti-competitive behavior by beverage alcohol suppliers.
(3) The legislature further finds that the 3-tier system and
the prohibitions under section 603 achieve the following public
policy goals:
   (a) Promote consumer choice and product variety by providing a
platform that provides all suppliers access to Michigan's beverage
alcohol market.
   (b) Encourage wholesalers to invest in their businesses and
all the brands they distribute, free from undue interference from
the suppliers of the brands they distribute.
   (c) Create a transparent and accountable alcohol distribution
system that allows the commission to prevent the manufacture,
distribution, or sale of counterfeit, adulterated, unregistered,
recalled, or prohibited alcoholic beverages.
   (4) This state has an interest in creating market access for
all sizes of suppliers and finds that micro brewers create
competition and variety in Michigan's beer market.
   (5) For the purposes of creating access to Michigan's beer
market while also preserving the 3-tier system and limiting
vertical integration, a micro brewer or an out-of-state entity that
is the substantial equivalent of a micro brewer may sell and
deliver beer to a retailer in this state only if all of the
following conditions are met:
      (a) The retailer is not located in a sales territory for which
the micro brewer or out-of-state entity that is the substantial
equivalent of a micro brewer has granted exclusive sales rights to
a wholesaler under sections 401 and 403 for the sale of any brand
or brands of beer produced by the micro brewer or out-of-state
entity that is the substantial equivalent of a micro brewer.
      (b) The beer is sold and delivered by an employee of the micro
brewer or out-of-state entity that is the substantial equivalent of
a micro brewer, not an agent, and is transported and delivered
using a vehicle owned by the micro brewer or out-of-state entity
that is the substantial equivalent of a micro brewer.

(c) The micro brewer or out-of-state entity that is the
substantial equivalent of a micro brewer is in compliance with
applicable state and federal law and applicable regulatory
provisions of this act and rules promulgated by the commission
under this act, including, but not limited to, those requirements
related to each of the following:

(i) Employees that sell and deliver beer to retailers.
(ii) Vehicles used to deliver beer to retailers.
(iii) Price schedules and temporary price reductions.
(iv) 1976 IL 1, MCL 445.571 to 445.576.

(d) The micro brewer or out-of-state entity that is the
substantial equivalent of a micro brewer sells not more than 2,000
barrels of beer total per year. In determining the 2,000-barrel
threshold under this subdivision, all brands and labels of a micro
brewer or out-of-state equivalent of a micro brewer, whether sold
to a wholesaler or a retailer in this state or outside of this
state, must be combined. Sales to consumers on the licensed
premises of the micro brewer or out-of-state entity that is the
substantial equivalent of a micro brewer are not included in
determining the 2,000-barrel threshold under this subdivision.

Enacting section 1. This amendatory act does not take effect
unless all of the following bills of the 100th Legislature are
enacted into law:

(a) House Bill No. 5341.
(b) House Bill No. 5342.
(c) House Bill No. 5344.
(d) House Bill No. 5345.
(e) House Bill No. 5346.
(f) House Bill No. 5347.
(g) House Bill No. 5348.
(h) House Bill No. 5349.
(i) House Bill No. 5350.
(j) House Bill No. 5351.
(k) House Bill No. 5352.
(l) House Bill No. 5353.
(m) House Bill No. 5354.
(n) House Bill No. 5355.
(o) House Bill No. 5400.