

# Legislative Analysis

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## EXPANSION OF MERCHANTS WHO CAN FILL GROWLERS

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<http://www.house.mi.gov/hfa>

**Senate Bill 973 as passed by the Senate**  
**Sponsor: Sen. Dave Hildenbrand**  
**Senate Committee: Regulatory Reform**  
**House Committee: Regulatory Reform**  
**Complete to 12-6-16**

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

*(Public Act 514 of 2016)*

### REVISED SUMMARY:

Senate Bill 973 would amend the Michigan Liquor Control Code to expand the kinds of enterprises that are legally allowed to fill beer growlers. Specifically, it would allow a person holding both a specially designated merchant (SMD) license and a specially designated distributor (SDD) license to fill and sell growlers with beer for off-premises consumption.

An SDM license allows a retailer to sell beer and wine for off-premises consumption. An SDD license allows a retailer to sell spirits for off-premises consumption.

A "growler" means 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.

Currently, the Code to fill and sell growlers with beer for off-premises consumption a business must hold both a specially designated merchant license and one of the following licenses: a Class C, tavern, Class A hotel, Class B hotel, club, Class G-1, or Class G-2.

(A Class C licensee may sell beer, wine, mixed spirit drinks, and spirits at retail 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, and a Class B hotel licensee may sell beer, wine, mixed spirit drink, and spirits, for consumption on the premises and in the rooms of registered guests. A club licensee and a Class G-1 licensee may sell beer, wine, mixed spirit drink, and spirits, and a Class G-2 licensee may sell beer and wine, for on-premises consumption only to members. A club is a nonprofit association. A Class G-1 or G-2 licensee is a golf course facility.

As noted above, under the bill, the list would be expanded to include a business that holds both an SDM license and an SDD license.

The following conditions are imposed on the sale of growlers:

- The premises where the filling of growlers takes place comply with the requirements for food service establishments under the Food Law.

- The growler is sealed and has a label affixed to it that includes at least the brand name and class of the beer, the net contents of the container, and the name of the retailer filling the growler.
- The eligible merchant or the merchant's agent or employee does not fill a growler in advance of the sale.
- The eligible merchant or the merchant's agent or employee uses only containers that have a capacity of five gallons or more to fill a growler.
- The beer to be dispensed has received a registration number from the Michigan Liquor Control Commission and has been approved for sale by the commission.
- The eligible merchant complies with all applicable rules promulgated by the commission.

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

MCL 436.1537

**FISCAL IMPACT:**

The bill would have no fiscal impact on state or local government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.