

LIQUOR CODE: SOCIAL MEDIA ADVERTISING

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

House Bill 5257 as introduced
Sponsor: Rep. Klint Kesto
Committee: Regulatory Reform
Complete to 2-23-16

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

SUMMARY:

House Bill 5257 would amend the Liquor Control Code by adding a new Section 610 to permit unpaid social media advertisements. The bill would take effect 90 days after the date it is enacted.

The following could use unpaid social media to advertise: a wholesaler, manufacturer, outstate seller of beer, outstate seller of wine, outstate seller of mixed spirit drinks, vendor of spirits, broker, and retailer.

The advertisements would be restricted to the following:

- An on-premises brand promotion.
- Beer, wine, or spirits tastings under Section 537.
- A product locator.

The bill would add the following terms applicable to this section:

"Broker" would mean a person, other than an individual, that is licensed by the Liquor Control Commission and that is employed or otherwise retained by a manufacturer of spirits or a vendor of spirits to sell, promote, or otherwise assist in the sale or promotion of spirits.

"On-premises brand promotion" would mean a promotion in the manner provided by the order of the commission issued on October 27, 1999. That order's prohibition against advertising an on-premises promotion by a party off the licensed premises would not apply here.

"Product locator" would mean a program that allows an individual to search the availability of a specific product at licensed retailers in a certain geographic area.

"Social media" would mean a service, platform, or website where users communicate with one another and share media, such as pictures, videos, music, and blogs, with other users free of charge. Social media includes the website of a wholesaler, manufacturer, outstate seller of beer, outstate seller of wine, outstate seller of mixed spirit drink, vendor of spirits, broker, or retailer.

FISCAL IMPACT:

House Bill 5257 would not have a significant fiscal impact on the state or local units of 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.