

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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Senate Bill 443 (as enrolled)

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Sponsor: Senator Michael J. O'Brien

Senate Committee: Regulatory Affairs

House Committee: Liquor Control

PUBLIC ACT 93 of 1989PUBLIC ACT 94 of 1989

SEP 22 1989

Mich. State Law Library

Date Completed: 7-27-89

**RATIONALE**

Since June 1, 1989, wine coolers have been subject to Michigan's beverage container deposit law, also known as the "bottle bill". Wine coolers now must be sold in containers bearing deposits, in the same way that beer and soft drinks have been since 1978. The Liquor Control Commission (LCC) has pointed out, however, that the definition of "mixed wine drink" (i.e., wine coolers) in both the Michigan Liquor Control Act and the Initiated Law of 1976 (the bottle bill) could have a wider scope than is needed to require deposits on wine coolers. The current definition of "mixed wine drink" in both laws states that it is a drink that contains 8% or less alcohol by volume and consists of wine and other nonalcoholic beverages and flavorings, and also may contain water, fruit juices, sugar, and other substances listed in the definition. It has been argued that this definition could apply to a group of fruity wine products that are not commonly considered to be wine coolers, such as apple or cherry wines, or Sangria, and that are marketed in wine bottles. In general, the bottle bill does not apply to wine bottles and liquor bottles. To clear up any confusion over the application of beverage container deposits to "mixed wine drink", it has been suggested that the definition distinguish more precisely between wine coolers and wine that contains fruit juices or flavors.

**CONTENT**

Senate Bill 443 would amend the Initiated Law of 1976, and Senate Bill 444 would amend the Michigan Liquor Control Act to revise the definition of "mixed wine drink".

Under the bills, a mixed wine drink would be a drink or similar product marketed as a wine cooler and containing less than 7% alcohol by volume, consisting of wine and plain, sparkling, or carbonated water and containing any one or more of the following: nonalcoholic beverages, flavoring, coloring materials, fruit juices, fruit adjuncts, sugar, carbon dioxide, and preservatives.

MCL 445.571 (S.B. 443)

436.2 (S.B. 444)

**FISCAL IMPACT**

The bills would have no fiscal impact on State or local government.

**ARGUMENTS****Supporting Argument**

The bills would tighten the definition of "mixed wine drink" so that the definition would more precisely apply to wine coolers, and eliminate any notion that it applies to wine that contains fruit juices or flavorings. Because wine coolers are now subject to the State's beverage container deposit law, while regular wine is not, the bill is necessary to prevent bottles of fruity wine from being required to bear deposits.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

S.B. 443 &amp; 444 (7-27-89)

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Analysis Enrolled

See SB 44~~3~~