

SFA

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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Senate Bill 874

Sponsor: Senator Christopher D. Dingell

Committee: Regulatory Affairs

Date Completed: 5-1-90

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SUMMARY OF SENATE BILL 874 as introduced 3-14-90:

The bill would amend the Michigan Liquor Control Act to specify that a wine supplier's successor would be bound by certain agreements with a wholesaler; to define "successor"; and to specify that wine suppliers could not require disputes between a supplier and a wholesaler to be determined according to another state's laws, in another state's courts, or in Federal court in another state.

Under the Act, a successor to a supplier that continues in business as a wine maker, an outstate seller of wine, or a master distributor is bound by all terms and conditions of each agreement of the supplier in effect on the date of purchase. The bill specifies, instead, that a successor continuing in business as a wine maker, outstate seller of wine, or master distributor would be bound by all terms and conditions of each agreement of the supplier "with a wholesaler licensed in this state that were in effect on the date on which the successor received the distribution rights of the previous supplier". ("Agreement" means any agreement between a wholesaler and a supplier whereby a wholesaler is granted the right to offer and sell a brand or brands of wine sold by a supplier.)

The bill would define "successor" as a supplier who obtained, in any manner from any person, including a person who was not a supplier, the distribution rights of one or more brands of wine that a licensed Michigan wholesaler had distributed in this State pursuant to an agreement with another supplier, who previously had the distribution rights for the brand or brands.

The bill would prohibit a supplier from requiring by a provision of any agreement, or any other instrument in connection with the agreement, that any dispute arising out of or in connection with that agreement be determined through the application of any other state's laws, be determined in Federal court sitting in a state other than Michigan, or be determined in a state court of a state other than Michigan. A provision that contravened this prohibition would be null and void.

MCL 436.30c

Legislative Analyst: S. Margules

FISCAL IMPACT

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

Fiscal Analyst: J. Schultz

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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. 874 (5-1-90)