

**SUBSTITUTE FOR
HOUSE BILL NO. 5349**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 401 (MCL 436.1401).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 401. (1) A manufacturer and outstate seller of beer and
2 malt beverages shall grant to each of its wholesalers an exclusive
3 sales territory, as agreed ~~upon~~**on** between the wholesaler and
4 manufacturer or outstate seller of beer, within which the
5 wholesaler ~~shall be~~**is** the exclusive distributor of the specified
6 brand or brands of the manufacturer or outstate seller of beer.

7 (2) If the manufacturer or outstate seller manufactures or
8 supplies more than 1 brand of beer or malt beverage, the
9 manufacturer or outstate seller may grant exclusive sales



1 territories to different wholesalers for the sale of the different
2 brand or brands.

3 (3) Notwithstanding subsection (2), a brand extension is not
4 considered a new or different brand. A manufacturer or outstate
5 seller of beer or malt beverages shall assign a brand extension to
6 the wholesaler that was granted the exclusive sales territory to
7 the brand from which the brand extension resulted.

8 (4) Subsection (3) does not apply ~~where,~~ **if**, before January 1,
9 1994, a manufacturer or outstate seller of beer or malt beverages
10 had assigned a brand extension to a wholesaler that was not the
11 appointed wholesaler for the brand from which the brand extension
12 was made.

13 (5) ~~Until July 1, 1995, a manufacturer or outstate seller of~~
14 ~~beer or malt beverages who acquired or otherwise obtained the right~~
15 ~~to assign brands of another manufacturer or outstate seller of beer~~
16 ~~or malt beverages between January 1, 1994 and July 1, 1995 shall~~
17 ~~assign a brand extension to the wholesaler that was granted the~~
18 ~~exclusive sales territory to the brand from which the brand~~
19 ~~extension resulted. Beginning July 1, 1995, a manufacturer or~~
20 ~~outstate seller of beer or malt beverages who acquires or otherwise~~
21 ~~obtains the right to assign brands of another manufacturer or~~
22 ~~outstate seller of beer or malt beverages is not required to assign~~
23 ~~a new brand extension to the wholesaler that is granted the~~
24 ~~exclusive sales territory to the brand from which the new brand~~
25 ~~extension results. Any brand extension assigned between January 1,~~
26 ~~1994 and July 1, 1995 shall remain assigned to the assigned~~
27 ~~wholesaler.~~ **Subsection (3) does not apply if, before October 1,**
28 **2019, a successor manufacturer or successor outstate seller of beer**
29 **or malt beverages had assigned a brand extension to a wholesaler**



1 that was not the appointed wholesaler for the brand from which the
2 brand extension was made.

3 (6) The sales territory ~~shall be~~ **under this section is** the
4 territory agreed ~~upon~~ **on** between the wholesaler and manufacturer or
5 outstate seller **of beer**.

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

- 9 (a) House Bill No. 5341.
10 (b) House Bill No. 5342.
11 (c) House Bill No. 5343.
12 (d) House Bill No. 5344.
13 (e) House Bill No. 5345.
14 (f) House Bill No. 5346.
15 (g) House Bill No. 5347.
16 (h) House Bill No. 5348.
17 (i) House Bill No. 5350.
18 (j) House Bill No. 5351.
19 (k) House Bill No. 5352.
20 (l) House Bill No. 5353.
21 (m) House Bill No. 5354.
22 (n) House Bill No. 5355.
23 (o) House Bill No. 5400.

