

# Legislative Analysis

---



## TASTING AND SALE OF WINE AT FARMERS MARKETS

Mary Ann Cleary, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**Senate Bill 79 (Substitute S-7)**  
**Senate Bill 279 (without amendment)**  
**Sponsor: Sen. Goeff Hansen**  
**House Committee: Regulatory Reform**  
**Senate Committee: Regulatory Reform**

**Complete to 5-20-13**

### A SUMMARY OF SENATE BILLS 79 & 279 AS PASSED BY THE SENATE 5-7-13

**Senate Bill 79** (S-7) would add a new Section 415 to the Liquor Control Code allow the Liquor Control Commission (LCC) to issue farmers market permits to qualified small wine makers to conduct wine tastings and sell the wine produced by the qualified small wine maker at retail at a farmers market.

#### Quota

Permits would be subject to a quota of one per county for each 1,500 of population or a fraction of 1,500.

#### Application fee

The bill would establish a \$25 application fee for each farmer's market permit.

#### Multiple locations under a permit

Aside from the quota provisions, the LCC would be prohibited from limiting the number of permits a qualified small wine maker could obtain. However, each permit application could only contain up to five separate locations at one time. Permits would be non-transferable.

#### Local approval

Applicants would be required to provide documentation that the local police agency where the farmers market is located and the manager of the market had approved the proposed sampling and/or sales of wine.

#### Conduct of tastings and sales

Tastings and sales of wine under a farmers market permit would be limited to an exclusive area, in a manner prescribed by the LCC, which was under the control of the permit holder, and verified by the farmer's market manager.

Tastings and sales would have to be conducted by employees of the permit holder who had successfully completed a server training program, as required in Section 906 of the Liquor Control Code. Wine sold or used for tastings would have to be provided from the

stock of the permit holder and would have to be removed from the market premises immediately at the conclusion of the farmer's market.

Tasting samples provided to a consumer could not exceed three servings of not more than two ounces of wine in a 24-hour period.

#### Development of annual application

The LCC would be required to develop an annual farmers market permit application that allows for the licensed activity being proposed in the bill. Applications would have to be verified by the market manager that the location listed on the application meets the definition as a farmers market under the bill.

#### Report

The LCC would be required to submit a report to the House and Senate committees concerned with issues involving liquor control and the House and Senate Fiscal Agencies within two years of the bill's enactment that assesses the continued issuance of farmer's market permits. The report would have to address all of the following: The number of permit applications received each year, the number of permit applications approved each year, and the number of permit applications approved in each county.

#### Enacting Section 1

The bill would take effect 60 days after being signed into law.

**Senate Bill 279** would amend Section 537 of the Liquor Control Code to allow small wine makers and out-of-state entities that are substantially equivalent, assuming they hold a farmers market permit, to sell alcoholic liquor at retail at a market where wine may be sampled and sold for consumption off the licensed premises. Senate Bill 279 is tie-barred to Senate Bill 79.

### **FISCAL IMPACT:**

Senate Bills 79 and 279 would have a nominal, yet indeterminate, fiscal impact on the Liquor Control Commission (LCC) and local law enforcement agencies contingent on whether the \$25 fee for a Farmers Market Permit issued to Qualified Small Wine Makers is sufficient to cover the administrative costs of the LCC (which would receive \$10.25 per application) and local law enforcement agencies (which would receive \$13.75 per application) to review, approve or deny, and issue the permits.

Legislative Analyst: Jeff Stoutenburg  
Fiscal Analyst: Paul Holland

---

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