

Legislative Analysis



ALLOW BEER TASTING BY MICROBREWERS AT FARMERS MARKETS

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House Bill 5426
Sponsor: Rep. Marcia Hovey-Wright

House Bill 5427
Sponsor: Rep. Andy Schor

Committee: Regulatory Reform
Complete to 5-5-14

A REVISED SUMMARY OF HOUSE BILL 5426 AS INTRODUCED 3-25-14

House Bills 5426 and 5427 would amend the Michigan Liquor Control Code to allow microbrewers to provide samples of their beer at farmers markets in Michigan. The bills are tie-barred together, meaning neither can take effect if one is not enacted.

House Bill 5426 would allow the Michigan Liquor Control Commission to issue a nontransferable permit to a microbrewer to conduct tastings and to sell its beer at farmers markets. Small wine makers are already allowed to apply for and receive the same permit. Existing guidelines relating to small wine makers would also apply to microbrewers.

Regardless of where a farmers market is located within a given county, only one permit for a qualified small wine maker and one permit for a qualified microbrewer could be issued for every 1,500, or fraction of 1,500, individuals living in that county. The county's population would be determined by one of the following methods, whichever was conducted most recently: the last decennial federal census; a special census as provided for under the Home Rule City Act (MCL 117.6) or the Glenn Steil State Revenue Sharing Act of 1971 (MCL 141.907); or the latest census and corrections published by the U.S. Department of Commerce, Bureau of the Census.

A \$25 permit fee (as noted in MCL 436.1415) and a \$70 inspection fee (as provided for in MCL 436.1529) would be required with each application. Applicants also would have to submit documentation that the local police agency where the market is located and the market manager have approved the proposed activity. [Note: the current form provided by the Michigan Department of Licensing and Regulatory Affairs for small wine makers contains an authorization form to be signed by the local police agency and farmers market manager.]

While there would be no limit to how many farmers market permits an individual could obtain, each permit would only be valid for up to five separate locations.

Microbrewers must abide by the following rules once they receive a permit:

- Tasting and sales shall take place within a "well defined and clearly marked" area at the market, in a manner prescribed by the commission.

- Tastings and sales shall only be conducted by employees of the farmers market permit holder, and employees must have completed a server training program.
- Beer sold or provided for tasting shall be furnished from the permit holder's stock and immediately removed from market premises after the market has concluded.
- A customer would be limited to not more than three 3-oz. samples of beer in a 24-hour time period.

House Bill 5427 would amend the Michigan Liquor Control Code by adding farmers markets to the list of places a licensed microbrewer is allowed to sell beer.

FISCAL IMPACT:

The bill would have no significant fiscal impact on the state or local units of government.

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■ 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.