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House Bill 4561 (as passed by the House) Sponsor: Representative Tullio Liberati House Committee: Regulatory Reform Senate Committee: Regulatory Affairs

Date Completed: 9-13-23

## **CONTENT**

The bill would amend the Michigan Liquor Control Code to do the following:

- -- Delete a provision that would prohibit a manufacturer or supplier from issuing an electronic rebate coupon that resulted in the retail customer's purchase of alcoholic liquor being below the retailer's cost.
- -- Prohibit a manufacturer or supplier from issuing an electronic rebate coupon that made any alcoholic liquor free.
- -- Allow, instead of prohibiting, a manufacturer or supplier to issue rebate coupons that require the purchase of a product other than alcoholic liquor.

Under the Code, a manufacturer or supplier may offer electronic rebate coupons directly to a retail customer after the customer purchases alcoholic liquor. The coupon must comply with the following requirements.

- -- A manufacturer or supplier can issue coupons that state a specific expiration date and specific cash refund value on the coupon.
- -- A manufacturer or supplier may issue coupons that can be applied to one or more specified product but must state the manufacturer or supplier to which apply.
- -- A manufacturer or supplier can issue coupons that require the retail customer to purchase at least one alcoholic product to redeem a coupon.
- -- A wholesaler cannot pay for or participate in the offering of coupons except for providing signs that promote the rebate coupon.
- -- A manufacturer can only issue coupons that may be redeemable after a purchase of alcoholic liquor at retail locations where that alcoholic liquor is sold.

Additionally, the manufacturer or supplier cannot issue coupons that result in the retail customer's purchase of alcoholic liquor being below the retailer's cost. Instead, the bill would prohibit a manufacturer or supplier from issuing a coupon that made any alcoholic liquor free.

Under the Code, a manufacturer or supplier cannot issue coupons that require the purchase of a product other than alcoholic liquor. The bill would modify this language to allow the manufacturer or supplier to issue such a coupon.

MCL 436.1609h

Legislative Analyst: Eleni Lionas

## FISCAL IMPACT

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

Fiscal Analyst: Elizabeth Raczkowski

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