



Wine Consumers Across Michigan

... Because wine consumers
need a voice at the table

QUICK FACTS ABOUT THE PENDING WINE SHIPPING BILLS

What are the bills, and what's in them?

Two competing sets of bills were introduced in the Michigan legislature. Bills are often amended in committees or the legislative floor, so information about the contents can quickly become outdated.

House Bill (HB) 4959 and Senate Bill (SB) 600 would BAN ALL direct wine shipments to Michigan consumers, from both Michigan and out-of-state wineries. They would also end Michigan wineries' long-existing rights to self-distribute (i.e. sell at wholesale) their wines to retail stores or restaurants, or even sell at retail to consumers from their own tasting rooms. Wineries would be required to sell everything they make only through distributors (wholesalers).

HB 4987-4990 (tied together) and SB 625-628 (tied together) are a package of compromise bills that would PERMIT LIMITED wine shipments to Michigan consumers, 24 cases from a winery in a year, under strict regulations designed to prevent underage purchases and collect state taxes. They would not change current laws that permit Michigan wineries to self-distribute and operate tasting rooms.

What is WineCAM's position on the bills?

We strongly oppose the shipping ban bills, HB 4959 and SB 600, as completely anti-consumer. They would reduce the availability of Michigan-made wines to Michigan residents, while making totally unavailable thousands of out-of-state wines not brought into Michigan by the distribution monopoly. These bills are also anti-winery, and if passed in their present form would, without doubt, put a number of Michigan wineries out of business and discourage new ones from starting.

We haven't taken a position on the compromise regulated shipping bills, HB 4987-4990 and SB 625-628. These bills are clearly preferable to a total shipping ban, and many of their provisions would be acceptable as part of an overall compromise between open shipping on the one hand, and a total ban on the other. But these bills also contain a few provisions that are unacceptably anti-consumer, such as prohibiting Michigan residents from sending home THEIR OWN PURCHASES when they visit wine regions around the country.

There's no good reason to change Michigan's current laws about winery self-distribution and tasting rooms. These subjects were not part of the Supreme Court case. They have no relationship to direct shipping, and don't belong in a bill to remedy the direct shipping question. Current law in these areas works well for both consumers and wineries, and should be left alone.

Why do we need to pass a new wine shipping law at all?

The US Supreme Court ruled Michigan's previous wine shipping law unconstitutional in May 2005, in the *Granholm v. Heald* case. The court said the law was discriminatory under the Interstate Commerce Clause of the US Constitution, because it let Michigan wineries ship directly to Michigan consumers while prohibiting out-of-state wineries from doing the same.

At some point during the next few months, the US District Court in Detroit will give Michigan a deadline for enacting a new law to comply with the Supreme Court ruling. We anticipate this deadline will be before the end of the year.

Nothing in the case concerned the topics of winery self-distribution and tasting rooms. Nothing in the case concerned other alcoholic beverages – i.e. beer and hard liquor. These are unrelated issues that are controlled by separate provisions of Michigan's beverage laws from those regulating wine shipping.

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What's the current status of the bills?

HB 4959 was passed (voted out) by the House Regulatory Reform Committee, and sent to the House floor. It could be brought up for a vote or amendment by the House at any time.

HB 4987-4990 are pending before the House Regulatory Reform Committee. No hearing or vote has been scheduled.

SB 600 and SB 625-628 are pending before the Senate Government Operations Committee. No hearings or votes have been scheduled. WineCAM anticipates that the Senate will not act on any bill until the House passes its version of the legislation.

Which legislators are on which side of the bills?

IMPORTANT: When contacting legislators do not assume anything just because they initially signed as sponsors. This does not obligate them to vote for the bill. That's especially true with sponsors of the total ban. Many of them were unaware of everything the bills contained or how controversial they would become, and are since reconsidering. Legislators not listed did not sponsor any of the bills.

HB 4959 (the ban) was introduced with these sponsors in the House: PRIMARY: Ward; CO-SPONSORS: Byrum, Murphy, Kooiman, Moolenaar, Sak, Meyer, Farrah, Byrnes, Kahn, Caul, Hune, Mortimer, Jones, Vagnozzi, Green, Steil, Gonzales, Garfield, Miller, Marleau, Vander Veen, Clemente, Kehrl, Bennett, Angerer, Leland, Cushingberry, Waters, Virgil Smith, Sheltroun, Lemmons, Jr., Clack, Gleason, Williams, Anderson, Hood, Espinoza, McConico, Gillard, Accavitti, Hopgood, Emmons, Kathleen Law, Taub, Phillips, Meisner, LaJoy, Plakas, Lipsey, Zelenko, Hoogendyk, Hunter, Baxter, Gaffney, Brandenburg, Casperson, Lemmons, III

SB 600 (the ban) was introduced with these sponsors in the Senate: PRIMARY: Emerson; CO-SPONSORS: Thomas, Switalski, Olshove, Gilbert, Clarke, Schauer, Barcia, Clark-Coleman, Brater, Sanborn, Basham, Bernero, Bishop, Scott, Cherry, Leland, Prusi, Goschka

HB 4987-4990 (limited shipping) was introduced with these sponsors in the House: PRIMARY: Reps. Elsenheimer, Walker, Proos, Kolb; CO-SPONSORS: VanderVeen, Huizenga, Pastor, Palmer, Drolet, Nitz, Palsrock

SB 625-628 (limited shipping) was introduced with these sponsors in the Senate: PRIMARY: McManus; CO-SPONSORS: Jelinek, Hammerstrom, Kuipers, Jacobs, Allen

Who else is on which side of the issue?

This issue does NOT conveniently break down as Democrat-Republican, or liberal-conservative. What follows is a generalization; there are individual exceptions.

Primary supporters of a total shipping ban are Michigan's Wine Wholesalers and many wine retailers, who are concerned about losing business if consumers gain direct access to winery shipments from elsewhere in the country. Some law enforcement officials, who say they are concerned about minors and alcohol, also support the ban.

Primary supporters of direct shipping are Michigan's wineries, much of whose business is based on shipping to their customer lists, and Michigan consumers, represented by WineCAM, who want access to the 90% of domestically-produced wines they are unable to buy in their local stores.

Thirteen daily newspapers and weekly magazines across the state have editorially supported regulated direct shipping, along with a number of business and agriculture organizations and individual media columnists. No publication or independent organization supports the total shipping ban.

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