

STATE OF MICHIGAN

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS LIQUOR CONTROL COMMISSION

* * * * *

In the matter of MAIL-IN REBATE COUPONS

At the August 31, 2016 meeting of the Michigan Liquor Control Commission in Lansing, Michigan.

PRESENT: Andrew J. Deloney, Chairman Teri L. Quimby, Commissioner Dennis Olshove, Commissioner

ADMINISTRATIVE ORDER NO. 2016-03 MAIL-IN REBATE COUPONS

Article IV, Section 40, of the Michigan Constitution (1963), permits the legislature to establish a Liquor Control Commission, which shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. MCL 436.1201(2) provides the Commission with the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the manufacture, importation, possession, transportation and sale thereof.

The Commission previously issued Administrative Order of October 7, 1992 providing approval to requests by Outstate Sellers of Beer, Outstate Sellers of Wine, Outstate Sellers of Mixed Spirit Drink, Vendors of Spirits, Small Wine Makers, and Brewers for permission to distribute point of sale material advertising their products which offered consumers the opportunity to receive a cash refund on the purchase of an alcoholic beverage product, specifically mail-in cash refund coupons. Administrative Order of October 7, 1992 was approved pursuant to administrative rules R 436.1321(2) and R 436.1321(3). Administrative rule R 436.1321(3) required approval upon a written order of the Commission for advertising of alcoholic liquor on anything that had value, use, or purpose other than the actual advertising value. Administrative Order of October 7, 1992 provided blanket approval for mail-in cash refund coupons under R 436.1321(3). Administrative rules R 436.1321(2) and R 436.1321(3) were rescinded, effective December 5, 2014.

Under the provisions of MCL 436.1609(3) a manufacturer, Mixed Spirit Drink Manufacturer, Warehouser, Wholesaler, Outstate Seller of Beer, Outstate Seller of Wine, Outstate Seller of Mixed Spirit Drink, or Vendor of Spirits may provide goods and services to another licensee that were approved by the Commission under rules or orders adopted before January 1, 2014. The Commission finds that the Administrative Order of October 7, 1992 does not fall under the provisions of MCL 436.1609(3) because mail-in cash refund coupons do not constitute a good or service to be provided to another licensee inasmuch as mail-in cash refund coupons are intended to be utilized by the end consumer.

After review and discussion of the issues at the meeting, the Commission finds that the Administrative Order of October 7, 1992 should be rescinded, effective immediately, based on the rescission of administrative rules R 436.1321(2) and R 436.1321(3) on December 5, 2014 and based on the Commission's finding that the Administrative Order does not fall under the provisions of MCL 436.1609(3). Furthermore, the Commission finds that in the absence of statutory or administrative rule provisions to the contrary, a licensee does not require approval of the Commission for mail-in cash refund coupons, provided that the licensee complies with all provisions of the Michigan Liquor Control Code and administrative rules.

THEREFORE, IT IS ORDERED that:

A. The Administrative Order of October 7, 1992 is RESCINDED, effective immediately.

B. Any orders, bulletins, policies, directives, memoranda, or other communications regarding mail-in cash refund coupons shall be RESCINDED, effective immediately.

MICHIGAN LIQUOR CONTROL COMMISSION

Andrew J. Deloney, Chairman

Lumby Veri R.C

Teri L. Quimby, Commissioner

Dennis Olshove, Commissioner

D3