SAL OF MICHIGAN

STATE OF MICHIGAN

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS LIQUOR CONTROL COMMISSION

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At the April 7, 2020 meeting of the Michigan Liquor Control Commission (Commission) in Lansing, Michigan.

PRESENT: Pat Gagliardi, Chair

Dennis Olshove, Commissioner Geralyn A. Lasher, Commissioner

ADMINISTRATIVE ORDER NO. 2020-13 MULTI-PACK AND VARIETY CASES

Article IV, Section 40, of the Constitution of Michigan (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. The Commission has the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the

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manufacture, importation, possession, transportation and sale thereof, subject to the Liquor Control Code's provisions. MCL 436.1201(2). Further, the Commission may establish, by order, further business operating procedures for authorized distribution agents (ADAs) relative to the wholesaling and distribution of spirits. Mich Admin Code, R 436.1802(14).

In order to regulate distilled spirit products offered for sale within the state, the Commission finds that Administrative Order 2020-02, which was issued on January 29, 2020, should be amended to address concentrated distilled spirit products.

After review and discussion of these issues at the meeting, the Commission finds that Administrative Order 2020-02, dated January 29, 2020, should be rescinded effective immediately and replaced with this administrative order. The only change to the substantive provisions of Administrative Order 2020-02 is to permit concentrated distilled products in sizes smaller than other standard bottle sizes to be combined to equal a standard bottle size.

THEREFORE, IT IS ORDERED THAT:

- A. Administrative Order 2020-02 issued by the Commission regarding distilled spirit multi pack and variety case requirements is rescinded effective immediately.
- B. A vendor/supplier may offer for sale multi-packs and variety cases that meet the following requirements, after approval by the Commission with a liquor code assigned:
 - A "multi-pack" contains two or more bottles of a distilled spirit that are sold together as a unit to the consumer. A multi-pack is subject to the following:
 - a. The multi-pack may contain all the same or different spirit products in the package.
 - b. The vendor/supplier may offer only one multi-pack per brand and bottle size of a distilled spirit.
 - c. The multi-pack may only include standard bottle size values.
 - d. Standard bottle size values are 50 milliliters (ML), 100 ML, 200ML, 375 ML, 750 ML, 1000 ML and 1750 ML. Each 50 ML,

- 100 ML, 200 ML, 375 ML, 750 ML, 1000 ML or 1750 ML distilled spirit bottle cannot be composed of smaller sizes to "equal" a standard bottle size, unless the smaller sizes are comprised of concentrated distilled spirits.
- e. The multi-pack must only contain spirits currently listed with the Commission.
- f. The retail shelf price of the multi-pack must be equal to or greater than the combined retail shelf prices of the individual items.
- A "variety case" consists of different distilled spirit products in a case that cannot be split. The distilled spirit products in a variety case must either be 50 ML or 100 ML bottles or value-added packages.

Permission to sell variety cases is subject to the following:

- All products in a variety case must be currently listed with the Commission.
- b. Distilled spirit products in 200 ML, 375 ML, 750 ML, 1000 ML and 1750 ML bottles must be part of value added packages and quoted in the Electronic Quotation System (E-Quote) as a value-added package before consideration as a variety case.
- c. Distilled spirit products in 200 ML, 375 ML, 750 ML, 1000 ML and 1750 ML bottles must include a value added item attached to each of those size bottles in the variety case.
- d. Distilled spirit products in 50 ML, 100 ML, 200 ML, 375 ML, 750 ML, 1000 ML, and 1750 ML distilled spirit bottles cannot be composed of smaller sizes to "equal" a standard bottle size, unless the smaller sizes are comprised of concentrated distilled spirits.
- C. A product cannot be filed in E-Quote as a multi-pack and as a variety case.
- D. For all multi-pack and variety case submissions in E-Quote, a vendor/supplier must complete the comments section to include the brand name, flavor, and proof of each type of product in the multi-pack or variety case. The proof quoted in the "proof" field must be the lowest

- proof in the multi-pack or variety case. The Alcohol and Tobacco Tax and Trade Bureau label must reflect the same proof/product.
- E. The certified ADAs may warehouse and distribute only those distilled spirit multipacks and variety cases that have been approved by the Commission.
- F. The certified ADAs shall not separate any of the items contained in a distilled spirit multi-pack or variety case approved by the Commission.
- G. Licensed off-premises retailers shall not separate any of the items contained in a distilled spirit multi-pack approved by the Commission.
- H. This Administrative Order is effective immediately.
- I. Products currently listed that do not comply with this Order will be delisted effective May 3, 2020, and not available for pickup by or delivery to licensees on or after that date. Products received by licensees prior to May 3, 2020 may continue to be sold by licensees on or after May 3, 2020 until the product is depleted.

MICHIGAN LIQUOR CONTROL COMMISSION

Pat Gagliardi, Chair

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Dennis Olshove, Commissioner

Geralyn A. Lasher, Commissioner

Dated: April 7, 2020

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