MICHIGAN SUPREME COURT

National Wine & Spirits, Inc. v. State of Michigan

National Wine & Spirits, Inc. v. State of Michigan · No. SC: 126121; COA: 243524; Ingham CC: 02-000013-CZ · Decided November 29, 2006

SUMMARY

The Michigan Supreme Court vacated its prior order granting leave to appeal and denied leave because it was no longer persuaded that the presented questions warranted review. Separate opinions disagreed, addressing the potential Commerce Clause implications of Michigan Compiled Laws § 436.1205(3) and urging reconsideration in light of Granholm v. Heald.

CASE DETAILS

COURT	Michigan Supreme Court
WRITING FOR THE COURT	Clifford W. Taylor, Chief Justice; Michael F. Cavanagh; Elizabeth A. Weaver; Marilyn Kelly; Maura D. Corrigan; Robert P. Young, Jr.; Stephen J. Markman
JURISDICTION	Michigan
DECIDED	November 29, 2006
DOCKET	SC: 126121; COA: 243524; Ingham CC: 02-000013-CZ
DISPOSITION	other
PROCEDURAL POSTURE	The Michigan Supreme Court had granted leave to appeal, received briefing, and heard oral argument. It then vacated its order granting leave and denied leave to appeal as improvidently granted.
PRECEDENTIAL VALUE	Published Michigan Supreme Court order; majority disposition is procedural and does not resolve the merits of the Commerce Clause challenge.
PARTIES	National Wine & Spirits, Inc., NWS Michigan, Inc., National Wine & Spirits, L.L.C. v. State of Michigan

TOPICS

appellate procedure · appellate jurisdiction · dormant commerce clause · federalism · statutory interpretation

PRACTICE AREAS

appellate procedure | constitutional law | alcohol regulation | interstate commerce

QUESTIONS PRESENTED

1. Whether the Michigan Supreme Court should retain review of the appeal after granting leave, briefing the issues, and hearing oral argument.
2. Whether MCL 436.1205(3), as applied, discriminates against or burdens out-of-state wine distributors in violation of the Commerce Clause, an issue the dissent would have remanded for reconsideration in light of Granholm v. Heald.

HOLDINGS

1. The Court vacated its January 20, 2006 order granting leave to appeal and denied leave because it was no longer persuaded that the questions presented should be reviewed by the Court.

KEY QUOTATIONS

> *"the order of January 20, 2006 which granted leave to appeal is VACATED and leave to appeal is DENIED because we are no longer persuaded the questions presented should be reviewed by this Court."*

> *"Given the constitutional implications posed by the application of § 205(3), and given the United States Supreme Court's mandate against differential treatment of out-of-state economic interests, a remand to the Court of Appeals for reconsideration in light of Granholm would be the most judicious resolution of this case."* (4)

FACTUAL BACKGROUND

The dispute concerned MCL 436.1205(3), which regulated the ability of wine wholesalers and authorized distribution agents of spirits to distribute particular brands in particular geographic areas. The dissent stated that the statute preserved advantages for Michigan wine distributors operating before September 24, 1996, including the ability to act as both wine distributors and authorized distribution agents of spirits and to continue certain exclusive brand-distribution arrangements. The dissent reasoned that out-of-state distributors could not obtain equivalent benefits and that the statute might therefore burden interstate commerce.

PROCEDURAL HISTORY

The case originated in the Ingham Circuit Court and proceeded to the Michigan Court of Appeals. The Michigan Supreme Court granted leave to appeal on January 20, 2006, after the Court of Appeals decision, but on November 29, 2006 vacated that order and denied leave because it was no longer persuaded that the questions presented warranted review. Justice Weaver would have remanded to the Court of Appeals for reconsideration in light of Granholm v. Heald.

DISPOSITION

other

CASES CITED

- Granholm v. Heald, 544 U.S. 460 (2005)
- Brown-Forman Distillers Corp. v. New York State Liquor Authority, 476 U.S. 573, 578-579 (1986)
- Philadelphia v. New Jersey, 437 U.S. 617 (1978)
- Shafer v. Farmers Grain Co., 268 U.S. 189 (1925)
- Edgar v. MITE Corp., 457 U.S. 624, 640-643 (1982)
- Pike v. Bruce Church, Inc., 397 U.S. 137, 142 (1970)
- Raymond Motor Transportation, Inc. v. Rice, 434 U.S. 429, 440-441 (1978)
- Oregon Waste Systems, Inc. v. Department of Environmental Quality of Oregon, 511 U.S. 93, 99 (1994)
- New Energy Co. of Indiana v. Limbach, 486 U.S. 269, 274 (1988)
- H. P. Hood & Sons, Inc. v. Du Mond, 336 U.S. 525, 539 (1949)
- Hughes v. Oklahoma, 441 U.S. 322, 325-326 (1979)

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