

**SUBSTITUTE FOR
SENATE BILL NO. 1139**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending sections 105, 107, 109, 111, 113, 113a, 204, 301, 303,
307, 502, 504, 518, 521, 525, 532, 536, 537, 545, 601, 603, 605,
607, 608, 610, 610a, 611, 914b, 1019, 1025, 1027, 1101, 1103, 1105,
1113, 1114, and 1115 (MCL 436.1105, 436.1107, 436.1109, 436.1111,
436.1113, 436.1113a, 436.1204, 436.1301, 436.1303, 436.1307,
436.1502, 436.1504, 436.1518, 436.1521, 436.1525, 436.1532,
436.1536, 436.1537, 436.1545, 436.1601, 436.1603, 436.1605,
436.1607, 436.1608, 436.1610, 436.1610a, 436.1611, 436.1914b,
436.2019, 436.2025, 436.2027, 436.2101, 436.2103, 436.2105,
436.2113, 436.2114, and 436.2115), section 105 as amended by 2018
PA 414, section 107 as amended by 2019 PA 126, section 109 as



amended by 2020 PA 120, section 111 as amended by 2020 PA 115, section 113 as amended by 2018 PA 405, section 113a as amended by 2018 PA 416, section 204 as added by 2018 PA 178, section 301 as amended by 2020 PA 110, section 303 as amended by 2018 PA 154, section 307 as amended by 2020 PA 114, section 502 as amended by 2020 PA 112, section 504 as added by 2020 PA 80, section 518 as amended by 2010 PA 279, section 521 as amended by 2006 PA 502, section 525 as amended by 2016 PA 434, section 532 as amended by 2018 PA 104, section 536 as amended by 2020 PA 126, section 537 as amended by 2020 PA 117, section 545 as amended by 2016 PA 328, section 601 as amended by 2019 PA 125, section 603 as amended by 2018 PA 407, section 605 as amended by 2014 PA 45, section 607 as amended by 2018 PA 417, section 608 as added by 2019 PA 127, section 610 as added by 2016 PA 106, section 610a as added by 2017 PA 131, section 914b as added by 2018 PA 346, sections 1025 and 1027 as amended by 2019 PA 131, sections 1113 and 1114 as amended by 2011 PA 27, and section 1115 as amended by 2010 PA 213.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 105. (1) "Alcohol" means the product of distillation of
2 fermented liquid, whether or not rectified or diluted with water,
3 but does not mean ethyl or industrial alcohol, diluted or not, that
4 has been denatured or otherwise rendered unfit for beverage
5 purposes.

6 (2) "Alcohol vapor device" means any device that provides for
7 the use of air or oxygen bubbled through alcoholic liquor to
8 produce a vapor or mist that allows the user to inhale this
9 alcoholic vapor through the mouth or nose.

10 (3) "Alcoholic liquor" means any spirituous, vinous, malt, or
11 fermented liquor, powder, liquids, and compounds, whether or not



1 medicated, proprietary, patented, and by whatever name called,
 2 containing 1/2 of 1% or more of alcohol by volume that are fit for
 3 use for food purposes or beverage purposes as defined and
 4 classified by the commission according to alcoholic content as
 5 belonging to 1 of the varieties defined in this chapter.

6 (4) "Alternating proprietorship" means 1 of the following:

7 (a) An arrangement in which 2 or more wine makers or small
 8 wine makers take turns using the same space and equipment to
 9 manufacture wine ~~pursuant to~~ **as defined in section 113(9)(a) or**
 10 **113a(9)(a) under** section 603(9)(a) and in accordance with 27 CFR
 11 24.136.

12 (b) An arrangement in which 2 or more brewers or micro brewers
 13 take turns using the same space and equipment to manufacture beer
 14 pursuant to section 603(9)(b) and in accordance with 27 CFR 25.52.

15 (5) "Approved tasting room" means a tasting room that is
 16 approved by the commission.

17 (6) "Authorized distribution agent" means a person approved by
 18 the commission to do 1 or more of the following:

19 (a) To store spirits owned by a supplier of spirits or the
 20 commission.

21 (b) To deliver spirits sold by the commission to retail
 22 licensees.

23 (c) To perform any function needed to store spirits owned by a
 24 supplier of spirits or by the commission or to deliver spirits sold
 25 by the commission to retail licensees.

26 (7) "Bar" means a barrier or counter at which alcoholic liquor
 27 is sold to, served to, or consumed by customers.

28 (8) "Beer" means ~~any~~ **a** beverage obtained by alcoholic
 29 fermentation of an infusion or decoction of barley, malt, hops,



1 **sugar**, or other cereal in potable water.

2 (9) "Bottle" or "bottling" means a process, separate from
3 manufacturing, using owned or leased equipment to fill and seal a
4 container, including a keg, with alcoholic liquor for sale at
5 wholesale or retail in accordance with this act. Bottle or bottling
6 does not include filling a growler for sale at retail.

7 (10) "Brand" means any word, name, group of letters, symbol,
8 trademark, or combination thereof adopted and used by a supplier to
9 identify a specific beer, malt beverage, wine, **or** mixed wine drink
10 ~~, or mixed spirit drink~~ product and to distinguish that product
11 from another beer, malt beverage, wine, **or** mixed wine drink ~~, or~~
12 ~~mixed spirit drink~~ product that is produced or marketed by that or
13 another supplier. As used in this subsection, "supplier" means a
14 brewer, micro brewer, an outstate seller of beer, a wine maker, a
15 small wine maker, an outstate seller of wine, a manufacturer of
16 mixed wine drink, **or** an outstate seller of a mixed wine drink. ~~, a~~
17 ~~mixed spirit drink manufacturer, or an outstate seller of mixed~~
18 ~~spirit drink.~~

19 (11) "Brand extension" means any brand that incorporates all
20 or a substantial part of the unique features of a preexisting brand
21 of the same supplier. As used in this subsection, "supplier" means
22 a brewer, micro brewer, an outstate seller of beer, a wine maker, a
23 small wine maker, an outstate seller of wine, a manufacturer of
24 mixed wine drink, **or** an outstate seller of a mixed wine drink. ~~, a~~
25 ~~mixed spirit drink manufacturer, or an outstate seller of mixed~~
26 ~~spirit drink.~~

27 (12) "Brandy" means an alcoholic liquor as defined in 27 CFR
28 5.22(d).

29 (13) "Brandy manufacturer" means a wine maker or a small wine



1 maker licensed under this act to manufacture brandy. A wine maker
2 or small wine maker authorized to manufacture brandy shall not
3 manufacture any other spirits. The commission may approve a brandy
4 manufacturer to sell brandy that it manufactures at retail in
5 accordance with section 537.

6 (14) "Brewer" means a person located in this state that is
7 licensed to manufacture beer and sell at retail in accordance with
8 section 537 and to licensed wholesalers beer manufactured by ~~it~~**the**
9 **person.**

10 (15) "Brewpub" means a license issued in conjunction with a
11 class C, tavern, class A hotel, or class B hotel license that
12 authorizes the person licensed with the class C, tavern, class A
13 hotel, or class B hotel to manufacture and brew not more than
14 18,000 barrels of beer per calendar year in this state and sell at
15 its licensed premises the beer produced for consumption on or off
16 the licensed brewery premises in the manner provided for in
17 sections 405, 407, and 537.

18 Sec. 107. (1) "Cash" means money in hand, bank notes, demand
19 deposits at a bank, or legal tender, ~~which~~**that** a creditor must
20 accept according to law. Cash does not include call loans,
21 postdated checks, or promissory notes.

22 (2) "Class C license" means a place licensed to sell at retail
23 beer, wine, ~~mixed spirit drink,~~ and spirits for consumption on the
24 premises.

25 (3) "Class G-1 license" means a place licensed to sell at
26 retail beer, wine, ~~mixed spirit drink,~~ and spirits for consumption
27 on the premises at a golf course having at least 18 holes that
28 measure at least 5,000 yards and which license is issued only to a
29 facility that permits member access by means of payments that



1 include annual paid membership fees.

2 (4) "Class G-2 license" means a place licensed to sell at
3 retail beer and wine for consumption on the premises at a golf
4 course having at least 18 holes that measure at least 5,000 yards
5 and which license is issued only to a facility that permits member
6 access by means of payments that include annual paid membership
7 fees.

8 (5) "Club" means a nonprofit association, whether incorporated
9 or unincorporated, organized for the promotion of some common
10 purpose, the object of which is owning, hiring, or leasing a
11 building, or space in a building, of an extent and character as in
12 the judgment of the commission may be suitable and adequate for the
13 reasonable and comfortable use and accommodation of its members and
14 their guests, but does not include an association organized for a
15 commercial or business purpose.

16 (6) "Commission" means the liquor control commission created
17 in section 209.

18 (7) "Church" means an entire house or structure set apart
19 primarily for use for purposes of public worship, and that is tax
20 exempt under the laws of this state, and in which religious
21 services are held and with which a clergyman is associated, and the
22 entire structure of which is kept for that use and not put to any
23 other use inconsistent with that use.

24 (8) "Distiller" means a person licensed to manufacture and
25 sell spirits or alcohol, or both, of any kind.

26 (9) "Hotel" means a building or group of buildings located on
27 the same or adjoining pieces of real property, that provide lodging
28 to travelers and temporary residents and that may also provide food
29 service and other goods and services to registered guests and to



1 the public.

2 (10) "Class A hotel" means a hotel licensed by the commission
3 to sell beer and wine for consumption on the premises only, ~~which~~
4 **that** provides for the rental of, and maintains the availability for
5 rental of, not less than 25 bedrooms if located in a local
6 governmental unit with a population of less than 175,000 or not
7 less than 50 bedrooms if located in a local governmental unit with
8 a population of 175,000 or more.

9 (11) "Class B hotel" means a hotel licensed by the commission
10 to sell beer, wine, ~~mixed spirit drink,~~ and spirits for consumption
11 on the premises only, that provides for the rental of, and
12 maintains the availability for rental of, not less than 25 bedrooms
13 if located in a local governmental unit with a population of less
14 than 175,000 or not less than 50 bedrooms if located in a local
15 governmental unit with a population of 175,000 or more.

16 (12) "Financial records" means any document or summary of
17 information contained in a document, including electronic
18 documents, that contains information about the financial activities
19 or position of a person including, but not limited to, information
20 about the assets, balance sheets, budgets, cash flow, earnings,
21 revenue, expenditures, income, investments, losses, liabilities,
22 payroll, profits, retained earnings, or taxes.

23 (13) "License" means a contract between the commission and the
24 licensee granting authority to that licensee to manufacture and
25 sell, ~~or~~ sell, or warehouse alcoholic liquor in the manner provided
26 by this act.

27 Sec. 109. (1) "Manufacture" means to distill, rectify,
28 ferment, brew, make, produce, filter, mix, concoct, process, or
29 blend an alcoholic liquor or to complete a portion of 1 or more of



1 these activities. Manufacture does not include bottling or the
2 mixing or other preparation of drinks for serving by those persons
3 authorized under this act to serve alcoholic liquor for consumption
4 on the licensed premises. In addition, manufacture does not include
5 attaching a label to a shiner. All containers or packages of
6 alcoholic liquor must state clearly the name, city, and state of
7 the bottler.

8 (2) "Manufacturer" means, **except as provided in section 603**, a
9 person that manufactures alcoholic liquor, whether located in or
10 out of this state, including, but not limited to, a distiller, a
11 small distiller, a rectifier, ~~a mixed spirit drink manufacturer, a~~
12 mixed wine drink manufacturer, a wine maker, a small wine maker, a
13 brewer, and a micro brewer.

14 (3) "Manufacturing premises" means the licensed premises of a
15 manufacturer where the manufacturer manufactures alcoholic liquor
16 or, for a small wine maker only, bottles wine.

17 (4) "Master distributor" means, **except as provided in section**
18 **307**, a wholesaler that acts in the same or similar capacity as a
19 brewer, wine maker, outstate seller of wine, or outstate seller of
20 beer for a brand or brands of beer or wine to other wholesalers on
21 a regular basis in the normal course of business.

22 (5) "Micro brewer" means a brewer that manufactures in total
23 less than 60,000 barrels of beer per year and that may sell the
24 beer manufactured to consumers at the licensed brewery premises for
25 consumption on or off the licensed brewery premises and to
26 retailers as provided in section 203a. In determining the 60,000-
27 barrel threshold, all brands and labels of a brewer, whether
28 manufactured in this state or outside this state, must be combined
29 and all facilities for the manufacturing of beer that are owned or



controlled by the same person must be treated as a single facility.

(6) "Minor" means an individual less than 21 years of age.

~~(7) "Mixed spirit drink" means a drink manufactured and packaged or sold by a mixed spirit drink manufacturer or sold by an outstate seller of mixed spirit drink to a wholesaler that contains 10% or less alcohol by volume consisting of spirits mixed with nonalcoholic beverages or flavoring or coloring materials and that may also contain 1 or more of the following:~~

~~(a) Water.~~

~~(b) Fruit juices.~~

~~(c) Fruit adjuncts.~~

~~(d) Sugar.~~

~~(e) Carbon dioxide.~~

~~(f) Preservatives.~~

~~(8) "Mixed spirit drink manufacturer" means a person licensed under this act to manufacture mixed spirit drink in this state and to sell mixed spirit drink at retail in accordance with section 537 or to a wholesaler. For purposes of rules promulgated by the commission, a mixed spirit drink manufacturer is treated as a wine manufacturer but is subject to the rules applicable to spirits for manufacturing and labeling.~~

(7) ~~(9)~~ "Mixed wine drink" means a drink or similar product marketed as a wine cooler that contains less than 7% alcohol by volume, consists of wine and plain, sparkling, or carbonated water, and contains any 1 or more of the following:

(a) Nonalcoholic beverages.

(b) Flavoring.

(c) Coloring materials.

(d) Fruit juices.



1 (e) Fruit adjuncts.

2 (f) Sugar.

3 (g) Carbon dioxide.

4 (h) Preservatives.

5 (8) "Outstate self-distributor" means a person located in
6 another state that is the substantial equivalent of a micro brewer,
7 small distiller, or small wine maker licensed by the commission to
8 sell alcoholic liquor that the person manufactured outside this
9 state directly to a retailer under sections 203(20), 203a, and 203b
10 in accordance with rules promulgated by the commission. An
11 applicant for an outstate self-distributor license must submit a
12 copy of its federal basic permit or brewer's notice and its
13 manufacturing license from the state of issuance.

14 (9) ~~(10)~~ "Outstate seller of beer" means a person licensed by
15 the commission to sell beer that has not been manufactured in this
16 state, or beer that the person purchased from a limited production
17 manufacturer, to a wholesaler in this state in accordance with
18 rules promulgated by the commission. As used in this subsection,
19 "limited production manufacturer" means a person licensed under
20 section 504.

21 ~~(11) "Outstate seller of mixed spirit drink" means a person~~
22 ~~licensed by the commission to sell mixed spirit drink that has not~~
23 ~~been manufactured in this state to a wholesaler in this state in~~
24 ~~accordance with rules promulgated by the commission. For purposes~~
25 ~~of rules promulgated by the commission, an outstate seller of mixed~~
26 ~~spirit drink is treated as an outstate seller of wine but is~~
27 ~~subject to the rules applicable to spirits for manufacturing and~~
28 ~~labeling.~~

29 (10) ~~(12)~~ "Outstate seller of wine" means a person licensed by



1 the commission to sell wine that has not been manufactured in this
2 state to a wholesaler in this state in accordance with rules
3 promulgated by the commission and to sell sacramental wine as
4 provided in section 301. **An outstate seller of wine is subject to**
5 **the administrative rules applicable to wine manufacturing and**
6 **labeling for wine as defined in section 113(9) (a) or 113a(9) (a) . An**
7 **outstate seller of wine is subject to the administrative rules**
8 **applicable to spirits manufacturing and labeling for wine as**
9 **defined in section 113(9) (b) or 113a(9) (b) . An outstate seller of**
10 **wine that sells only wine as defined in section 113(9) (b) or**
11 **113a(9) (b) is not subject to the administrative rules applicable to**
12 **wine manufacturing and labeling for wine as defined in section**
13 **113(9) (a) or 113a(9) (a) . The commission shall reclassify an**
14 **outstate seller of mixed spirit drink license issued before May 1,**
15 **2021 to an outstate seller of wine license upon the licensee**
16 **demonstrating that it will comply with the administrative rules**
17 **applicable to spirits manufacturing and labeling for wine as**
18 **defined in section 113(9) (b) or 113a(9) (b) .**

19 Sec. 111. (1) "Person" means an individual, firm, partnership,
20 limited partnership, association, limited liability company, or
21 corporation.

22 (2) "Primary source of supply" means, ~~in the case of~~ **for**
23 domestic spirits, the distiller, producer, owner of the commodity
24 at the time it becomes a marketable product, or bottler, or the
25 exclusive agent of the distiller, producer, owner of the commodity
26 at the time it becomes a marketable product, or bottler, and, for
27 spirits imported into the United States, either the foreign
28 distiller, producer, owner, or bottler, or the prime importer for,
29 or the exclusive agent in the United States of, the foreign



1 distiller, producer, owner, or bottler.

2 (3) "Professional account" means an account established for a
3 person by a class C licensee or tavern licensee whose major
4 business is the sale of food, by which the licensee extends credit
5 to the person for not more than 30 days.

6 (4) "Residence" means the premises in which a person resides
7 permanently.

8 (5) "Restaurant" means a food service establishment defined
9 and licensed under the food law, 2000 PA 92, MCL 289.1101 to
10 289.8111. A restaurant that does not hold a license issued by the
11 commission under this act shall not manufacture, market, deliver,
12 or sell alcoholic liquor in this state.

13 (6) "Retailer" means a person licensed by the commission that
14 sells to the consumer in accordance with rules promulgated by the
15 commission. Retailer includes a brewpub but does not include a
16 manufacturer or supplier, as defined in section 603, that is
17 allowed as a condition of its license to sell to consumers in this
18 state.

19 (7) "Sacramental wine" means wine containing not more than 24%
20 of alcohol by volume that is used for sacramental purposes.

21 (8) "Sale" includes the exchange, barter, traffic, furnishing,
22 delivery, or giving away of alcoholic liquor. For a sale in which a
23 shipment or delivery of alcoholic liquor is made by a common or
24 other carrier, the sale of the alcoholic liquor is considered to be
25 made in the county within which the delivery of the alcoholic
26 liquor is made by that carrier to the consignee or his or her agent
27 or employee, and venue for the prosecution for that sale may be in
28 the county or city where the seller resides or from which the
29 shipment is made or at the place of delivery.



(9) "School" includes buildings used for school purposes to provide instruction to children in grades kindergarten through 12, if that instruction is provided by a public, private, denominational, or parochial school, except those buildings used primarily for adult education or college extension courses. School does not include a proprietary trade or occupational school.

(10) "Shiner" means an unlabeled, sealed container of wine, including a keg, that is sold by a wine maker, small wine maker, or out-of-state entity that is the substantial equivalent of a wine maker or small wine maker to another wine maker, small wine maker, or out-of-state entity that is the substantial equivalent of a wine maker or small wine maker. The purchasing wine maker or small wine maker must attach a label to the container using equipment owned or leased by the purchasing wine maker or small wine maker, register the wine label with the commission, and sell it as provided for in this act.

(11) "Small distiller" means a manufacturer of spirits annually manufacturing in this state not more than 60,000 gallons of spirits, of all brands combined.

(12) "Small wine maker" means a wine maker manufacturing or bottling not more than 50,000 gallons of wine **as defined in section 113(9) (a) or 113a(9) (a) in 1 calendar year or an unlimited amount of wine as defined in section 113(9) (b) or 113a(9) (b) in a calendar year.** A small wine maker is not required to bottle wine it manufactures. **A small wine maker that manufactures only wine as defined in section 113(9) (b) or 113a(9) (b) is not subject to the administrative rules applicable to wine manufacturing and labeling for wine as defined in section 113(9) (a) or 113a(9) (a). The commission shall reclassify a manufacturer of mixed spirit drink**



1 license issued before May 1, 2021 to a small wine maker license
2 upon the licensee demonstrating that it will comply with the
3 administrative rules applicable to spirits manufacturing and
4 labeling for wine as defined in section 113(9) (b) or 113a(9) (b) .

5 (13) "Special license" means a contract between the commission
6 and the special licensee granting authority to that licensee to
7 sell beer, wine, ~~mixed spirit drink~~, or spirits. The license must
8 be granted only to the persons and the organization and for the
9 period of time that the commission determines if the person or
10 organization is able to demonstrate an existence separate from an
11 affiliated umbrella organization. If such an existence is
12 demonstrated, the commission shall not deny a special license
13 solely by the applicant's affiliation with an organization that is
14 also eligible for a special license.

15 (14) "Specially designated distributor" means, subject to
16 section 534, a person engaged in an established business licensed
17 by the commission to distribute spirits ~~and mixed spirit drink~~ in
18 the original package for the commission for consumption off the
19 premises.

20 (15) "Specially designated merchant" means a person to whom
21 the commission grants a license to sell beer, or wine, or both, at
22 retail for consumption off the licensed premises.

23 (16) "Spirits" means a beverage that contains alcohol obtained
24 by distillation, mixed with potable water or other substances, or
25 both, in solution, and includes wine containing an alcoholic
26 content of more than 21% by volume, except sacramental wine and
27 mixed spirit drink.

28 (17) "State liquor store" means a store established by the
29 commission under this act for the sale of spirits in the original



1 package for consumption off the premises.

2 (18) "Successor to a supplier that continues in business"
3 means a supplier that acquires a brand or brands from another
4 supplier and remains in business after it acquires that brand or
5 brands. As used in this subsection, "supplier" means any of the
6 following:

7 (a) Brewer.

8 (b) Outstate seller of beer.

9 (c) Master distributor.

10 (d) Wine maker.

11 (e) Outstate seller of wine.

12 (19) "Supplier of spirits" means a vendor of spirits, a
13 manufacturer of spirits, or a primary source of supply.

14 Sec. 113. (1) "Tasting room" means any of the following
15 locations:

16 (a) A location on the manufacturing premises of a brewer or
17 micro brewer where the brewer or micro brewer may provide samples
18 of or sell at retail for consumption on or off the premises, or
19 both, beer it manufactures.

20 (b) A location on or off the manufacturing premises of a wine
21 maker or small wine maker where the wine maker or small wine maker
22 may provide samples of or sell at retail for consumption on or off
23 the premises, or both, shiners, wine it manufactured, or, for a
24 small wine maker only, wine it bottled.

25 (c) A location on or off the manufacturing premises of a
26 distiller or small distiller where the distiller or small distiller
27 may provide samples of or sell at retail for consumption on or off
28 the premises, or both, spirits it manufactured.

29 ~~(d) A location on the manufacturing premises of a mixed spirit~~



~~1 drink manufacturer where the mixed spirit drink manufacturer may~~
~~2 provide samples of or sell at retail for consumption on or off the~~
~~3 premises, or both, mixed spirit drinks it manufactured.~~

4 (d) ~~(e)~~ A location on or off the manufacturing premises of a
 5 brandy manufacturer where the brandy manufacturer may provide
 6 samples of or sell at retail for consumption on or off the
 7 premises, or both, brandy it manufactured.

8 (2) "Tavern" means any place licensed to sell at retail beer
 9 and wine for consumption on the premises only.

10 (3) "Vehicle" means any means of transportation by land, by
 11 water, or by air.

12 (4) "Vendor" means a person licensed by the commission to sell
 13 alcoholic liquor.

14 (5) "Vendor of spirits" means a person selling spirits to the
 15 commission.

16 (6) "Warehouse" means a premises or place primarily
 17 constructed, used, or provided with facilities for the storage in
 18 transit or other temporary storage of perishable goods or for the
 19 conduct of a warehousing business, or for both.

20 (7) "Warehouser" means a licensee authorized by the commission
 21 to store alcoholic beverages, but prohibited from making sales or
 22 deliveries to retailers unless the licensee is also the holder of a
 23 wholesaler or manufacturer license issued by the commission.

24 (8) "Wholesaler" means a person ~~who~~**that** is licensed by the
 25 commission and sells beer ~~, or~~ wine ~~, or mixed spirit drink~~ only to
 26 retailers or other licensees, and ~~who~~**that** sells sacramental wine
 27 as provided in section 301. A wholesaler includes a person ~~who~~**that**
 28 may also act as a master distributor unless prohibited from doing
 29 so by its supplier or manufacturer in a written agreement required



by either section 305(3)(i) or 403(3)(i) and, by mutual agreement with an outstate seller of beer or wine, can be authorized by the outstate seller of beer or wine to do, in the manner prescribed by the commission, either or both of the following:

(a) Register with this state the labels of the outstate seller of beer or wine.

(b) On behalf of the outstate seller of beer or wine, collect excise taxes levied by this state and remit the taxes to the commission.

(9) "Wine" means ~~the~~ **either of the following:**

(a) A product ~~made~~ manufactured by the normal alcoholic fermentation of the juice of sound, ripe grapes, or any other fruit with the usual cellar treatment, and containing not more than 21% of alcohol by volume, including cider made from apples or pears, or both, ~~which~~ **that** contains at least 1/2 of 1% of alcohol by volume, or mead or honey wine made from honey, fermented fruit juices other than grapes, and mixed wine drinks.

(b) A product that contains 16% or less alcohol by volume consisting of spirits mixed with nonalcoholic beverages or flavoring or coloring materials and that may also contain 1 or more of the following:

(i) Water.

(ii) Fruit juices.

(iii) Fruit adjuncts.

(iv) Sugar.

(v) Carbon dioxide.

(vi) Preservatives.

(10) "Wine maker" means ~~any~~ **a** person licensed by the commission to manufacture wine and to sell that wine to a



1 wholesaler, to a consumer by direct shipment **other than wine as**
 2 **defined in subsection (9) (b)**, at retail ~~on the licensed winery~~
 3 ~~premises, at an approved tasting room under section 536,~~ to sell
 4 that wine **other than wine as defined in subsection (9) (b)** to a
 5 retailer, and as provided for in section 537. **A wine maker is**
 6 **subject to the administrative rules applicable to wine**
 7 **manufacturing and labeling for wine as defined in subsection**
 8 **(9) (a).** **A wine maker is subject to the administrative rules**
 9 **applicable to spirits manufacturing and labeling for wine as**
 10 **defined in subsection (9) (b).**

11 Sec. 113a. (1) "Tasting room" means any of the following
 12 locations:

13 (a) A location on the manufacturing premises of a brewer or
 14 micro brewer where the brewer or micro brewer may provide samples
 15 of or sell at retail for consumption on or off the premises, or
 16 both, beer it manufactures.

17 (b) A location on or off the manufacturing premises of a wine
 18 maker or small wine maker where the wine maker or small wine maker
 19 may provide samples of or sell at retail for consumption on or off
 20 the premises, or both, shiners, wine it manufactured, or, for a
 21 small wine maker only, wine it bottled.

22 (c) A location on or off the manufacturing premises of a
 23 distiller or small distiller where the distiller or small distiller
 24 may provide samples of or sell at retail for consumption on or off
 25 the premises, or both, spirits it manufactured.

26 ~~(d) A location on the manufacturing premises of a mixed spirit~~
 27 ~~drink manufacturer where the mixed spirit drink manufacturer may~~
 28 ~~provide samples of or sell at retail for consumption on or off the~~
 29 ~~premises, or both, mixed spirit drinks it manufactured.~~



(d) ~~(e)~~ A location on or off the manufacturing premises of a brandy manufacturer where the brandy manufacturer may provide samples of or sell at retail for consumption on or off the premises, or both, brandy it manufactured.

(2) "Tavern" means any place licensed to sell at retail beer and wine for consumption on the premises only.

(3) "Vehicle" means any means of transportation by land, by water, or by air.

(4) "Vendor" means a person licensed by the commission to sell alcoholic liquor.

(5) "Vendor of spirits" means a person selling spirits to the commission.

(6) "Warehouse" means a premises or place primarily constructed, used, or provided with facilities for the storage in transit or other temporary storage of perishable goods or for the conduct of a warehousing business, or for both.

(7) "Warehouser" means a licensee authorized by the commission to store alcoholic liquor, but prohibited from making sales or deliveries to retailers unless the licensee is also the holder of a wholesaler license issued by the commission.

(8) "Wholesaler" means a person ~~who~~**that** is licensed by the commission and sells beer ~~, or wine, or mixed spirit drink~~ only to retailers or other licensees, and ~~who~~**that** sells sacramental wine as provided in section 301. A wholesaler includes a person ~~who~~**that** may also act as a master distributor unless prohibited from doing so by its supplier or manufacturer in a written agreement required by either section 305(3)(i) or 403(3)(i) and, by mutual agreement with an outstate seller of beer or wine, can be authorized by the outstate seller of beer or wine to do, in the manner provided by



1 the commission, either or both of the following:

2 (a) Register with this state the labels of the outstate seller
3 of beer or wine.

4 (b) On behalf of the outstate seller of beer or wine, collect
5 excise taxes levied by this state and remit the taxes to the
6 commission.

7 (9) "Wine" means ~~the~~ **either of the following:**

8 **(a) A product ~~made~~ manufactured** by the normal alcoholic
9 fermentation of the juice of sound, ripe grapes, or any other fruit
10 with the usual cellar treatment, and containing not more than 21%
11 of alcohol by volume, including cider made from apples or pears, or
12 both, ~~which~~ **that** contains at least 1/2 of 1% alcohol by volume, or
13 mead or honey wine made from honey, fermented fruit juices other
14 than grapes, and mixed wine drinks.

15 **(b) A product that contains 16% or less alcohol by volume**
16 **consisting of spirits mixed with nonalcoholic beverages or**
17 **flavoring or coloring materials and that may also contain 1 or more**
18 **of the following:**

19 **(i) Water.**

20 **(ii) Fruit juices.**

21 **(iii) Fruit adjuncts.**

22 **(iv) Sugar.**

23 **(v) Carbon dioxide.**

24 **(vi) Preservatives.**

25 (10) "Wine maker" means ~~any~~ **a** person licensed by the
26 commission to manufacture wine, to sell that wine to a wholesaler,
27 to sell that wine **other than wine as defined in subsection (9) (b)**
28 **by direct shipment to a consumer, at retail ~~on the licensed winery~~**
29 **premises, at an approved tasting room under section 536, and as**



provided for in section 537 but not to sell wine to a retailer. **A wine maker is subject to the administrative rules applicable to wine manufacturing and labeling for wine as defined in subsection (9) (a). A wine maker is subject to the administrative rules applicable to spirits manufacturing and labeling for wine as defined in subsection (9) (b).**

Sec. 204. (1) Except for an individual who brings, transports, ships, or imports alcoholic liquor into this state under section 203(8) or (9), as applicable, for a retailer, or for sacramental wines imported under section 301, a person shall not sell, deliver, or import beer ~~, or wine, or mixed spirit drink~~ in this state unless the person is 1 of the following:

(a) A supplier as that term is defined in section 603.

(b) A licensed direct shipper described in section 203(10).

(c) A wholesaler.

(2) Except for an individual who brings, transports, ships, or imports alcoholic liquor into this state under section 203(8) or (9), as applicable, for a retailer, or for sacramental wines imported under section 301, a person described in subsection (1) may only sell, deliver, or import beer ~~, or wine, or mixed spirit drink~~ in this state in 1 of the following ways:

(a) A licensed direct shipper may sell to a consumer under section 203.

(b) An outstate seller of beer ~~, or~~ outstate seller of wine ~~, or outstate seller of mixed spirit drink,~~ may deliver the beer ~~, or~~ wine ~~, or mixed spirit drink~~ to the licensed premises of the wholesalers designated to sell and deliver the beer ~~, or~~ wine ~~, or mixed spirit drink~~ to the individual licensed location of the retailer in the wholesaler's sales territory under section 305 or



1 403, as applicable.

2 (c) A wholesaler that picks up the beer ~~,or wine ,or mixed~~
 3 ~~spirit drink~~ from the premises of an outstate seller of beer ~~,or~~
 4 ~~outstate seller of wine ,or outstate seller of mixed spirit drink,~~
 5 may deliver the beer ~~,or wine ,or mixed spirit drink~~ to the
 6 licensed premises of the wholesaler designated to sell and deliver
 7 the beer ~~,or wine ,or mixed spirit drink~~ to the individual
 8 licensed location of the retailer in the wholesaler's sales
 9 territory under section 305 or 403, as applicable.

10 (d) An outstate seller of beer ~~,or~~ outstate seller of wine ~~,~~
 11 ~~or outstate seller of mixed spirit drink~~ may deliver the beer ~~,or~~
 12 ~~wine ,or mixed spirit drink~~ to its licensed premises in this
 13 state. However, the beer ~~,or wine ,or mixed spirit drink~~ must be
 14 delivered to the licensed premises of the wholesaler designated to
 15 sell and deliver the beer ~~,or wine ,or mixed spirit drink~~ to the
 16 individual licensed location of the retailer in the wholesaler's
 17 sales territory under section 305 or 403, as applicable.

18 (e) A brewer ~~,or wine maker ,or mixed spirit drink~~
 19 ~~manufacturer~~ that has a manufacturing plant located outside of this
 20 state may deliver the beer ~~,or wine ,or mixed spirit drink~~
 21 ~~manufactured~~ in the manufacturing plant to its licensed premises in
 22 this state. However, the beer ~~,or wine ,or mixed spirit drink~~
 23 must be delivered to the licensed premises of the wholesaler
 24 designated to sell and deliver the beer ~~,or wine ,or mixed spirit~~
 25 ~~drink~~ to the individual licensed location of the retailer in the
 26 wholesaler's sales territory under section 305 or 403, as
 27 applicable.

28 (f) Except as otherwise provided in this act, a brewer ~~,or~~
 29 ~~wine maker ,or mixed spirit drink manufacturer~~ may deliver the



1 beer ~~,or~~ wine ~~,or mixed spirit drink~~ to the licensed premises of
 2 the wholesaler designated to sell and deliver the beer ~~,or~~ wine ~~,or~~
 3 ~~or mixed spirit drink~~ to the individual licensed location of the
 4 retailer in the wholesaler's sales territory under section 305 or
 5 403, as applicable.

6 (3) Except as otherwise provided in subsection (4), both of
 7 the following apply to beer ~~,or~~ wine ~~,or mixed spirit drink~~ that
 8 is delivered to a wholesaler under this act:

9 (a) The wholesaler shall maintain the beer ~~,or~~ wine ~~,or~~
 10 ~~mixed spirit drink~~ on the wholesaler's licensed premises.

11 (b) The wholesaler shall make the beer ~~,or~~ wine ~~,or mixed~~
 12 ~~spirit drink~~ maintained on the wholesaler's licensed premises as
 13 required under subdivision (a) available for inspection by the
 14 commission for at least 24 hours before the wholesaler delivers the
 15 beer ~~,or~~ wine ~~,or mixed spirit drink~~ to a retailer.

16 (4) For beer ~~,or~~ wine ~~,or mixed spirit drink~~ that has been
 17 delivered to a wholesaler under this act, subsection (3) does not
 18 apply and the wholesaler may deliver beer ~~,or~~ wine ~~,or mixed~~
 19 ~~spirit drink~~ to a retailer if all of the following apply:

20 (a) Either of the following applies:

21 (i) The wholesaler cannot fulfill the retailer's order for the
 22 beer ~~,or~~ wine ~~,or mixed spirit drink~~ from the inventory currently
 23 available on the wholesaler's licensed premises.

24 (ii) The wholesaler intends to deliver the beer ~~,or~~ wine ~~,or~~
 25 ~~mixed spirit drink~~ to a special licensee, including as provided
 26 under section 526, before the 24-hour period under subsection
 27 (3)(b) has expired.

28 (b) Either of the following applies:

29 (i) The beer ~~,or~~ wine ~~,or mixed spirit drink~~ has been



1 delivered to the address of the wholesaler's licensed premises.

2 (ii) The wholesaler picked up the beer ~~, or wine , or mixed~~
3 ~~spirit drink~~ from the licensed premises of any of the following:

4 (A) A brewer.

5 (B) A wine maker.

6 ~~(C) A mixed spirit manufacturer.~~

7 (C) ~~(D)~~ An outstate seller of beer.

8 (D) ~~(E)~~ An outstate seller of wine.

9 ~~(F) An outstate seller of mixed spirit drink.~~

10 (E) ~~(G)~~ A wholesaler.

11 (c) The wholesaler maintains the invoice of the delivery and
12 attaches documentation to the invoice that details each product and
13 the amount of each product that was not placed on the wholesaler's
14 floor.

15 (5) This section does not prohibit a brewer, micro brewer,
16 wine maker, small wine maker, or retailer from selling alcoholic
17 liquor or nonalcoholic beverages as provided in this act.

18 Sec. 301. (1) The commission shall levy and collect on all
19 wine containing 16% or less of alcohol by volume sold in this state
20 a tax at the rate of 13.5 cents per liter if sold in bulk and in a
21 like ratio if sold in smaller quantities.

22 (2) The commission shall levy and collect on all wine
23 containing more than 16% of alcohol by volume sold in this state a
24 tax at the rate of 20 cents per liter if sold in bulk and in a like
25 ratio if sold in smaller quantities.

26 (3) Sacramental wine is nontaxable when used by churches. A
27 person may import sacramental wines. The commission shall not
28 impose restrictions on importations of wine for sacramental
29 purposes but may promulgate rules to prevent any abuses that result



1 from the importations. A wholesaler or an outstate seller of wine
2 may sell sacramental wine directly to a church for sacramental
3 purposes.

4 ~~(4) The commission shall levy and collect on all mixed spirit~~
5 ~~drink sold in this state a tax at the rate of 48 cents per liter if~~
6 ~~sold in bulk or a like ratio if sold in smaller quantities.~~

7 **(4)** ~~(5) Beginning on and after February 1, After January 31,~~
8 2015, if the wine is manufactured in this state the tax must be
9 paid by the wine maker who manufactured the wine or if the wine is
10 manufactured outside this state the tax must be paid by the
11 wholesaler assigned to distribute that wine.

12 ~~(6) Beginning on and after February 1, 2015, if the mixed~~
13 ~~spirit drink is manufactured in this state the tax must be paid by~~
14 ~~the manufacturer of the mixed spirit drink or if the mixed spirit~~
15 ~~drink is manufactured outside this state the tax must be paid by~~
16 ~~the wholesaler assigned to distribute that mixed spirit drink.~~

17 **(5)** ~~(7)~~ On approval by the commission, the department of
18 licensing and regulatory affairs shall incorporate a limited number
19 of farm mutual cooperative wineries as the commission determines to
20 be beneficial to the Michigan grape and fruit industry. These
21 wineries must be licensed under this act and the payment of 1
22 license fee annually by the corporation authorizes wine making on
23 the premises of the corporation and also on the premises of the
24 grape and fruit growing farmers who are members of or stockholders
25 in the corporation. Upon incorporation of a farmers' cooperative
26 corporation as provided for in this section, the members of or the
27 stockholders in the corporation are certified to be Michigan grape
28 and fruit growing farmers. Wine making by cooperative corporations
29 on farm premises is allowed, but all sales of the wine must be made



1 by the corporation and from the corporation premises.

2 (6) ~~(8)~~ A wine maker ~~or manufacturer of a mixed spirit drink~~
 3 may designate a wholesaler to pay the tax on behalf of the wine
 4 maker or manufacturer, respectively. If a wine maker or
 5 manufacturer designates a wholesaler to pay the tax on its behalf,
 6 that wine maker or manufacturer shall notify the commission of the
 7 designation and provide the commission with a copy of its report of
 8 wine premises operations that it filed with the Alcohol and Tobacco
 9 Tax and Trade Bureau of the United States Department of Treasury
 10 for each calendar year. A wholesaler that is responsible for the
 11 payment of the tax under this section or that is designated to pay
 12 the tax under this section on behalf of the wine maker ~~or~~
 13 ~~manufacturer of the mixed spirit drink~~ is only required to pay the
 14 tax on the number of liters actually sold by the wholesaler to
 15 licensed retailers.

16 (7) ~~(9)~~ The commission shall establish by rule a method for
 17 the collection of the tax levied in this section and reporting
 18 requirements for wholesalers, wine makers, ~~outstate sellers of~~
 19 ~~mixed spirit drink~~, and outstate sellers of wine to verify the
 20 remission of taxes to this state. Except as otherwise provided in
 21 this subsection, the commission shall not require that the tax be
 22 paid in less than monthly intervals. Beginning March 15, 2020, the
 23 commission shall not require that the tax be paid in less than
 24 quarterly intervals. The rules under this subsection must be
 25 promulgated pursuant to the administrative procedures act of 1969,
 26 1969 PA 306, MCL 24.201 to 24.328.

27 Sec. 303. (1) The grape and wine industry council created
 28 under Executive Reorganization Order No. 2014-2, MCL 333.26253,
 29 shall be housed within the department of agriculture and rural



development. Beginning on ~~the effective date of the 2018 amendatory~~
~~act that amended this section, October 1, 2018,~~ the council shall
be known as the Michigan craft beverage council and shall consist
of the following members:

(a) As a nonvoting member, the director of the department of
agriculture and rural development or his or her designee.

(b) Subject to subsection (2), the following voting members,
appointed by the governor:

(i) A representative of retail food establishments that hold a
specially designated merchant license and sell Michigan wines or
beer.

(ii) A representative of restaurants that hold a class C
license and serve Michigan wines, beer, or spirits.

(iii) Two representatives of wine makers.

(iv) A representative of wine makers that primarily manufacture
cider.

(v) A representative of large brewers.

(vi) One of the following:

(A) A representative of micro brewers.

(B) A representative of brewpub license holders.

(vii) A representative of small distillers.

(viii) A representative of distillers that manufacture more than
60,000 gallons of spirits per year.

(2) The following apply to a member of the council appointed
under subsection (1)(b):

(a) The member's principal place of business must be located
in this state.

(b) The member must not be a lobbyist or a lobbyist agent as
those terms are defined in section 5 of 1978 PA 472, MCL 4.415.



1 (3) Voting members of the council appointed by the governor
2 under subsection (1) shall serve for terms of 3 years or until a
3 successor is appointed, whichever is later, except that of the
4 voting members first appointed, 3 shall serve for 1 year, 3 shall
5 serve for 2 years, and 3 shall serve for 3 years. A voting member
6 shall not serve more than 2 consecutive terms. A vacancy on the
7 board shall be filled in the same manner as the original
8 appointment. The director of the department of agriculture and
9 rural development is the chairperson of the council.

10 (4) The council may employ personnel and incur expenses that
11 are necessary to carry out the responsibilities of the council
12 under this act. A member of the council or an employee or agent of
13 the council is not personally liable on the contracts of the
14 council.

15 (5) A nongovernmental member of the council may receive \$50.00
16 per day for each day spent in actual attendance at meetings of the
17 council and traveling expenses while on council business in
18 accordance with standard travel regulations of the department of
19 technology, management, and budget.

20 (6) The council shall maintain accurate books and records, and
21 all money received by the council shall be used to implement and
22 enforce this section. The council may accept money from any source
23 for the purpose of carrying out this section. All money received by
24 the council shall be forwarded to the state treasurer for deposit
25 into the Michigan craft beverage council fund created in section
26 303a.

27 (7) Subject to an appropriation, the council shall direct the
28 department of agriculture and rural development to award grants for
29 the following:



1 (a) Research into both of the following:

2 (i) Fruits used in winemaking and wines, including, but not
3 limited to, methods of planting, growing, controlling insects and
4 diseases, charting microclimates and locations for growing
5 desirable varieties of fruits used in winemaking and wines,
6 marketing, processing, distribution, advertising, sales production,
7 and product development.

8 (ii) Hops, barley, beer, and spirits, including, but not
9 limited to, methods of planting, growing, controlling insects and
10 diseases, marketing, processing, distribution, advertising, sales
11 production, and product development.

12 (b) Projects that do 1 or more of the following:

13 (i) Provide the wine industry, including growers, wineries,
14 distributors, and retailers, with information relative to proper
15 methods of handling and selling fruits used in winemaking and
16 wines.

17 (ii) Provide the brewing and distilling industries, including
18 growers, brewers, distillers, distributors, and retailers, with
19 information relative to proper methods of handling and selling
20 hops, barley, beer, **and** spirits. ~~, and mixed spirit drinks.~~

21 (iii) Provide for market surveys and analyses for purposes of
22 expanding existing markets and creating new and larger markets for
23 Michigan agricultural products such as fruits, hops, and barley,
24 that are used in the production of wine, cider, beer, **and** spirits.
25 ~~, and mixed spirit drinks.~~

26 (iv) Provide for the promotion of the sale of Michigan
27 agricultural products such as fruits, hops, and barley, that are
28 used in the production of wine, cider, beer, **and** spirits ~~, and~~
29 ~~mixed spirit drinks~~ for the purpose of maintaining or expanding



1 present markets and creating new and larger domestic and foreign
2 markets.

3 (v) Develop and administer financial aid programs to growers
4 of fruits used in winemaking to encourage the increased planting in
5 this state of desirable fruit varieties in microclimates determined
6 to provide the best conditions for producing quality wines.

7 (vi) Develop and administer financial aid programs to hops
8 growers to encourage increased planting in this state of desirable
9 hops varieties in microclimates determined to provide the best
10 conditions for producing quality beer.

11 (vii) Develop and administer financial aid programs to barley
12 growers to encourage increased planting in this state of desirable
13 barley varieties in microclimates determined to provide the best
14 conditions for producing quality beer.

15 (viii) Establish educational partnerships to benefit the beer,
16 wine, cider, **and** spirits ~~, and mixed spirit drink~~ industries.

17 (8) The department of agriculture and rural development shall
18 administer the grants awarded under subsection (7).

19 (9) The council shall do all of the following:

20 (a) Apply for and accept grants or contributions from the
21 federal government or any of its agencies, the state, or other
22 public or private agencies to be used for any of the purposes of
23 this section and to do any and all things within its express or
24 implied powers necessary or desirable to secure that financial or
25 other aid or cooperation in the carrying out of any of the purposes
26 of this section.

27 (b) Invite the chief executive officer of the Michigan
28 economic development corporation or his or her designee to attend
29 at least 1 council meeting annually to inform the council about



1 partnership activities and opportunities related to the marketing
 2 and promotion of Michigan agricultural products such as fruits,
 3 hops, and barley ~~that are used in the production of wine, cider,~~
 4 beer, **and** spirits. ~~and mixed spirit drinks.~~

5 (c) Invite the director of the department of licensing and
 6 regulatory affairs to attend at least 1 council meeting annually to
 7 inform the council about funding activities affecting the council.

8 (d) Prepare and adopt an annual budget.

9 (10) Based on the information provided to the council under
 10 subsection (9)(b) and (c), the council may do either or both of the
 11 following:

12 (a) Take actions that will enhance the marketing and promotion
 13 of Michigan agricultural products, such as fruits, hops, and barley
 14 ~~that are used in the production of wine, cider, beer, and~~
 15 spirits. ~~and mixed spirit drinks.~~

16 (b) Annually review and adopt strategies for marketing and
 17 promotion of Michigan agricultural products, such as fruits, hops,
 18 and barley ~~that are used in the production of wine, cider, beer,~~
 19 **and** spirits. ~~and mixed spirit drinks.~~

20 (11) The council may promulgate rules pursuant to the
 21 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
 22 24.328, for the purposes of implementing and enforcing this
 23 section. However, the council shall not promulgate a rule that
 24 conflicts with a rule promulgated by the commission under section
 25 215.

26 (12) Except as otherwise provided in this subsection, the
 27 council shall not engage in lobbying. This subsection does not
 28 prohibit the council or a council member or council employee from
 29 providing technical information to the legislature or to the



1 department of agriculture and rural development, regardless of
2 whether the council, council member, or council employee is
3 appearing before an officially convened legislative committee or
4 department of agriculture and rural development hearing panel, if
5 the technical information is related to the council's duties under
6 this section.

7 (13) This section does not prevent the council from
8 establishing a commodity committee under the agriculture
9 commodities marketing act, 1965 PA 232, MCL 290.651 to 290.674.

10 (14) As used in this section:

11 (a) "Cider" means an alcoholic beverage made from the
12 fermentation of juice from primarily apples or pears, or both,
13 ~~which—that~~ contains not less than 1/2 of 1% and not more than 8.5%
14 of alcohol by volume. Cider may be still or carbonated and may
15 contain other fruits, spices, botanicals, or other flavors.

16 (b) "Council" means the Michigan craft beverage council
17 described in subsection (1).

18 (c) "Large brewer" means a brewer that produces in total at
19 least 60,000 barrels of beer and not more than 1,000,000 barrels of
20 beer per year. In determining the barrel threshold under this
21 subdivision, all brands and labels of a brewer, whether brewed in
22 this state or outside this state, must be combined and all
23 facilities for the production of beer that are owned or controlled
24 by the same person are treated as a single facility.

25 (d) "Lobbying" means that term as defined in section 5 of 1978
26 PA 472, MCL 4.415.

27 (e) "Technical information" means that term as defined in
28 section 5 of 1978 PA 472, MCL 4.415.

29 Sec. 307. (1) A manufacturer, an outstate seller of wine, and



1 a master distributor shall grant to each of its wholesalers a sales
2 territory within which the wholesaler is a distributor of the
3 specified brand or brands of the manufacturer, outstate seller of
4 wine, or master distributor under an agreement as required under
5 this act. The territory is the territory agreed on between the
6 wholesaler and manufacturer, outstate seller of wine, or master
7 distributor. Except as provided for in subsection (9) and beginning
8 June 1, 2010, a manufacturer, outstate seller of wine, or master
9 distributor shall not grant the right to sell a specified brand or
10 brands of wine in a sales territory to more than 1 wine wholesaler.
11 A master distributor shall not itself distribute a specified brand
12 or brands of wine in the same sales territory where that master
13 distributor has granted the right to distribute that specified
14 brand or brands of wine in that sales territory to another wine
15 wholesaler.

16 (2) Notwithstanding subsection (1), a brand extension is not a
17 new or different brand. A manufacturer or outstate seller of wine
18 shall assign a brand extension to the wholesaler that was granted
19 the sales territory for the brand from which the brand extension
20 resulted.

21 (3) Subsection (2) does not apply if, before January 1, 1994,
22 a manufacturer or outstate seller of wine had assigned a brand
23 extension to a wholesaler that was not the appointed wholesaler for
24 the brand from which the brand extension was made.

25 (4) Subsection (2) does not apply if, before October 1, 2019,
26 a successor manufacturer or successor outstate seller of wine had
27 assigned a brand extension to a wholesaler that was not the
28 appointed wholesaler for the brand from which the extension was
29 made.



(5) A manufacturer of a mixed wine drink ~~, mixed spirit drink manufacturer, and~~ outstate seller of a mixed wine drink ~~, or outstate seller of mixed spirit drink~~ shall grant to each of its wholesalers an exclusive sales territory in which the wholesaler is a distributor of the specified brand or brands of the manufacturer or outstate seller. The territory is the territory agreed on between the wholesaler and the manufacturer of a mixed wine drink ~~, mixed spirit drink manufacturer, or~~ outstate seller of mixed wine drinks. ~~, or outstate seller of mixed spirit drink.~~

(6) Notwithstanding subsection (5), a brand extension is not a new or different brand. A manufacturer of a mixed wine drink ~~, mixed spirit drink manufacturer, or~~ outstate seller of a mixed wine drink ~~, or outstate seller of mixed spirit drink~~ shall assign a brand extension to the wholesaler that was granted the exclusive sales territory for the brand from which the brand extension resulted.

(7) Subsection (6) does not apply if, before January 1, 1994, a manufacturer of a mixed wine drink ~~, mixed spirit drink manufacturer, or~~ outstate seller of a mixed wine drink ~~, or outstate seller of mixed spirit drink~~ had assigned a brand extension to a wholesaler that was not the appointed wholesaler for the brand from which the brand extension was made.

(8) Subsection (6) does not apply if, before October 1, 2019, a successor manufacturer or successor outstate seller of mixed wine drink ~~or mixed spirit drink~~ had assigned a brand extension to a wholesaler that was not the appointed wholesaler for the brand from which the brand extension was made.

(9) Subsection (1) does not prohibit any of the following:

(a) A manufacturer of wine, an outstate seller of wine, or a



1 master distributor from continuing or renewing an agreement under
2 this act with a wholesaler for a specified brand or brands for any
3 county or part of a county where more than 1 wholesaler has an
4 agreement with the manufacturer of wine, outstate seller of wine,
5 or master distributor in effect on June 1, 2010 if the wholesaler
6 had an agreement to distribute that specified brand or brands in
7 that county or that part of a county and was a master distributor
8 or was actively selling that brand or brands of wine to a retailer
9 in that county or that part of a county on June 1, 2010.

10 (b) A wholesaler from selling or transferring the wholesaler's
11 distribution rights or a manufacturer of wine, outstate seller of
12 wine, or master distributor from approving the sale or transfer of
13 a wholesaler's distribution rights to a specified brand or brands
14 of wine for any county or part of a county to another wholesaler if
15 the selling or transferring wholesaler, or any of its predecessors,
16 had the right to distribute that brand or brands of wine in that
17 county or part of that county and was actively selling that brand
18 or brands to a retailer in that county or that part of a county on
19 June 1, 2010 or was acting as a master distributor for that county
20 or part of that county on June 1, 2010.

21 (10) As used in this section, "master distributor" means,
22 notwithstanding section 109(4), a wholesaler that acts in the same
23 or similar capacity as a wine maker, wine manufacturer, or outstate
24 seller of wine for a brand or brands of wine to other wholesalers
25 on a regular basis in the normal course of business.

26 Sec. 502. (1) Subject to subsection (3), the commission shall
27 issue a salesperson license to an individual who is a designated
28 employee of any of the following persons:

29 (a) A manufacturer of beer.



1 (b) A manufacturer of wine.

2 ~~(c) A manufacturer of mixed spirit drink.~~

3 (c) ~~(d)~~ An outstate seller of beer.

4 (d) ~~(e)~~ An outstate seller of wine.

5 ~~(f) An outstate seller of mixed spirit drink.~~

6 (e) ~~(g)~~ A wholesaler.

7 (f) ~~(h)~~ A broker that represents 1 or more persons described
8 in subdivisions (a) to ~~(g)~~ **(e)**.

9 (g) ~~(i)~~ A broker described in subdivision ~~(h)~~ **(f)** that also
10 represents 1 or more of the following persons:

11 (i) A vendor of spirits.

12 (ii) A manufacturer of spirits.

13 (h) ~~(j)~~ A vendor of spirits.

14 (i) ~~(k)~~ A manufacturer of spirits.

15 (j) ~~(l)~~ A broker that represents only 1 or more of the
16 following:

17 (i) A vendor of spirits.

18 (ii) A manufacturer of spirits.

19 (2) A salesperson license issued under this section after
20 April 15, 2018 but before April 30, 2020 expires on April 30, 2020.
21 A salesperson license issued under this section is renewable every
22 3 years with the first triennial renewal cycle beginning May 1,
23 2020. The commission may charge a reasonable initial license fee
24 and triennial renewal fee. The commission shall establish a fee
25 under this section by written order. The nonrefundable inspection
26 fee under section 529(4) is not required for an application for a
27 new salesperson license or transfer of a salesperson license. A
28 salesperson license issued or renewed under R 436.1853 of the
29 Michigan Administrative Code expires on the earlier of the



1 following dates:

2 (a) Three years after the date of the issuance or renewal.

3 (b) April 30, 2020.

4 (3) The commission shall not impose any other requirement or
5 consider any other factor beyond the accreditation required in this
6 section for issuance or renewal of a salesperson license. Except as
7 otherwise provided in this subsection, the commission shall not
8 issue a salesperson license under this section unless the applicant
9 submits with his or her application written documentation that the
10 applicant has successfully completed a salesperson accreditation
11 program. Except as otherwise provided in this subsection, the
12 commission shall not renew a salesperson license issued under this
13 section or under R 436.1853 of the Michigan Administrative Code
14 unless the licensee submits with his or her application proof
15 acceptable to the commission that the licensee has successfully
16 completed a salesperson accreditation program no more than 120 days
17 before the date the licensee submits his or her renewal
18 application. An applicant's completion of a salesperson
19 accreditation program is not a condition for issuance or renewal of
20 a salesperson license for any of the following applicants:

21 (a) A designated employee of a manufacturer of spirits.

22 (b) A designated employee of a vendor of spirits.

23 (c) A designated employee of a broker described in subsection
24 ~~(1)-(l)~~. (1) (j) .

25 (4) Except as provided in subsection (5), an individual shall
26 not sell, deliver, promote, or otherwise assist in the sale of
27 alcoholic liquor in any manner to a retailer in this state unless
28 licensed under this section or under R 436.1853 of the Michigan
29 Administrative Code. An individual licensed as a salesperson under



1 R 436.1853 of the Michigan Administrative Code before April 15,
2 2018 shall comply with the requirements of this section on renewal
3 of his or her salesperson license, application for a subsequent
4 salesperson license under a different employer, or a request to
5 transfer his or her salesperson license to a different employer.

6 (5) This section does not require an individual who is at
7 least 18 years of age and who only does any of the following to be
8 licensed as a salesperson:

9 (a) Builds a display of those brands that are represented or
10 sold by the individual's employer for an off-premises retailer.

11 (b) Marks the price on those brands that are represented or
12 sold by the individual's employer for an off-premises retailer.

13 (c) Rotates brands that are represented or sold by the
14 individual's employer for an off-premises retailer.

15 (d) Places brands that are represented or sold by the
16 individual's employer on shelves for an off-premises retailer.

17 (e) For an individual who holds a Michigan commercial driver
18 license or chauffeur's license, transports, in a vehicle licensed
19 by the commission under section 525, and delivers alcoholic liquor
20 to a retailer.

21 (6) The commission shall approve a salesperson ~~license~~
22 accreditation program designed for salesperson licensees if the
23 commission determines that the program's curriculum includes an
24 understanding of all of the following:

25 (a) Section 609.

26 (b) Section 609a.

27 (c) Section 609b.

28 (d) Section 610d.

29 (e) The provisions of section 1013 that require the sale or



1 purchase of alcoholic liquor by a licensee for cash only.

2 (f) R 436.1315 of the Michigan Administrative Code.

3 (g) R 436.1726 of the Michigan Administrative Code.

4 (h) The commission's order for on-premises brand promotions
5 issued October 27, 1999.

6 (i) Product adjustments as provided for in this act.

7 (7) A person described in subsection (1)(a) to ~~(g)~~ **(e)** or a
8 qualified trade association may apply to the commission for
9 qualification as an administrator for the offering of a salesperson
10 accreditation program.

11 (8) On approval of a salesperson accreditation program under
12 subsection (6), the commission shall appoint the person or
13 qualified trade association sponsoring the salesperson
14 accreditation program as administrator of that program.

15 (9) As used in this section:

16 (a) "Administrator" means a person described in subsection
17 (1)(a) to ~~(g)~~ **(e)** or a qualified trade association authorized by
18 the commission to offer salesperson accreditation programs.

19 (b) "Broker" means that term as defined in R 436.1001 of the
20 Michigan Administrative Code.

21 (c) "Designated employee" means an individual who sells,
22 delivers, promotes, or otherwise assists in the sale of alcoholic
23 liquor.

24 (d) "Qualified trade association" means a trade association
25 that represents a person described in subsection (1)(a) to ~~(g)~~ **(e)**
26 that employs individuals to act as salespersons.

27 (e) "Salesperson accreditation program" means a program that
28 the commission approves under subsection (6) and that is offered by
29 an administrator.



1 Sec. 504. (1) The commission may issue a limited production
2 manufacturer license to a person that purchases beer from another
3 brewer, micro brewer, or out-of-state equivalent of a brewer or
4 micro brewer for purposes of taking ownership of the beer and
5 performing any of the manufacturing process as described in section
6 109(1).

7 (2) The commission shall charge an initial and renewal license
8 fee for a license under this section of \$1,000.00.

9 (3) Notwithstanding section 204, a brewer, micro brewer, or
10 out-of-state equivalent of a brewer or micro brewer may sell beer
11 to a limited production manufacturer and a limited production
12 manufacturer may buy beer from a brewer, micro brewer, or an out-
13 of-state equivalent of a brewer or micro brewer if all of the
14 following conditions are met:

15 (a) The brewer, micro brewer, or out-of-state equivalent of a
16 brewer or micro brewer relinquishes ownership of the beer to the
17 purchasing limited production manufacturer.

18 (b) The limited production manufacturer modifies the beer by
19 performing all or part of the manufacturing process as described in
20 section 109(1).

21 (c) The brewer, micro brewer, or out-of-state equivalent of a
22 brewer or micro brewer notifies the commission in writing of the
23 sale and the amount of beer being sold to a purchasing limited
24 production manufacturer before each sale. The notification must be
25 in the form required by the commission.

26 (d) The brewer, micro brewer, or out-of-state equivalent of a
27 brewer or micro brewer and the limited production manufacturer
28 maintain records of the sale, in the manner required by the
29 commission, for 3 years.



1 (4) A limited production manufacturer may only sell beer to a
2 wholesaler or a person located outside of this state regardless of
3 whether the person is licensed under this act. Notwithstanding
4 section ~~109(10)~~**109(9)** or R 436.1609(2) of the Michigan
5 Administrative Code, beer sold by a limited production manufacturer
6 to a person located outside of this state that holds an outstate
7 seller of beer license may be sold to a wholesaler in this state by
8 the outstate seller of beer.

9 (5) A limited production manufacturer must not be licensed as
10 or hold a financial interest in another licensed supplier except
11 for purposes of purchasing beer in the manner allowed in this
12 section.

13 (6) A limited production manufacturer shall not hold a license
14 in the wholesaler tier or retailer tier as provided in section
15 603(13).

16 (7) Except as otherwise provided in this section, a limited
17 production manufacturer shall comply with all provisions of this
18 act that apply to the activities of a brewer, including, but not
19 limited to, sections 401, 403, 409, 603, and 609.

20 (8) A limited production manufacturer shall not self-
21 distribute.

22 (9) Before selling beer in this state to a wholesaler, a
23 limited production manufacturer shall register the beer and receive
24 a registration number of approval under R 436.1611 of the Michigan
25 Administrative Code.

26 (10) A limited production manufacturer must be the holder of a
27 federal brewer's notice issued by the United States Department of
28 Treasury, Alcohol and Tobacco Tax and Trade Bureau in accordance
29 with 27 CFR 25.61 to 25.85.



1 (11) As used in this section:

2 (a) "Limited production manufacturer" means a person licensed
3 under this section.

4 (b) "Supplier" means that term as defined in section 603.

5 Sec. 518. ~~(1) As used in this section:~~

6 ~~(a) "Motorsports entertainment complex" means a closed-course~~
7 ~~motorsports facility and its ancillary grounds that comply with all~~
8 ~~of the following:~~

9 ~~(i) Has at least 1,500 fixed seats for race patrons.~~

10 ~~(ii) Has at least 7 scheduled days of motorsports events each~~
11 ~~calendar year.~~

12 ~~(iii) Serves food and beverages at the facility during~~
13 ~~sanctioned motorsports events each calendar year through concession~~
14 ~~outlets, which may be staffed by individuals who represent or are~~
15 ~~members of 1 or more nonprofit civic or charitable organizations~~
16 ~~that directly financially benefit from the concession outlets'~~
17 ~~sales.~~

18 ~~(iv) Engages in tourism promotion.~~

19 ~~(b) "Motorsports event" means a motorsports race and its~~
20 ~~ancillary activities that have been sanctioned by a sanctioning~~
21 ~~body.~~

22 ~~(c) "Owner" means a person who owns and operates a motorsports~~
23 ~~entertainment complex.~~

24 ~~(d) "Sanctioning body" means the American motorcycle~~
25 ~~association (AMA); auto racing club of America (ARCA); championship~~
26 ~~auto racing teams (CART); grand American road racing association~~
27 ~~(GRAND AM); Indy racing league (IRL); national association for~~
28 ~~stock car auto racing (NASCAR); nation hot rod association (NHRA);~~
29 ~~professional sportscar racing (PSR); sports car club of America~~



~~(SCCA); United States auto club (USAC); Michigan state promoters association; or any successor organization or any other nationally or internationally recognized governing body of motorsports that establishes an annual schedule of motorsports events and grants rights to conduct the events, that has established and administers rules and regulations governing all participants involved in the events and all persons conducting the events, and that requires certain liability assurances, including insurance.~~

(1) ~~(2)~~ Notwithstanding the quota provisions of section 531, the commission may issue motorsports event licenses for the sale of beer and wine or beer, wine, ~~mixed spirit drink,~~ and spirits for consumption on the premises to the owner of a motorsports entertainment complex for use during sanctioned motorsports events only. The sale of beer, wine, ~~mixed spirit drink,~~ and spirits at concession outlets or additional locations within the motorsports entertainment complex during motorsports sanctioned events ~~shall~~ **are** not ~~be~~ considered additional bars for the purpose of determining a license fee ~~pursuant to~~ **under** section ~~525(1)(e).~~ **525(1)(n)**. An applicant for a license under this section that elects to sell beer and wine only shall pay to the commission a license fee of \$250.00. An applicant for a license under this section that elects to sell beer, wine, ~~mixed spirit drink,~~ and spirits shall pay to the commission a license fee of \$600.00.

(2) ~~(3)~~ For a period of time not to exceed 7 consecutive days during which public access is permitted to a motorsports entertainment complex in connection with a motorsports event, members of the general public at least 21 years or older may bring beer and wine not purchased at the licensed motorsports entertainment complex into the motorsports entertainment complex



1 and possess and consume that beer and wine. Possession and
 2 consumption of beer and wine under this section are allowed only in
 3 portions of the motorsports entertainment complex open to the
 4 general public that are also part of the licensed premises of a
 5 retail licensee under both of the following circumstances:

6 (a) The licensed premises are located within the motorsports
 7 entertainment complex.

8 (b) The retail licensee holds a license for consumption on the
 9 licensed premises of the motorsports entertainment complex.

10 **(3)** ~~(4)~~ A person holding a license for the sale of alcoholic
 11 liquor for consumption on the premises at a motorsports
 12 entertainment complex is subject to the civil liability provisions
 13 of section 801 if the civil action is brought by or on behalf of an
 14 individual who suffers damage or is personally injured by a minor
 15 or visibly intoxicated person by reason of the unlawful consumption
 16 of alcoholic liquor on the licensed premises by that minor or
 17 visibly intoxicated person if the unlawful consumption is proven to
 18 be a proximate cause of the damage, injury, or death of the
 19 individual, whether the alcoholic liquor was sold or furnished by
 20 the licensee or was brought onto the licensed premises under
 21 subsection ~~(3)~~ **(2)**.

22 **(4) As used in this section:**

23 (a) **"Motorsports entertainment complex" means a closed-course**
 24 **motorsports facility and its ancillary grounds that comply with all**
 25 **of the following:**

26 (i) **Has at least 1,500 fixed seats for race patrons.**

27 (ii) **Has at least 7 scheduled days of motorsports events each**
 28 **calendar year.**

29 (iii) **Serves food and beverages at the facility during**



1 sanctioned motorsports events each calendar year through concession
2 outlets, which may be staffed by individuals who represent or are
3 members of 1 or more nonprofit civic or charitable organizations
4 that directly financially benefit from the concession outlets'
5 sales.

6 (iv) Engages in tourism promotion.

7 (b) "Motorsports event" means a motorsports race and its
8 ancillary activities that have been sanctioned by a sanctioning
9 body.

10 (c) "Owner" means a person who owns and operates a motorsports
11 entertainment complex.

12 (d) "Sanctioning body" means the American Motorcycle
13 Association (AMA); Auto Racing Club of America (ARCA); Championship
14 Auto Racing Teams (CART); Grand American Road Racing Association
15 (GRAND AM); Indy Racing League (IRL); National Association for
16 Stock Car Auto Racing (NASCAR); National Hot Rod Association
17 (NHRA); Professional Sportscar Racing (PSR); Sports Car Club of
18 America (SCCA); United States Auto Club (USAC); Michigan State
19 Promoters Association; or any successor organization or any other
20 nationally or internationally recognized governing body of
21 motorsports that establishes an annual schedule of motorsports
22 events and grants rights to conduct the events, that has
23 established and administers rules and regulations governing all
24 participants involved in the events and all persons conducting the
25 events, and that requires certain liability assurances, including
26 insurance.

27 Sec. 521. (1) ~~Beginning on the effective date of the~~
28 ~~amendatory act that added section 521a, December 29, 2006,~~ the
29 commission shall not issue ~~any~~ a tavern or class C licenses under



1 this section. However, those licenses issued under this section
2 before ~~the effective date of the amendatory act that added section~~
3 ~~521a~~ **December 29, 2006** remain valid and may be renewed if in
4 compliance with this section. The commission shall renew licenses
5 issued under this section before ~~the effective date of the~~
6 ~~amendatory act that added section 521a~~ **December 29, 2006** for
7 persons who operate businesses that meet all of the following
8 conditions:

9 (a) The business is a full service restaurant, is open to the
10 public, and prepares food on the premises.

11 (b) The business is open for food service not less than 10
12 hours per day, 5 days a week.

13 (c) At least 50% of the gross receipts of the business are
14 derived from the sale of food for consumption on the premises. For
15 purposes of this subdivision, food does not include beer and wine.

16 (d) The business has dining facilities to seat not less than
17 25 persons.

18 (e) The business is located in a development district with a
19 population of not more than 50,000, in which the district, after a
20 public hearing, has found that the issuance of the license would
21 prevent further deterioration within the development district and
22 promote economic growth within the development district.

23 (2) If in any licensing year the sale of food for consumption
24 on the premises of the business represents less than 50% of the
25 gross receipts for the business, the commission, after due notice
26 and proper hearing, shall revoke the license issued under
27 subsection (1).

28 (3) A license issued under this section is transferable as to
29 ownership or location only within the development district.



~~(4) The commission shall not issue a specially designated merchant license, specially designated distributor license, or any other license that allows the sale of alcoholic liquor for consumption off the premises in conjunction with a license issued under this section or at the premises for which a license has been issued under this section.~~

(4) ~~(5)~~ As used in this section, "development district" means any of the following:

(a) An authority district established under ~~the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830.~~ **part 3 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4301 to 125.4329.**

(b) An authority district established under ~~the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.~~ **part 4 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4401 to 125.4420.**

(c) A downtown district established under ~~1975 PA 197, MCL 125.1651 to 125.1681.~~ **part 2 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4201 to 125.4230.**

(d) A principal shopping district established under 1961 PA 120, MCL 125.981 to ~~125.990m,~~ **125.990n**, before January 1, 1996.

Sec. 525. (1) Except as otherwise provided in this section, the following license fees must be paid at the time of filing applications or as otherwise provided in this act and are subject to allocation under section 543:

(a) Manufacturers of spirits, not including makers, blenders, and rectifiers of wines containing 21% or less alcohol by volume, \$1,000.00.

(b) Manufacturers of beer, \$50.00 per 1,000 barrels, or



fraction of a barrel, production annually with a maximum fee of \$1,000.00, and in addition \$50.00 for each motor vehicle used in delivery to retail licensees. A fee increase does not apply to a manufacturer of less than 15,000 barrels production per year.

(c) Outstate seller of beer, delivering or selling beer in this state, \$1,000.00.

(d) Wine makers, blenders, and rectifiers of wine, including makers, blenders, and rectifiers of wines containing 21% or less alcohol by volume, \$100.00. The small wine maker license fee is \$25.00. **A small wine maker must pay \$50.00 for each motor vehicle used for delivery of wine as defined in section 113(9)(b) or 113a(9)(b) to retailers under section 203b.**

(e) Outstate seller of wine, delivering or selling wine in this state, \$300.00.

~~(f) Outstate seller of mixed spirit drink, delivering or selling mixed spirit drink in this state, \$300.00.~~

(f) ~~(g)~~ Dining cars or other railroad or Pullman cars selling alcoholic liquor, \$100.00 per train.

(g) ~~(h)~~ Wholesale vendors other than manufacturers of beer, \$300.00 for the first motor vehicle used in delivery to retail licensees and \$50.00 for each additional motor vehicle used in delivery to retail licensees.

(h) ~~(i)~~ Watercraft, licensed to carry passengers, selling alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of \$500.00 per year computed on the basis of \$1.00 per person per passenger capacity.

(i) ~~(j)~~ Specially designated merchants, for selling beer or wine for consumption off the premises only but not at wholesale, \$100.00 for each location regardless of whether the location is



1 part of a system or chain of merchandising.

2 (j) ~~(k)~~ Specially designated distributors licensed by the
3 commission to distribute spirits ~~and mixed spirit drink~~ in the
4 original package for the commission for consumption off the
5 premises, \$150.00 per year, and an additional fee of \$3.00 for each
6 \$1,000.00 or major fraction of that amount in excess of \$25,000.00
7 of the total retail value of merchandise purchased under each
8 license from the commission during the previous calendar year.

9 (k) ~~(l)~~ Hotels of class A selling beer and wine, a minimum fee
10 of \$250.00 and \$1.00 for each bedroom in excess of 20, but not more
11 than \$500.00 total.

12 (l) ~~(m)~~ Hotels of class B selling beer, wine, ~~mixed spirit~~
13 ~~drink~~, and spirits, a minimum fee of \$600.00 and \$3.00 for each
14 bedroom in excess of 20. If a hotel of class B sells beer, wine,
15 mixed spirit drink, and spirits in more than 1 public bar, a fee of
16 \$350.00 must be paid for each additional public bar, other than a
17 bedroom.

18 (m) ~~(n)~~ Taverns, selling beer and wine, \$250.00.

19 (n) ~~(o)~~ Class C license selling beer, wine, ~~mixed spirit~~
20 ~~drink~~, and spirits, \$600.00. Subject to section ~~518(2)~~, **518(1)**, if
21 a class C licensee sells beer, wine, ~~mixed spirit drink~~, and
22 spirits in more than 1 bar, a fee of \$350.00 must be paid for each
23 additional bar. In municipally owned or supported facilities in
24 which nonprofit organizations operate concession stands, a fee of
25 \$100.00 must be paid for each additional bar.

26 (o) ~~(p)~~ Clubs selling beer, wine, ~~mixed spirit drink~~, and
27 spirits, \$300.00 for clubs having 150 or fewer accredited members
28 and \$1.00 for each member in excess of 150. Clubs shall submit a
29 list of members by an affidavit 30 days before the closing of the



1 license year. The affidavit must be used only for determining the
 2 license fees to be paid under this subdivision. This subdivision
 3 does not prevent the commission from checking a membership list and
 4 making its own determination from the list or otherwise. The list
 5 of members and additional members is not required of a club paying
 6 the maximum fee. The maximum fee must not exceed \$750.00 for any 1
 7 club.

8 (p) ~~(q)~~ Warehousers, to be fixed by the commission with a
 9 minimum fee for each warehouse of \$50.00.

10 (q) ~~(r)~~ Special licenses, a fee of \$50.00 per day, except that
 11 the fee for the license or permit issued to a bona fide nonprofit
 12 association, organized and in continuous existence for 1 year
 13 before the filing of its application, is \$25.00. The commission
 14 shall not grant more than 12 special licenses to any organization,
 15 including an auxiliary of the organization, in a calendar year.

16 (r) ~~(s)~~ Airlines licensed to carry passengers in this state
 17 that sell, offer for sale, provide, or transport alcoholic liquor,
 18 \$600.00.

19 (s) ~~(t)~~ Brandy manufacturer, \$100.00.

20 ~~(u) Mixed spirit drink manufacturer, \$100.00.~~

21 (t) ~~(v)~~ Brewpub, \$100.00.

22 (u) ~~(w)~~ Class G-1, \$1,000.00.

23 (v) ~~(x)~~ Class G-2, \$500.00.

24 (w) ~~(y)~~ Motorsports event license, the amount as described and
 25 determined under section ~~518(2)~~ **518(1)**.

26 (x) ~~(z)~~ Small distiller, \$100.00. **A qualified small distiller**
 27 **must pay \$50.00 for each motor vehicle used for delivery to**
 28 **retailers under section 203(20).**

29 (y) ~~(aa)~~ Wine auction license, \$50,000.00.



1 **(z) ~~(bb)~~** Nonpublic continuing care retirement center license,
 2 \$600.00.

3 **(aa) ~~(ee)~~** Conditional license approved under subsection (6)
 4 and issued under subsection (7), \$300.00.

5 **(bb) Outstate self-distributor license, \$300.00. An outstate**
 6 **self-distributor must pay \$50.00 for each motor vehicle used for**
 7 **delivery of alcoholic liquor to retailers under sections 203(20),**
 8 **203a, or 203b.**

9 (2) The fees provided in this act for the various types of
 10 licenses must not be prorated for a portion of the effective period
 11 of the license. Notwithstanding subsection (1), the initial license
 12 fee for a license issued under section 531(3) or (4) is \$20,000.00.
 13 The renewal license fee is the amount described in subsection (1).
 14 However, the commission shall not impose the \$20,000.00 initial
 15 license fee for applicants whose license eligibility was already
 16 approved on July 20, 2005.

17 (3) If the commission requires an applicant to submit
 18 fingerprints, the applicant shall have the fingerprints taken by a
 19 local law enforcement agency, the department of state police, or
 20 any other person qualified to take fingerprints as determined by
 21 the department of state police. The applicant shall submit the
 22 fingerprints and the appropriate state and federal fees, which
 23 shall be borne by the applicant, to the department of state police
 24 and the Federal Bureau of Investigation for a criminal history
 25 check. After conducting the criminal history check, the department
 26 of state police shall provide the commission with a report of the
 27 criminal history check. The report must include criminal history
 28 record information concerning the person who is the subject of the
 29 criminal history check that is maintained by the department of



1 state police. If a criminal arrest fingerprint card is subsequently
2 submitted to the department of state police and matches against a
3 fingerprint that was submitted under this act and stored in its
4 automated fingerprint identification system (AFIS) database, the
5 department of state police shall notify the commission.

6 (4) Except for a resort or resort economic development license
7 issued under section 531(2), (3), (4), or (5) or a license issued
8 under section 521a, the commission shall issue an initial or
9 renewal license not later than 90 days after the applicant files a
10 completed application. The application is considered to be received
11 the date the application is received by an agency or department of
12 this state. If the commission determines that an application is
13 incomplete, the commission shall notify the applicant in writing,
14 or make the information electronically available, within 30 days
15 after receipt of the incomplete application, describing the
16 deficiency and requesting the additional information. The
17 determination of the completeness of an application is not an
18 approval of the application for the license and does not confer
19 eligibility on an applicant determined otherwise ineligible for
20 issuance of a license. The 90-day period is tolled for the
21 following periods under any of the following circumstances:

22 (a) If notice is sent by the commission of a deficiency in the
23 application, until the date all of the requested information is
24 received by the commission.

25 (b) For the time required to complete actions required by a
26 person, other than the applicant or the commission, including, but
27 not limited to, completion of construction or renovation of the
28 licensed premises; mandated inspections by the commission or by any
29 state, local, or federal agency; approval by the legislative body



1 of a local unit of government; criminal history or criminal record
2 checks; financial or court record checks; or other actions mandated
3 by this act or rule or as otherwise mandated by law or local
4 ordinance.

5 (5) If the commission fails to issue or deny a license within
6 the time required by this section, the commission shall return the
7 license fee and shall reduce the license fee for the applicant's
8 next renewal application, if any, by 15%. The failure to issue a
9 license within the time required under this section does not allow
10 the commission to otherwise delay the processing of the
11 application, and the application, on completion, must be placed in
12 sequence with other completed applications received at that same
13 time. The commission shall not discriminate against an applicant in
14 the processing of the application because the license fee was
15 refunded or discounted under this subsection.

16 (6) If, in addition to a completed application under this
17 section, an applicant submits a separate form requesting a
18 conditional license with an acceptable proof of financial
19 responsibility form under section 803, an executed property
20 document, and, for an application to transfer the location of an
21 existing retailer license other than specially designated
22 distributor license, a church or school proximity affidavit on a
23 form prescribed by the commission attesting that the proposed
24 location is not within 500 feet of a church or school building
25 using the method of measurement required under section 503, the
26 commission shall, after considering the arrest and conviction
27 records or previous violation history in the management, operation,
28 or ownership of a licensed business, approve or deny a conditional
29 license. A conditional license issued under subsection (7) must



1 only include any existing permits and approvals held in connection
2 with the license, other than permits or approvals for which the
3 conditional applicant does not meet the requirements in this act or
4 rules promulgated under this act, or permits or approvals that the
5 conditional applicant has requested to cancel as part of the
6 application that serves as the basis for the conditional license.
7 The commission shall not issue a new permit with a conditional
8 license issued under subsection (7). The following applicants may
9 request a conditional license:

10 (a) An applicant seeking to transfer ownership of an existing
11 retailer license at the same location to sell alcoholic liquor for
12 consumption on or off the premises.

13 (b) An applicant seeking to transfer the ownership and
14 location of an existing retailer license, other than a specially
15 designated distributor license, to sell alcoholic liquor for
16 consumption on or off the premises.

17 (c) An applicant seeking a new specially designated merchant
18 license, other than a specially designated merchant license issued
19 under section 533(6), not to be held in conjunction with a license
20 for the sale of alcoholic liquor for consumption on the premises.

21 (7) The commission shall issue a conditional license to
22 applicants approved under subsection (6) within 20 business days
23 after receipt of a completed application and a completed
24 conditional license request form and documentation for a
25 conditional license at a single location. The commission may take
26 up to 30 business days to issue conditional licenses to approved
27 applicants seeking conditional licenses at multiple locations.
28 However, for an applicant described under this subsection that is
29 seeking a specially designated merchant license under section



1 533(7), the commission may take up to 45 business days to issue a
2 conditional license. Notwithstanding the applicant's submission of
3 a church or school proximity affidavit under subsection (6), if the
4 commission determines that a conditional license in conjunction
5 with an application to transfer the location of an existing
6 retailer license has been issued under this subsection at a
7 proposed location that is within 500 feet of a church or school
8 building, the commission shall suspend the conditional license and
9 notify the church or school of the proposed location under the
10 rules promulgated under this act. If the commission issues a
11 conditional license under this subsection based on a church or
12 school proximity affidavit under subsection (6) without knowledge
13 that the representations included in the affidavit are incorrect,
14 this state is not liable to any person for the commission's
15 issuance of the conditional license. The commission may assume
16 without inquiry the existence of the facts contained in the
17 affidavit.

18 (8) A conditional license approved under subsection (6) and
19 issued under subsection (7) is nontransferable and nonrenewable. A
20 conditional licensee is required to comply with the server training
21 requirements in section 501(1) beginning on the date a conditional
22 license is issued under subsection (7) regardless of whether the
23 conditional licensee is actively operating under the conditional
24 license.

25 (9) A conditional license approved under subsection (6) and
26 issued under subsection (7) expires when the first of the following
27 occurs:

28 (a) The commission issues an order of denial of the license
29 application that serves as the basis for the conditional license



1 and all administrative remedies before the commission have been
2 exhausted.

3 (b) The commission issues the license under subsection (4) for
4 which the applicant submitted the license application that serves
5 as the basis for the conditional license.

6 (c) The licensee or conditional licensee notifies the
7 commission in writing that the initial or conditional application
8 should be canceled.

9 (d) One year passes after the date the conditional license was
10 issued, notwithstanding any suspension of the conditional license
11 by the commission.

12 (10) If a conditional licensee fails to maintain acceptable
13 proof of its financial responsibility as required under section
14 803, the commission shall summarily suspend the conditional license
15 under section 92(2) of the administrative procedures act of 1969,
16 1969 PA 306, MCL 24.292, until the conditional licensee files an
17 acceptable proof of financial responsibility form under section
18 803. If a conditional license is revoked, the conditional licensee
19 shall not recover from this state or a unit of local government any
20 compensation for property, future income, or future economic loss
21 because of the revocation.

22 (11) On issuing a conditional license under subsection (7),
23 the commission shall, until the conditional license expires under
24 subsection (9), place the existing license under subsection (4) for
25 which the applicant submitted the application that serves as the
26 basis for the conditional license in escrow in compliance with R
27 436.1107 of the Michigan Administrative Code. If the conditional
28 license expires under subsection (9), an existing licensee may do 1
29 of the following:



1 (a) Request that the commission release the license from
2 escrow.

3 (b) Keep the license in escrow. The escrow date for compliance
4 with R 436.1107 of the Michigan Administrative Code is the date the
5 conditional license expires.

6 (12) The chair of the commission shall submit a report by
7 December 1 of each year to the standing committees and
8 appropriations subcommittees of the senate and house of
9 representatives concerned with liquor license issues. The chair of
10 the commission shall include all of the following information in
11 the report concerning the preceding fiscal year:

12 (a) The number of initial and renewal applications the
13 commission received and completed within the 90-day time period
14 described in subsection (4).

15 (b) The number of applications denied.

16 (c) The number of applicants not issued a license within the
17 90-day time period and the amount of money returned to licensees
18 under subsection (5).

19 (13) As used in this section, "completed application" means an
20 application complete on its face and submitted with any applicable
21 licensing fees as well as any other information, records, approval,
22 security, or similar item required by law or rule from a local unit
23 of government, a federal agency, or a private entity but not from
24 another department or agency of this state.

25 Sec. 532. (1) A club license allows the licensee to sell, for
26 consumption on the licensed premises, beer, wine, ~~mixed-spirit~~
27 ~~drink,~~ and spirits only to bona fide members of the club who have
28 attained the age of 21 years. As used in this subsection, "bona
29 fide member" means an individual admitted as a charter member or



1 admitted in accordance with the bylaws of the club, who maintains
2 current membership by the payment of annual dues, whose name and
3 address is entered on the list of members, and who has voting
4 rights to regularly elect the board of directors, officers,
5 executive committee, or similar body that conducts the affairs and
6 management of the club. For an incorporated or unincorporated
7 nonprofit veterans' organization that is a branch or chapter of a
8 national organization or an organization chartered by the United
9 States Congress, a bona fide member includes a member of another
10 branch or chapter who possesses an identification card indicating
11 current membership in the same national or congressionally
12 chartered veterans' organization. For a branch, chapter, lodge,
13 aerie, or other local unit of a national fraternal nonprofit
14 association that is exempt from federal income taxes under section
15 501(c)(8) or 501(c)(10) of the internal revenue code **of 1986**, 26
16 USC 501, a bona fide member includes a member of another branch,
17 chapter, lodge, aerie, or local unit who possesses an
18 identification card indicating current membership in the same
19 national fraternal nonprofit association.

20 (2) Except as otherwise provided in subsection (3), the
21 commission shall not issue a license to a club unless the club has
22 been in existence for ~~a period of not less than 2~~ **or more** years
23 before the application for the license.

24 (3) A club shall give public notice of the intent of the
25 commission to issue the club a club license by publication in a
26 newspaper published or in general circulation within the local
27 governmental unit at least 10 days before the commission issues the
28 license. A club that is a chapter of a national organization that
29 has had a license for 10 or more years may apply for a license



1 without a waiting period. Public notice of the commission's intent
2 to renew the club license is not required.

3 (4) Except for a club paying a maximum fee, within 10 days
4 after February 1 of each year the club shall file with the
5 commission a list of names and residences of its members and make a
6 similar filing of the name and residence with the commission within
7 10 days after the election of an additional member. The annual
8 filing must also include a statement that the club's annual
9 aggregate membership fees or dues and other income, exclusive of
10 the proceeds from the sale of alcoholic liquor, are sufficient to
11 defray the annual rental of its leased or rented premises or, if
12 the premises are owned by the club, are sufficient to meet the
13 taxes, insurance, repairs, and interest on a mortgage on the
14 premises.

15 (5) The affairs and management of the club must be conducted
16 by a board of directors, executive committee, or similar body
17 chosen by the members. A member, officer, agent, or employee of the
18 club must not be paid, or directly or indirectly receive in the
19 form of salary or other compensation, profits from the disposition
20 of alcoholic liquor to the club or to the members of the club,
21 beyond the amount of salary fixed and voted at meetings by the
22 members or by its directors or other governing body and as reported
23 by the club to the commission, within 3 months after the meeting.

24 Sec. 536. (1) Except as provided in section 105(13), the
25 commission shall allow a person to be licensed as more than 1 type
26 of manufacturer in this state.

27 (2) A person that holds more than 1 type of manufacturing
28 license in this state shall meet all applicable provisions of this
29 act for each type of manufacturing license the person holds.



1 (3) Subject to the requirements of this section and section
2 537, the commission may approve a licensed manufacturer to operate
3 1 or more tasting rooms.

4 (4) Brewers and micro brewers shall not have more approved
5 tasting rooms than allowed in section 411.

6 (5) A tasting room may be jointly operated by 2 or more
7 manufacturers if either of the following conditions is met:

8 (a) The manufacturers are owned by the same person and their
9 manufacturing premises share the same address.

10 (b) The manufacturers are not owned by the same person and
11 their manufacturing premises do not share the same address.

12 (6) A tasting room is treated as licensed premises for
13 purposes of this act.

14 (7) An approved tasting room located on the manufacturing
15 premises of 1 or more manufacturers that are owned by the same
16 person and whose manufacturing premises share the same address must
17 comply with all of the following:

18 (a) The commission must approve and issue an on-premises
19 tasting room permit to the manufacturer or manufacturers.

20 (b) The manufacturer or manufacturers must pay the \$100.00
21 initial permit fee, which is renewable annually.

22 (c) The manufacturer or manufacturers must be approved for the
23 on-premises tasting room permit by the local legislative body in
24 which the proposed licensed premises will be located, except in a
25 city having a population of 600,000 or more or as provided in
26 subsection (17).

27 (d) The manufacturer or manufacturers must comply with the
28 server training requirements of section 906.

29 (e) The manufacturer or manufacturers must file with the



1 commission proof of financial responsibility providing security for
 2 liability under section 801(2) of not less than \$50,000.00 as
 3 provided in section 803.

4 (f) A separate on-premises tasting room permit is not required
 5 for each license type for a person licensed by the commission under
 6 any combination of brewer, micro brewer, wine maker, small wine
 7 maker, distiller, small distiller, brandy manufacturer, or ~~mixed~~
 8 ~~spirit drink manufacturer~~ licenses issued to that person at the
 9 same manufacturing premises.

10 (g) The commission shall not issue to a manufacturer or
 11 manufacturers a Sunday sales permit, catering permit, dance permit,
 12 entertainment permit, specific purpose permit, extended hours
 13 permit, or authorization for outdoor service unless the commission
 14 has issued an on-premises tasting room permit to the manufacturer
 15 or manufacturers. A Sunday sales permit, catering permit, dance
 16 permit, entertainment permit, specific purpose permit, extended
 17 hours permit, or authorization for outdoor service may be issued
 18 concurrently with the issuance of an on-premises tasting room
 19 permit.

20 (h) A brewer, micro brewer, wine maker, small wine maker,
 21 distiller, small distiller, **or** brandy manufacturer, ~~or mixed~~
 22 ~~spirit drink manufacturer~~ may own and operate a restaurant or allow
 23 another person to operate a restaurant as part of the on-premises
 24 tasting room on the manufacturing premises. If the brewer, micro
 25 brewer, wine maker, small wine maker, distiller, small distiller,
 26 **or** brandy manufacturer, ~~or mixed spirit drink manufacturer~~ allows
 27 another person to operate a restaurant on the manufacturing
 28 premises, the brewer, micro brewer, wine maker, small wine maker,
 29 distiller, small distiller, **or** brandy manufacturer, ~~or mixed~~



~~spirit drink manufacturer~~ must hold a participation permit naming as a participant the other person. The other person must meet the requirements for a participant in R 436.1041(3) of the Michigan Administrative Code.

(8) Subject to subsection (10), an approved tasting room located off the manufacturing premises of 1 or more manufacturers, other than a brewer, **or** micro brewer, ~~or mixed spirit drink manufacturer~~, that are owned by the same person and whose manufacturing premises share the same address must comply with all of the following:

(a) The commission must approve and issue an off-premises tasting room license to the manufacturer or manufacturers.

(b) The manufacturer or manufacturers must pay the \$100.00 initial license fee, which is renewable annually.

(c) The manufacturer or manufacturers must be approved for the off-premises tasting room license by the local legislative body in which the proposed licensed premises will be located, except in a city having a population of 600,000 or more or as provided in subsection (17).

(d) The manufacturer or manufacturers must comply with the server training requirements of section 906 at the off-premises tasting room.

(e) The manufacturer or manufacturers must file with the commission proof of financial responsibility providing security for liability under section 801(2) of not less than \$50,000.00 as provided in section 803 for the off-premises tasting room.

(f) A separate off-premises tasting room license is not required for each license type for a person licensed by the commission under any combination of wine maker, small wine maker,



1 distiller, small distiller, or brandy manufacturer licenses issued
2 to that person at the same manufacturing premises.

3 (g) The commission shall not issue to a manufacturer or
4 manufacturers a Sunday sales permit, catering permit, dance permit,
5 entertainment permit, specific purpose permit, extended hours
6 permit, authorization for outdoor service, or permission to
7 maintain a direct connection to unlicensed premises unless the
8 commission has issued an off-premises tasting room license to the
9 manufacturer or manufacturers. A Sunday sales permit, catering
10 permit, dance permit, entertainment permit, specific purpose
11 permit, extended hours permit, authorization for outdoor service,
12 or permission to maintain a direct connection to unlicensed
13 premises may be issued concurrently with the issuance of an off-
14 premises tasting room license.

15 (9) Subject to subsection (10), an approved jointly operated
16 tasting room located off the manufacturing premises of 2 or more
17 manufacturers, other than a brewer, **or** micro brewer, ~~or mixed~~
18 ~~spirit drink manufacturer,~~ that are not owned by the same person
19 and whose manufacturing premises do not share the same address must
20 comply with all of the following:

21 (a) The commission must approve and issue a joint off-premises
22 tasting room license to each of the manufacturers.

23 (b) Each manufacturer must pay the \$100.00 initial license
24 fee, which is renewable annually.

25 (c) Each manufacturer must be approved for a joint off-
26 premises tasting room license by the local legislative body in
27 which the proposed licensed premises will be located, except in a
28 city having a population of 600,000 or more or as provided in
29 subsection (17).



1 (d) Each manufacturer must comply with the server training
2 requirements of section 906 at the jointly operated off-premises
3 tasting room.

4 (e) Each manufacturer must file with the commission proof of
5 financial responsibility providing security for liability under
6 section 801(2) of not less than \$50,000.00 as provided in section
7 803 for the jointly operated off-premises tasting room.

8 (f) Any management agreements with an unlicensed manager of
9 the jointly operated off-premises tasting room must comply with the
10 requirements of R 436.1041 of the Michigan Administrative Code and
11 all the manufacturers must hold a participation permit naming as a
12 participant the unlicensed manager. The unlicensed manager must
13 meet the requirements for a participant in R 436.1041(3) of the
14 Michigan Administrative Code.

15 (g) A Sunday sales permit, dance permit, entertainment permit,
16 specific purpose permit, extended hours permit, authorization for
17 outdoor service, or permission to maintain a direct connection to
18 unlicensed premises may be issued in conjunction with a jointly
19 operated off-premises tasting room. All manufacturers licensed at
20 the jointly operated off-premises tasting room location must hold
21 the same permits, permissions, and authorizations at the location.

22 (h) A violation of this act or the administrative rules by any
23 manufacturer on the premises of the jointly operated off-premises
24 tasting room is a violation by all the manufacturers licensed at
25 the jointly operated off-premises tasting room.

26 (10) Approved off-premises tasting rooms or jointly operated
27 off-premises tasting rooms described in subsections (8) and (9)
28 must comply with all of the following:

29 (a) A wine maker, small wine maker, distiller, small



1 distiller, or brandy manufacturer may have 1 of the following:

2 (i) No more than 5 off-premises tasting room licenses issued
3 under subsection (8) under which alcoholic liquor manufactured by
4 the wine maker, small wine maker, distiller, small distiller, or
5 brandy manufacturer may be sold by the glass for consumption on the
6 premises or samples may be sold or given away for consumption on
7 the premises as provided in subsection (14)(b) and (c).

8 (ii) No more than 5 joint off-premises tasting room licenses
9 issued under subsection (9) under which alcoholic liquor
10 manufactured by the wine maker, small wine maker, distiller, small
11 distiller, or brandy manufacturer may be sold by the glass for
12 consumption on the premises or samples may be sold or given away
13 for consumption on the premises as provided in subsection (14)(b)
14 and (c).

15 (iii) A combination of no more than 5 off-premises tasting room
16 licenses issued under subsection (8) and joint off-premises tasting
17 room licenses issued under subsection (9) under which alcoholic
18 liquor manufactured by the wine maker, small wine maker, distiller,
19 small distiller, or brandy manufacturer may be sold by the glass
20 for consumption on the premises or samples may be sold or given
21 away for consumption on the premises as provided in subsection
22 (14)(b) and (c).

23 (iv) No more than the equivalent number of off-premises tasting
24 room licenses issued under subsection (8), joint off-premises
25 tasting room licenses issued under subsection (9), or a combination
26 of off-premises tasting room licenses issued under subsection (8)
27 and joint off-premises tasting room licenses issued under
28 subsection (9) that were issued before October 1, 2018 under which
29 alcoholic liquor manufactured by the wine maker, small wine maker,



1 distiller, small distiller, or brandy manufacturer may be sold by
2 the glass for consumption on the premises or samples may be sold or
3 given away for consumption on the premises as provided in
4 subsection (14)(b) and (c).

5 (b) Notwithstanding the limitation in subdivision (a), a wine
6 maker, small wine maker, distiller, small distiller, or brandy
7 manufacturer may have any number of off-premises tasting room
8 licenses or joint off-premises tasting room licenses under which
9 alcoholic liquor manufactured by the wine maker, small wine maker,
10 distiller, small distiller, or brandy manufacturer may only be sold
11 or given away as samples for consumption on the premises as
12 provided in subsection (14)(d).

13 (c) A wine maker, small wine maker, distiller, small
14 distiller, or brandy manufacturer must designate at the time of
15 application whether the tasting room location for which the off-
16 premises tasting room license or the joint off-premises tasting
17 room license application is being made will sell by the glass as
18 provided in subdivision (a) or provide only samples as provided in
19 subdivision (b). The designation made for the off-premises tasting
20 room license or the joint off-premises tasting room license must
21 not be changed after the license has been issued.

22 (d) All wine makers, small wine makers, distillers, small
23 distillers, or brandy manufacturers licensed at the same approved
24 jointly operated off-premises tasting room must have an identical
25 designation under subdivision (c).

26 (e) A wine maker, small wine maker, distiller, small
27 distiller, or brandy manufacturer that has an off-premises tasting
28 room or jointly operated off-premises tasting room location that
29 was approved by the commission before December 19, 2018 must submit



1 to the commission in writing a designation as required under
2 subdivision (c) by April 1, 2019.

3 (11) A wine maker, small wine maker, brewer, micro brewer,
4 distiller, small distiller, **or** brandy manufacturer ~~, or mixed~~
5 ~~spirit drink manufacturer~~ may add a nonalcoholic mixing ingredient
6 or an alcoholic mixing ingredient manufactured by the wine maker,
7 small wine maker, brewer, micro brewer, distiller, small distiller,
8 **or** brandy manufacturer ~~, or mixed spirit drink manufacturer~~ to
9 sampled or purchased alcoholic liquor if the sampled or purchased
10 alcoholic liquor is consumed on the premises of the approved
11 tasting room.

12 (12) A manufacturer is not a retailer under this act merely
13 because the manufacturer has a tasting room.

14 (13) A manufacturer with an approved tasting room may sample
15 and sell alcoholic liquor only as specifically allowed in this act.

16 (14) A manufacturer may do all of the following:

17 (a) Sell alcoholic liquor it manufactured for consumption off
18 the premises in an approved tasting room under subsections (7) to
19 (9).

20 (b) Subject to subsection (10)(a), sell alcoholic liquor it
21 manufactured by the glass for consumption on the premises of an
22 approved tasting room under subsections (7) to (9).

23 (c) Subject to subsection (10)(a), sell or give away samples
24 of any size of alcoholic liquor it manufactured for consumption on
25 the premises of an approved tasting room under subsections (7) to
26 (9).

27 (d) Subject to subsection (10)(b), sell or give away samples
28 of alcoholic liquor it manufactured for consumption on the premises
29 of an approved tasting room under subsections (8) and (9) under all



1 of the following conditions:

2 (i) A wine maker or small wine maker may offer samples of wine
3 that do not exceed 3 ounces per sample.

4 (ii) A brandy manufacturer may offer samples of brandy that do
5 not exceed 1/2 ounce per sample.

6 (iii) A distiller or small distiller may offer samples of
7 spirits or mixed drinks that do not exceed 1/2 ounce per sample.

8 (15) A manufacturer issued a license before December 19, 2018
9 that intends to sell for consumption off its licensed premises or
10 sell, serve, and allow consumption on its licensed premises of
11 alcoholic liquor as allowed under this section and section 537 must
12 comply with this section by April 1, 2019.

13 (16) The revenue received from subsection (7) must be
14 deposited into the liquor control enforcement and license
15 investigation revolving fund under section 543(9).

16 (17) Local approval under subsection (7)(c), (8)(c), or (9)(c)
17 is not required for a tasting room that was in existence before
18 December 19, 2018.

19 ~~(18) A small distiller or distiller that also holds a mixed~~
20 ~~spirit drink manufacturer license may do all of the following:~~

21 ~~(a) Sell mixed spirit drink it manufactured for consumption~~
22 ~~off the licensed premises of an approved tasting room under~~
23 ~~subsections (8) and (9).~~

24 ~~(b) Subject to subsection (10)(a), sell mixed spirit drink it~~
25 ~~manufactured for consumption on the premises of an approved tasting~~
26 ~~room under subsections (8) and (9).~~

27 ~~(c) Subject to subsection (10)(a), sell or give away samples~~
28 ~~of any size of mixed spirit drink it manufactured for consumption~~
29 ~~on the premises of an approved tasting room under subsections (8)~~



1 and ~~(9)~~.

2 ~~(d) Subject to subsection (10) (b), sell or give away samples~~
 3 ~~that do not exceed 3 ounces per sample of mixed spirit drink it~~
 4 ~~manufactured for consumption on the premises of an approved tasting~~
 5 ~~room under subsections (8) and (9).~~

6 Sec. 537. (1) The following classes of vendors may sell
 7 alcoholic liquor at retail as provided in this section:

8 (a) Taverns, where beer and wine may be sold for consumption
 9 on the premises only.

10 (b) Class C licensee, where beer, wine, ~~mixed spirit drink,~~
 11 and spirits may be sold for consumption on the premises.

12 (c) Clubs, where beer, wine, ~~mixed spirit drink,~~ and spirits
 13 may be sold for consumption on the premises only to bona fide
 14 members if consumption is limited to these members and their bona
 15 fide guests, who are 21 years of age or older.

16 (d) Direct shippers, where wine **other than wine as defined in**
 17 **section 113(9) (b) or 113a(9) (b)** may be sold and shipped directly to
 18 the consumer.

19 (e) Hotels of class A, where beer and wine may be sold for
 20 consumption on the premises and in the rooms of bona fide
 21 registered guests. Hotels of class B where beer, wine, ~~mixed spirit~~
 22 ~~drink,~~ and spirits may be sold for consumption on the premises and
 23 in the rooms of bona fide registered guests.

24 (f) Specially designated merchants, where beer and wine may be
 25 sold for consumption off the premises only.

26 (g) Specially designated distributors, where spirits ~~and mixed~~
 27 ~~spirit drink~~ may be sold for consumption off the premises only.

28 (h) Special licensee, where beer and wine or beer, wine, ~~mixed~~
 29 ~~spirit drink,~~ and spirits may be sold for consumption on the



1 premises only.

2 (i) Dining cars or other railroad or Pullman cars, watercraft,
3 or aircraft, where alcoholic liquor may be sold for consumption on
4 the premises only, subject to rules promulgated by the commission.

5 (j) Brewpubs, where beer manufactured on the premises by the
6 licensee may be sold for consumption on or off the premises by any
7 of the following licensees:

8 (i) Class C.

9 (ii) Tavern.

10 (iii) Class A hotel.

11 (iv) Class B hotel.

12 (k) Micro brewers and brewers, where beer manufactured by the
13 micro brewer or brewer may be sold in an approved tasting room
14 under section 536 to a consumer for consumption on or off the
15 manufacturing premises.

16 (l) Class G-1 licensee, where beer, wine, ~~mixed spirit drink,~~
17 and spirits may be sold for consumption on the premises only to
18 members required to pay an annual membership fee and consumption is
19 limited to these members and their bona fide guests.

20 (m) Class G-2 licensee, where beer and wine may be sold for
21 consumption on the premises only to members required to pay an
22 annual membership fee and consumption is limited to these members
23 and their bona fide guests.

24 (n) Motorsports event licensee, where beer and wine may be
25 sold for consumption on the premises during sanctioned motorsports
26 events only.

27 (o) Wine maker or small wine maker, where wine manufactured by
28 the wine maker or small wine maker may be sold ~~by~~ **in any of the**
29 **following ways:**



(i) **By** direct shipment as provided in section 203 **other than**
wine as defined in section 113(9) (b) or 113a(9) (b) . ~~at~~

(ii) **At** retail for consumption on or off the premises in an
 approved tasting room under section 536. ~~or as~~

(iii) **As** otherwise provided for in this act.

(p) Small wine maker, where wine bottled by the small wine
 maker may be sold ~~by~~ **in any of the following ways:**

(i) **By** direct shipment as provided in section 203 **other than**
wine as defined in section 113(9) (b) or 113a(9) (b) . ~~at~~

(ii) **At** retail for consumption on or off the premises in an
 approved tasting room under section 536. ~~or as~~

(iii) **As** otherwise provided for in this act.

(q) Wine maker or small wine maker, where shiners may be sold
~~by~~ **in any of the following ways:**

(i) **By** direct shipment as provided in section 203 **other than**
wine as defined in section 113(9) (b) or 113a(9) (b) . ~~at~~

(ii) **At** retail for consumption on or off the premises in an
 approved tasting room under section 536. ~~or as~~

(iii) **As** otherwise provided for in this act.

(r) Distiller or small distiller, where spirits manufactured
 by the distiller or small distiller may be sold to the consumer at
 retail for consumption on or off the premises in an approved
 tasting room under section 536.

(s) Nonpublic continuing care retirement center license, where
 beer, wine, ~~mixed spirit drink,~~ mixed wine drink, and spirits may
 be sold at retail and served on the licensed premises to residents
 and bona fide guests accompanying the resident for consumption only
 on the licensed premises.



1 (t) A small wine maker or an out-of-state entity that is the
2 substantial equivalent of a small wine maker, that holds a farmer's
3 market permit, where wine manufactured or bottled by the small wine
4 maker and shiners may be sampled and sold at a farmers' market for
5 consumption off the licensed premises.

6 (u) A brandy manufacturer where brandy manufactured by the
7 brandy manufacturer may be sold at retail for consumption on or off
8 the premises in an approved tasting room under section 536 located
9 on the manufacturing premises of the brandy manufacturer.

10 ~~(v) A mixed spirit drink manufacturer where mixed spirit drink~~
11 ~~manufactured by the mixed spirit drink manufacturer may be sold at~~
12 ~~retail for consumption on or off the premises in an approved~~
13 ~~tasting room under section 536.~~

14 (2) Notwithstanding section 1025(1), an outstate seller of
15 beer, an outstate seller of wine, a wine maker, a brewer, a micro
16 brewer, or a specially designated merchant, or an agent of any of
17 those persons, that does not hold a license allowing the
18 consumption of alcoholic liquor on the premises at the same
19 licensed address, may conduct beer and wine tastings on the
20 licensed premises of a specially designated merchant under the
21 following conditions:

22 (a) A customer is not charged for the tasting of beer or wine.

23 (b) The tasting samples provided to a customer do not exceed 3
24 servings at up to 3 ounces per serving of beer or 3 servings at up
25 to 2 ounces of wine. A customer shall not be provided more than a
26 total of 3 samples of beer or wine within a 24-hour period per
27 licensed premises.

28 (c) The specially designated merchant, outstate seller of
29 beer, outstate seller of wine, wine maker, micro brewer, or brewer



1 has first obtained an annual beer and wine tasting permit approved
2 by the commission.

3 (d) The commission is notified, in writing, a minimum of 10
4 working days before the event, regarding the date, time, and
5 location of the event.

6 (3) While a beer or wine tasting is conducted under subsection
7 (2), a specially designated merchant, outstate seller of beer,
8 outstate seller of wine, wine maker, micro brewer, or brewer, or
9 its agent or employee who has successfully completed a server
10 training program as provided for in section 906, shall devote full
11 time to the beer and wine tasting activity and shall not perform
12 other duties, including the sale of alcoholic liquor for
13 consumption off the licensed premises. Beer and wine used for the
14 tasting must come from the specially designated merchant's
15 inventory, and all open bottles must be removed from the premises
16 on the same business day or resealed and stored in a locked,
17 separate storage compartment on the licensed premises when not
18 being used for the activities allowed by the permit.

19 (4) A wholesaler shall not conduct or participate in beer and
20 wine tastings allowed under a permit issued under subsection (2).

21 (5) A beer and wine tasting under subsection (2) may only be
22 conducted during the legal hours for the sale of alcoholic liquor
23 by the licensee.

24 (6) An eligible merchant may fill and sell growlers with beer
25 for consumption off the premises under the following conditions:

26 (a) The premises where the filling of growlers takes place
27 comply with the requirements for food service establishments under
28 the food law, 2000 PA 92, MCL 289.1101 to 289.8111.

29 (b) The growler is sealed and has a label affixed to it that



1 includes at least the brand name of the beer, the class of the
2 beer, the net contents of the container, and the name of the
3 retailer filling the growler. The label conditions described in
4 this subdivision do not apply to either of the following:

5 (i) A brewpub described in subsection (1)(j), but only as to
6 beer that the brewpub produces.

7 (ii) A micro brewer or brewer described in subsection (1)(k).

8 (c) The eligible merchant or his or her agent or employee
9 ~~shall~~**does** not fill a growler in advance of the sale.

10 (d) The eligible merchant or his or her agent or employee
11 ~~shall only use~~**uses** containers that have a capacity of 5 gallons or
12 more to fill a growler.

13 (e) The beer to be dispensed has received a registration
14 number from the commission and has been approved for sale by the
15 commission. The registration condition described in this
16 subdivision does not apply to either of the following:

17 (i) A brewpub described in subsection (1)(j), but only as to
18 beer that the brewpub produces.

19 (ii) A micro brewer or brewer described in subsection (1)(k).

20 (f) The eligible merchant complies with all applicable rules
21 promulgated by the commission.

22 (7) A wine maker, brandy manufacturer, small distiller, micro
23 brewer, brewer, or brewpub shall provide water, and may, in the
24 sole discretion of the wine maker, brandy manufacturer, small
25 distiller, micro brewer, brewer, or brewpub, sell or provide other
26 nonalcoholic beverages, for consumption on or off the premises
27 where the wine maker, brandy manufacturer, small distiller, micro
28 brewer, brewer, or brewpub is licensed.

29 (8) As used in this section:



(a) "Eligible merchant" means a person that holds a specially designated merchant license.

(b) "Growler" means any clean, refillable, resealable container that is exclusively intended, and used only, for the sale of beer for consumption off the premises and that has a liquid capacity that does not exceed 1 gallon.

Sec. 545. ~~(1) As used in this act, "nonpublic continuing care retirement center" means a residential community that, as determined by the commission, meets both of the following conditions:~~

~~(a) Provides full-time residential housing predominantly for individuals over the age of 62.~~

~~(b) Meets 1 of the following conditions:~~

~~(i) Is registered as a facility under former 1976 PA 440 or the continuing care community disclosure act, 2014 PA 448, MCL 554.901 to 554.993.~~

~~(ii) Is a home for the aged licensed under part 213 of the public health code, 1978 PA 368, MCL 333.21301 to 333.21335.~~

(1) ~~(2)~~ The commission, on submission of a completed application, shall grant a nonpublic continuing care retirement center license to an applicant complying with this section. Subject to subsection ~~(4)~~, **(3)**, the commission shall not issue more than 25 licenses under this section. If the holder of a license issued under this section goes out of business, the license must be surrendered to the commission. The commission may allow the transfer of a surrendered license to a new business owner on transfer of the owner's interest in the business if the new business owner meets the same condition under subsection ~~(1)(b)~~ **(4)(b)** as the previous business owner.



(2) ~~(3)~~ The holder of a nonpublic continuing care retirement center license may sell at retail and serve on the licensed premises beer, wine, ~~mixed spirit drink~~, mixed wine drink, and spirits, for consumption by a resident or the bona fide guests accompanying the resident, only on the licensed premises.

(3) ~~(4)~~ The commission shall not issue more than 20 licenses under this section to facilities described in subsection ~~(1) (b) (i)~~.

(4) (b) (i) . The commission shall not issue more than 5 licenses under this section to homes for the aged described in subsection ~~(1) (b) (ii)~~. (4) (b) (ii) .

(4) As used in this section, "nonpublic continuing care retirement center" means a residential community that, as determined by the commission, meets both of the following conditions:

(a) Provides full-time residential housing predominantly for individuals over the age of 62.

(b) Meets 1 of the following conditions:

(i) Is registered as a facility under former 1976 PA 440 or the continuing care community disclosure act, 2014 PA 448, MCL 554.901 to 554.993.

(ii) Is a home for the aged licensed under part 213 of the public health code, 1978 PA 368, MCL 333.21301 to 333.21335.

Sec. 601. (1) Pursuant to section 2 of Amendment XXI of the Constitution of the United States, this state has an interest in ensuring the safety of beer, wine, ~~mixed spirit drink~~, and mixed wine drink that is intended to be sold or is sold by wholesalers to retailers for purposes of human consumption. In order to protect the public health and safety, the commission must be able to inspect and seize beer, wine, ~~mixed spirit drink~~, and mixed wine



1 drink that is in the possession of a wholesaler being offered for
2 sale in this state. The purpose of the inspection described in this
3 subsection is to ensure that the beer, wine, ~~mixed spirit drink~~, or
4 mixed wine drink meets all of the following conditions:

5 (a) The beer, wine, ~~mixed spirit drink~~, or mixed wine drink
6 has been registered for sale with the commission.

7 (b) The beer, wine, ~~mixed spirit drink~~, or mixed wine drink is
8 not subject to a government mandated or supplier initiated recall.

9 (c) The beer, wine, ~~mixed spirit drink~~, or mixed wine drink is
10 not counterfeit.

11 (d) The beer, wine, ~~mixed spirit drink~~, or mixed wine drink is
12 labeled in conformance with applicable laws, rules, and
13 regulations.

14 (e) The beer, wine, ~~mixed spirit drink~~, or mixed wine drink
15 can be tested by the commission or an agent assigned by the
16 commission.

17 (f) The beer, wine, ~~mixed spirit drink~~, or mixed wine drink is
18 not prohibited by this state.

19 (2) The commission may seize or destroy beer, wine, ~~mixed~~
20 ~~spirit drink~~, and mixed wine drink that does not meet the
21 conditions of subsection (1).

22 (3) To enable the commission to carry out the functions
23 described in subsections (1) and (2) and to randomly inspect
24 records required to be maintained by a wholesaler under section 217
25 and R 436.1641 of the Michigan Administrative Code, a wholesaler or
26 an applicant for a wholesaler license must have a warehouse located
27 in this state and licensed by the commission for the storage, sale,
28 and distribution of beer, wine, ~~mixed spirit drink~~, and mixed wine
29 drink before operating as a wholesaler in this state. This



1 subsection does not require a wholesaler to hold a warehouser
2 license for the wholesaler's licensed premises.

3 (4) To ensure that all beer, wine, ~~mixed spirit drink~~, and
4 mixed wine drink sold in this state is subject to this section, the
5 importation, sale, transportation, and delivery of all beer, ~~wine,~~
6 ~~mixed spirit drink~~, and mixed wine drink offered for sale by a
7 wholesaler must meet the requirements of section 204.

8 Sec. 603. (1) Except as provided in subsections (6) to (14)
9 and section 605, a supplier, warehouser, or wholesaler shall not
10 have any direct or indirect financial interest in the
11 establishment, maintenance, operation, or promotion of the business
12 of any other vendor.

13 (2) Except as provided in subsections (6) to (14) and section
14 605, a supplier, warehouser, or wholesaler or a stockholder of a
15 supplier, warehouser, or wholesaler shall not have any direct or
16 indirect interest by ownership in fee, leasehold, mortgage, or
17 otherwise in the establishment, maintenance, operation, or
18 promotion of the business of any other vendor.

19 (3) Except as provided in subsections (6) to (14) and section
20 605, a supplier, warehouser, or wholesaler shall not have any
21 direct or indirect interest by interlocking directors in a
22 corporation or by interlocking stock ownership in a corporation in
23 the establishment, maintenance, operation, or promotion of the
24 business of any other vendor.

25 (4) Except as provided in subsections (6) to (14) and section
26 605, a person shall not buy the stocks of a supplier, warehouser,
27 or wholesaler and place the stock in any portfolio under an
28 arrangement, written trust agreement, or form of investment trust
29 agreement, issue participating shares based upon the portfolio,



1 trust agreement, or investment trust agreement, and sell the
2 participating shares within this state.

3 (5) The commission may approve a brandy manufacturer or small
4 distiller to sell brandy and spirits made by that brandy
5 manufacturer or small distiller in a restaurant for consumption on
6 or off the premises if the restaurant is owned by the brandy
7 manufacturer or small distiller or operated by another person under
8 an agreement approved by the commission and is located on premises
9 where the brandy manufacturer or small distiller is licensed.

10 Brandy and spirits sold for consumption off the premises under this
11 subsection must be sold at the uniform price established by the
12 commission.

13 (6) The commission shall allow a small distiller to sell
14 brands of spirits it manufactures for consumption on the licensed
15 premises at that distillery.

16 (7) A brewpub may have an interest in up to 5 other brewpubs
17 if the combined production of all the locations in which the
18 brewpub has an interest does not exceed 18,000 barrels of beer per
19 calendar year.

20 (8) This section does not prohibit a supplier from having any
21 direct or indirect interest in any other supplier.

22 (9) The commission may approve the following under R
23 436.1023(3) of the Michigan Administrative Code, subject to the
24 written approval of the United States Department of Treasury
25 Alcohol and Tobacco Tax and Trade Bureau:

26 (a) A wine maker participating with 1 or more wine makers in
27 an alternating proprietor operation **for manufacturing wine as**
28 **defined in section 113(9) (a) or 113a(9) (a)** in accordance with 27
29 CFR 24.136.



(b) A brewer participating with 1 or more brewers in an alternating proprietor operation in accordance with 27 CFR 25.52.

(10) A manufacturer shall not have any direct or indirect interest in a wholesaler.

(11) A wine maker shall not collectively deliver wine, with any other wine maker, to retail licensees.

(12) Except for a licensed warehouser, all licensees in this state ~~shall~~**must** be separated into 3 distinct and independent tiers composed of the following:

(a) Supplier tier, comprising suppliers.

(b) Wholesaler tier, comprising wholesalers.

(c) Retailer tier, comprising retailers.

(13) Except as otherwise provided in subsection (14), beginning April 30, 2011, the commission shall not allow any of the following:

(a) A retailer to hold, directly or indirectly, a license in the wholesaler or supplier tier.

(b) A wholesaler to hold, directly or indirectly, a license in the retailer or supplier tier.

(c) A supplier to hold, directly or indirectly, a license in the wholesaler or retailer tier.

(14) Subsection (13) does not prohibit a class C, tavern, class A hotel, or class B hotel licensee from receiving a brewpub license or a micro brewer or brewer from having an on-site restaurant.

(15) As used in this section:

(a) "Manufacturer" means, notwithstanding section 109(2), a wine maker, small wine maker, brewer, micro brewer, manufacturer of spirits, distiller, small distiller, brandy manufacturer, ~~mixed~~



~~spirit drink manufacturer~~, direct shipper, or a person licensed by the commission to perform substantially similar functions.

(b) "Supplier" means a manufacturer, ~~mixed spirit drink manufacturer~~, outstate seller of beer, outstate seller of wine, ~~outstate seller of mixed spirit drink~~, and vendor of spirits or a person licensed by the commission to perform substantially similar functions but does not include a master distributor.

Sec. 605. (1) A brewer, wine maker, distiller, brandy manufacturer, or the parent company, a subsidiary or an affiliate of a brewer, wine maker, distiller, or brandy manufacturer which parent company, subsidiary, or affiliate is located in this state may acquire, develop, sell, lease, finance, maintain, operate, or promote real property occupied or to be occupied by another vendor, except a wholesaler, if all of the following exist:

(a) The brewer, wine maker, distiller, or brandy manufacturer has received written approval of the commission before entering into any arrangement or contract between the parties regarding the real property.

(b) The legislative body of the city, village, or township where the property is located certifies to the commission that the real property is in an urban, commercial, or community redevelopment area.

(c) Any arrangement or contract entered into between the brewer, wine maker, distiller, brandy manufacturer, its parent company, subsidiary, or affiliate and another vendor ~~shall~~ **does** not directly or indirectly influence or control the brand of alcoholic liquor sold or to be sold by the vendor and ~~shall~~ **is** only be concerned with real property.

(d) The brewer, wine maker, distiller, brandy manufacturer,



1 its parent company, subsidiary, or affiliate has not acquired,
 2 developed, sold, leased, financed, or maintained, operated, or
 3 promoted more than 7 real properties that are occupied or to be
 4 occupied by another vendor, except a wholesaler.

5 (2) The commission may deny or approve an arrangement or
 6 contract to be entered into under this section. In denying or
 7 approving an arrangement or contract, the commission shall consider
 8 all of the following:

9 (a) That the arrangement or contract to be entered into is
 10 concerned only with real property.

11 (b) That the certification required under subsection (1)(b)
 12 has been received by the commission.

13 (c) That the arrangement or contract does not violate this act
 14 or the rules promulgated under this act.

15 (3) The commission may review any arrangement or contract
 16 under this section at the time that 1 of the parties to the
 17 arrangement or contract applies for or renews a license. The
 18 commission may deny, revoke, or suspend the license of a party to
 19 the arrangement or contract if the commission finds that the party
 20 to the arrangement or contract has violated this act or the rules
 21 promulgated under this act.

22 (4) Except as otherwise provided in subsection (5), a
 23 wholesaler shall not be a party to, directly or indirectly, an
 24 arrangement or contract under this section.

25 (5) ~~A-Subject to subsection (6), a manufacturer, mixed spirit~~
 26 ~~drink manufacturer, warehouser, wholesaler, authorized distribution~~
 27 ~~agent, outstate seller of beer, outstate seller of wine, outstate~~
 28 ~~seller of mixed spirit drink, or vendor of spirits may acquire,~~
 29 develop, sell, lease, finance, maintain, operate, or promote a



1 condominium project or own a condominium unit as its sole property,
2 under the condominium act, 1978 PA 59, MCL 559.101 to 559.276, if
3 that condominium unit is not the licensed premises owned separately
4 by a retailer and if all of the following apply:

5 (a) Condominium assessments in the condominium project are
6 based on the proportional area each condominium unit has to the
7 total area.

8 (b) A condominium unit operating as a licensed premises
9 operates under a separate name from the condominium project except
10 that cooperative advertising ~~shall be~~ **is** permitted among owners of
11 condominium units for the purpose of promoting the condominium
12 project if the name of a brand or brands of an alcoholic liquor is
13 not mentioned in the advertising.

14 (c) Ownership of a condominium unit and participation in a
15 condominium association under this section is not considered a
16 financial interest, interest by ownership, or interest by
17 interlocking directors on stock ownership prohibited by section
18 603.

19 (d) A retailer separately owning a separate condominium unit
20 as sole property does not directly purchase alcoholic liquor from
21 the manufacturer, warehouser, wholesaler, ~~outstate seller of mixed~~
22 ~~spirit drink,~~ or vendor of spirits who owns, leases, maintains,
23 finances, or operates the condominium project.

24 (e) A wholesaler that has a direct or indirect interest in a
25 condominium unit in which a retailer is located does not sell
26 alcoholic liquor to any licensed retail business in which that
27 retailer, or any person having an ownership interest in that
28 retailer, has an ownership interest; and, a retail licensed
29 business in which that retailer, or any person having an ownership



1 interest in that retailer, has an ownership interest does not
 2 purchase alcoholic liquor from a wholesaler that has a direct or
 3 indirect interest in a condominium or condominium unit in which
 4 that retailer is located.

5 (f) A retailer acquiring a separate condominium unit as sole
 6 property pays the fair market value for the unit.

7 (6) Subsection (5) does not apply to a manufacturer, ~~mixed~~
 8 ~~spirit drink manufacturer~~, warehouser, wholesaler, authorized
 9 distribution agent, outstate seller of beer, outstate seller of
 10 wine, ~~outstate seller of mixed spirit drink~~, or vendor of spirits
 11 with a direct or indirect interest in a license under the Michigan
 12 ~~gaming control and revenue act~~, **Gaming Control and Revenue Act**,
 13 1996 IL 1, MCL 432.201 to 432.226. Subsection (5) does not prohibit
 14 a direct physical connection between a condominium unit that is the
 15 licensed premises and a condominium unit that is not the licensed
 16 premises.

17 Sec. 607. (1) Except as provided in section 536(7)(h), a
 18 warehouser, ~~mixed spirit drink manufacturer~~, wholesaler, outstate
 19 seller of beer, outstate seller of wine, ~~outstate seller of mixed~~
 20 ~~spirit drink~~, or vendor of spirits ~~shall~~ **must** not be licensed as a
 21 specially designated merchant or a specially designated
 22 distributor. A person licensed as a small distiller is not
 23 considered to be a specially designated distributor. Beginning
 24 December 23, 2007 and in addition to the persons described in this
 25 subsection, a wine maker and a small wine maker ~~shall~~ **must** also not
 26 be licensed as a specially designated merchant or a specially
 27 designated distributor. Any wine maker or small wine maker holding
 28 a specially designated merchant or specially designated distributor
 29 license on December 23, 2007 may continue to hold a specially



1 designated merchant or specially designated distributor license.

2 (2) A specially designated distributor or specially designated
 3 merchant or any other retailer shall not hold a ~~mixed spirit drink~~
 4 ~~manufacturer~~, wholesale, warehouse, outstate seller of beer,
 5 ~~outstate seller of mixed spirit drink~~, or outstate seller of wine
 6 license. Beginning December 23, 2007, a specially designated
 7 distributor or specially designated merchant shall not hold a wine
 8 maker or small wine maker license in addition to being prohibited
 9 from holding any other license described in this subsection. Any
 10 specially designated distributor or specially designated merchant
 11 holding a wine maker or small wine maker license on December 23,
 12 2007 may continue to hold a wine maker or small wine maker license.

13 (3) A brewer, warehouser, or wholesaler ~~shall~~ **must** not be
 14 licensed as a specially designated merchant. This subsection does
 15 not affect the operation of a brewery hospitality room.

16 (4) A wholesaler may sell or deliver beer and alcoholic liquor
 17 to hospitals, military establishments, governments of federal
 18 Indian reservations, and churches requiring sacramental wines and
 19 may sell to the wholesaler's own employees ~~to a~~ limit of 2 cases of
 20 24 12-ounce units or its equivalent of malt beverage per week, or 1
 21 case of 12 1-liter units or its equivalent of wine ~~or mixed spirit~~
 22 ~~drink~~ per week.

23 Sec. 608. (1) The purpose of this section is to exercise this
 24 state's authority under section 2 of Amendment XXI of the
 25 Constitution of the United States to ensure an orderly market for
 26 the distribution and sale of alcoholic beverages.

27 (2) It is the intent of this state to provide access to this
 28 state's alcoholic beverage market to all licensed manufacturers of
 29 alcoholic beverages by ensuring the independence of wholesalers to



1 distribute the brands of beer, wine, ~~mixed spirit drinks,~~ and mixed
2 wine drinks of multiple manufacturers free from the interference or
3 control of any 1 manufacturer.

4 (3) A manufacturer shall not do any of the following:

5 (a) Subject to subsection (5), require a wholesaler to provide
6 financial records directly or indirectly related to any of the
7 following:

8 (i) The wholesaler's distribution of the brands manufactured or
9 sold to the wholesaler by another manufacturer.

10 (ii) The compensation of a wholesaler's employees.

11 (iii) The wholesaler's business operations not directly related
12 to the distribution of the brands manufactured or sold to the
13 wholesaler by the manufacturer.

14 (b) Request a wholesaler to submit any of the wholesaler's
15 financial records as a requirement for renewing or retaining an
16 agreement.

17 (c) Require a wholesaler to spend a set amount of resources
18 marketing or promoting the brands manufactured or sold by the
19 manufacturer to the wholesaler that is based on the sales revenue
20 derived by the wholesaler's distribution of the brands manufactured
21 or sold to the wholesaler by the manufacturer.

22 (d) Intentionally ship beer, wine, ~~mixed spirit drink,~~ or
23 mixed wine drink to a wholesaler that exceeds the order placed by
24 the wholesaler or the forecast submitted by the wholesaler. For
25 purposes of this subdivision, a manufacturer is considered to have
26 intentionally taken an action described in this subdivision if the
27 manufacturer has invoiced or initiated an electronic funds transfer
28 for the amount shipped in excess.

29 (e) Prohibit a wholesaler from distributing the brands the



1 manufacturer manufactured or sold to the wholesaler in licensed
2 vehicles that have markings or logos of brands manufactured or sold
3 to the wholesaler by other manufacturers.

4 (f) Prohibit a wholesaler from distributing the brands
5 manufactured or sold to the wholesaler by another manufacturer on a
6 licensed vehicle that has the marking or logos of brands
7 manufactured or sold to the wholesaler by the manufacturer.

8 (g) Require a distributor to pay for the development,
9 installation, or use of reporting software owned or mandated by the
10 manufacturer. This subdivision does not prohibit a manufacturer
11 from requiring a distributor to maintain electronic information
12 systems that are compatible with systems and standards adopted by
13 the manufacturer.

14 (h) Require a wholesaler to pay a fee or penalty, of any
15 description, for noncompliance with a manufacturer requirement.
16 This subdivision does not prohibit a wholesaler from paying damages
17 to a supplier as provided in section 305 or 403.

18 (i) Set or attempt to set the rates of compensation for
19 wholesaler employees, including incentives.

20 (j) Prohibit a wholesaler from utilizing any wholesaler-owned,
21 leased, or controlled property or equipment to market, promote,
22 deliver, or distribute the brands manufactured or sold by another
23 manufacturer to the wholesaler.

24 (4) A manufacturer that violates this section may be ordered
25 to pay a civil fine as follows:

26 (a) For a first violation, a civil fine of not more than
27 \$1,000.00.

28 (b) For a second violation, a civil fine of not more than
29 \$2,000.00.



(c) For a third or subsequent violation, a civil fine of not more than \$5,000.00.

(5) A manufacturer may request and a wholesaler may provide financial records if any of the following circumstances apply:

(a) The wholesaler is attempting to purchase the manufacturer's brands from another wholesaler.

(b) The wholesaler and manufacturer are entering into an initial distribution agreement.

(c) The financial records are solely related to the brands sold by the manufacturer to the wholesaler.

(6) As used in this section, "manufacturer" includes a brewer, micro brewer, wine maker, small wine maker, ~~mixed spirit drink manufacturer~~, outstate seller of beer, **or** outstate seller of wine. ~~, or outstate seller of mixed spirit drink.~~

Sec. 610. (1) Notwithstanding section 609, a wholesaler, manufacturer, outstate seller of beer, outstate seller of wine, ~~outstate seller of mixed spirit drink~~, vendor of spirits, broker, or retailer may use unpaid social media to advertise any of the following in accordance with all applicable laws and regulations:

(a) An on-premises brand promotion.

(b) Beer, wine, or spirits tastings under section 537.

(c) A product location communication.

(2) Notwithstanding section 609, and subject to subsection (3), a supplier may take any of the following actions to assist a consumer seeking to have an alcoholic beverage sold by the supplier delivered or direct shipped to the consumer's home or designated location by a retailer as allowed under section 203:

(a) Advertise the name and location of all retailers that deliver or direct ship to a consumer the alcoholic beverages sold



1 by the supplier.

2 (b) Provide a link to the website of each retailer that
3 delivers or direct ships to a consumer the alcoholic beverages sold
4 by the supplier.

5 (c) Transmit the consumer's order and payment information to
6 the retailer that the consumer chooses to fulfill the customer's
7 purchase and perform the delivery or direct shipment.

8 (3) A supplier shall not take any action described in
9 subsection (2) unless both of the following conditions are met:

10 (a) The supplier and retailer do not provide or receive any
11 other valuable thing in consideration for any action described in
12 subsection (2) taken by the supplier. As used in this subdivision,
13 "other valuable thing" means that term as defined in section 609.

14 (b) The supplier provides the consumer a list of retailers,
15 from which the consumer selects, that will sell, deliver, or direct
16 ship the alcoholic beverage to the consumer. The supplier may
17 satisfy the condition under this subdivision by providing the
18 consumer with a list of retailers located in the zip code or
19 nearest zip codes to the consumer's location.

20 (4) ~~(2)~~—As used in this section:

21 (a) "Broker" means that term as defined in section 609.

22 (b) "Consumer" means that term as defined in section 203.

23 (c) ~~(b)~~—"On-premises brand promotion" means a promotion in the
24 manner provided by the order of the commission issued on October
25 27, 1999. That order's prohibition against advertising an on-
26 premises promotion by a party off the licensed premises does not
27 apply to this section.

28 (d) ~~(e)~~—"Product location communication" means a listing or
29 program that allows an individual to determine the availability of



1 a specific product at licensed retailers in a certain geographic
2 area.

3 (e) ~~(d)~~ "Social media" means a service, platform, or website
4 where users communicate with one another and share media, such as
5 pictures, videos, music, and blogs, with other users free of
6 charge. Social media includes the website of a wholesaler,
7 manufacturer, outstate seller of beer, outstate seller of wine,
8 ~~outstate seller of mixed spirit drink~~, vendor of spirits, broker,
9 or retailer.

10 (f) "Supplier" means that term as defined in section 603.

11 Sec. 610a. (1) Subject to subsection (2), a manufacturer,
12 ~~mixed spirit drink manufacturer~~, warehouse, wholesaler, outstate
13 seller of beer, ~~outstate seller of mixed spirit drink~~, or vendor of
14 spirits may provide to a retailer signs that promote the brands and
15 prices of alcoholic liquor, including special event pricing.

16 (2) All of the following apply to a sign allowed under
17 subsection (1):

18 (a) The sign must not be illuminated.

19 (b) The sign must not have any use beyond the actual
20 advertising of brands, prices, and events related to the alcoholic
21 liquor.

22 (c) The sign must not include the name of the retailer.

23 (d) For a sign that is located inside the retailer's licensed
24 premises, the sign must not be more than 3,500 square inches in
25 dimension.

26 (3) A retailer may use an illuminated sign to promote the
27 brand but not the price of alcoholic liquor. A manufacturer, ~~mixed~~
28 ~~spirit drink manufacturer~~, warehouse, wholesaler, outstate seller
29 of beer, outstate seller of wine, ~~outstate seller of mixed spirit~~



1 ~~drink,~~ or vendor of spirits shall not provide to a retailer a sign
2 described in this subsection.

3 (4) The signs allowed under this section are in addition to
4 the advertising items that a manufacturer, ~~mixed spirit drink~~
5 ~~manufacturer,~~ warehouse, wholesaler, outstate seller of beer,
6 outstate seller of wine, ~~outstate seller of mixed spirit drink,~~ or
7 vendor of spirits may provide another licensee under section
8 609(2).

9 Sec. 611. (1) A refund or credit of the tax on wine ~~or mixed~~
10 ~~spirit drink~~ paid under section 301 and of the tax on beer paid
11 under section 409 ~~shall~~ **must** be made by the commission to a brewer,
12 wine maker, outstate seller of beer, outstate seller of wine,
13 ~~outstate seller of mixed spirit drink, manufacturer of mixed spirit~~
14 ~~drink,~~ wholesaler, or retail licensee ~~who~~ **that** paid the tax if the
15 wine ~~,~~ **or** beer ~~,~~ **or mixed spirit drink** was sold to a military
16 installation or Indian reservation in this state or, subject to
17 subsection (2), if the wine ~~,~~ **or** beer ~~,~~ **or mixed spirit drink** is
18 lost, made unmarketable, or condemned by order of the commission as
19 the result of a fire, flood, casualty, or other occurrence. A
20 refund or credit ~~shall~~ **must** not be made as the result of theft.

21 (2) A refund or credit of taxes as provided in subsection (1)
22 ~~shall~~ **must** be made for damaged wine ~~,~~ **or** beer ~~,~~ **or mixed spirit**
23 ~~drink~~ only if all of the following circumstances exist:

24 (a) At the time of the fire, flood, casualty, or other
25 occurrence, the wine ~~,~~ **or** beer ~~,~~ **or mixed spirit drink** was being
26 held for sale by the vendor claiming the refund or credit.

27 (b) The refund or credit of the amount claimed or any part of
28 the amount claimed has not been and will not be claimed for the
29 same wine ~~,~~ **or** beer ~~,~~ **or mixed spirit drink** under any other law or



1 rule.

2 (c) The vendor claiming the refund or credit is not
3 indemnifiable by any valid claim of insurance or otherwise for the
4 tax on the wine ~~, or~~ beer ~~, or mixed spirit drink~~ covered by the
5 claim.

6 (d) The amount claimed for a refund or credit is more than
7 \$250.00 or the refund or credit is claimed for defective wine ~~, or~~
8 beer ~~, or mixed spirit drink~~ for which the commission has
9 authorized a manufacturer, outstate seller of beer, outstate seller
10 of wine, ~~outstate seller of mixed spirit drink, manufacturer of~~
11 ~~mixed spirit drink~~, or wholesaler to make an exchange, have
12 replaced, or be reimbursed.

13 (e) The occurrence was not caused by an intentional act of the
14 vendor claiming the refund or credit or an agent of that vendor.

15 (3) A claim for a refund or credit of the tax as provided in
16 subsection (1) ~~shall~~**must** be made not later than 3 months after
17 either of the following:

18 (a) The date ~~upon~~**on** which the damage occurred or was first
19 discovered.

20 (b) The date of the sale to a military installation or Indian
21 reservation in this state.

22 (4) A claim for a refund or credit of the tax as provided in
23 subsection (1) ~~shall~~**must** be submitted to the commission on a form
24 approved by the commission. The claim ~~shall~~**must** contain the
25 following information, as applicable:

26 (a) The name and business address of the vendor claiming the
27 refund or credit.

28 (b) The address where the wine ~~, or~~ beer ~~, or mixed spirit~~
29 ~~drink~~ was lost, made unmarketable, or condemned, if different from



1 the business address.

2 (c) The address of the military installation or Indian
3 reservation to which the wine ~~, or beer, or mixed spirit drink~~ was
4 sold.

5 (d) The kind of wine ~~, or beer, or mixed spirit drink.~~

6 (e) The size of bottles or containers.

7 (f) The number of bottles or containers.

8 (g) The total amount of wine ~~, or beer, or mixed spirit drink~~
9 that was sold or damaged. The amount ~~shall~~ **must** be stated in liters
10 or portions of liters for wine ~~and mixed spirit drink~~ and barrels
11 or portions of barrels for beer.

12 (h) A statement that other claims for a refund or credit of
13 the amount claimed or for any part of the amount claimed have not
14 been and will not be made.

15 (i) A statement that the vendor has not been indemnified by a
16 valid claim of insurance or otherwise for the tax on the wine ~~, or~~
17 beer ~~, or mixed spirit drink~~ covered by the claim.

18 (j) Evidence that the tax on the wine ~~, or beer, or mixed~~
19 ~~spirit drink~~ has been paid.

20 (k) Evidence that the wine ~~, or beer, or mixed spirit drink~~
21 was lost, made unmarketable, or condemned by reason of damage
22 sustained as the result of a fire, flood, casualty, or other
23 occurrence.

24 (l) A statement as to the type and date of the occurrence.

25 (m) A statement that the occurrence was not caused by an
26 intentional act of the vendor claiming the refund or credit or an
27 agent of that vendor.

28 (5) The vendor claiming the refund or credit for damaged wine
29 ~~, or beer, or mixed spirit drink~~ shall support a claim with any



1 evidence, such as an inventory, statement, invoice, bill, record,
 2 or label, relating to the quantity of wine ~~, or beer, or mixed~~
 3 ~~spirit drink~~ on hand at the time of the fire, flood, casualty, or
 4 other disaster and alleged to have been lost, made unmarketable, or
 5 condemned as a result of the damage.

6 (6) Before or after a tax refund or credit has been made for
 7 damaged wine ~~, or beer, or mixed spirit drink,~~ the wine ~~, or beer,~~
 8 ~~or mixed spirit drink upon~~ on which the refund or credit is based
 9 ~~shall~~ **must** be removed from this state or destroyed under the
 10 supervision of the commission.

11 (7) In addition to the provisions of this section, the tax
 12 paid on wine ~~or mixed spirit drink pursuant to~~ **under** section 301
 13 ~~shall~~ **must** be rebated to the person who paid the tax ~~upon~~ on the
 14 presentation of satisfactory proof to the commission that the wine
 15 ~~or mixed spirit drink~~ was shipped outside of this state for sale
 16 and consumption outside of this state.

17 Sec. 914b. (1) Except as otherwise provided in subsection (2),
 18 a person shall not use or offer for use, possess, sell, or offer
 19 for sale marihuana-infused beer, wine, mixed wine drink, ~~mixed~~
 20 ~~spirit drink,~~ or spirits. A person that violates this section is
 21 guilty of a misdemeanor punishable as provided in section 909.

22 (2) This section does not apply to a hospital that operates
 23 primarily for the purpose of conducting scientific research, a
 24 state institution conducting bona fide research, a private college
 25 or university conducting bona fide research, or a pharmaceutical
 26 company or biotechnology company conducting bona fide research.

27 (3) As used in this section:

28 (a) "Marihuana" means that term as defined in section 7106 of
 29 the public health code, 1978 PA 368, MCL 333.7106.



(b) "Marihuana-infused beer, wine, mixed wine drink, ~~mixed spirit drink, or spirits~~" means beer, wine, mixed wine drink, ~~mixed spirit drink, or spirits~~ that contain any amount of marihuana.

Sec. 1019. (1) Alcoholic liquor may be served by any hotel licensed individually under this act in the room of a bona fide guest.

(2) A person shall not consume or offer for consumption spirits ~~or mixed spirit drink~~ in any place licensed under this act to sell beer or wine and not licensed to sell spirits. ~~or mixed spirit drink.~~

Sec. 1025. (1) Except as otherwise provided in subsection (3), and subject to subsection (2), a vendor shall not give away any alcoholic liquor of any kind or description at any time in connection with his or her business, except a vendor that is a manufacturer for consumption on the premises only.

(2) Subsection (1) does not prevent any of the following:

(a) A vendor of spirits, brewer, ~~mixed spirit drink manufacturer,~~ wine maker, small wine maker, outstate seller of beer, **or** outstate seller of wine, ~~or outstate seller of mixed spirit drink,~~ or a bona fide market research organization retained by 1 of the persons named in this subdivision, from conducting samplings or tastings of an alcoholic liquor product before it is approved for sale in this state, if the sampling or tasting is conducted pursuant to prior written approval of the commission.

(b) A person from conducting any sampling or tasting authorized by rule of the commission.

(c) The holder of a farmer's market permit from conducting a tasting authorized under section 415.

(d) A person from conducting any sampling or tasting



1 authorized under section 537.

2 (e) A retailer licensed for consumption on the premises from
3 conducting a sampling authorized under section 1027(2).

4 (f) A person from conducting a sampling at a consumer sampling
5 event authorized under section 1027(4) and (5).

6 (g) A class A or B hotel designed to attract and accommodate
7 tourists and visitors in a resort area from giving away alcoholic
8 liquor to an invitee or guest in connection with a business event
9 or as a part of a room special or promotion for overnight
10 accommodations.

11 (3) A wholesaler or manufacturer may give samples of beer or
12 wine to an employee of the wholesaler if all of the following
13 conditions are met:

14 (a) The sampling is for the purpose of educating the employee
15 regarding the beer or wine.

16 (b) The employee is at least 21 years of age.

17 (c) The sampling takes place on the licensed premises of the
18 wholesaler.

19 (4) A vendor shall not sell an alcoholic liquor to an
20 individual in an intoxicated condition.

21 (5) Evidence of any breathalyzer or blood alcohol test results
22 obtained in a licensed establishment, or on property adjacent to
23 the licensed premises and under the control or ownership of the
24 licensee, is not admissible to prove a violation of this section,
25 section 707(1), (2), (3), or (4), or section 801(1). To establish a
26 violation of this section, section 707(1), (2), (3), or (4), or
27 section 801(1), the individual's intoxicated condition at the time
28 of the sale or consumption of alcohol must be proven by direct
29 observation by law enforcement or commission enforcement personnel



1 or through other admissible witness statements or corroborating
 2 evidence obtained as part of the standard investigation other than
 3 breathalyzer or blood alcohol test results.

4 Sec. 1027. (1) Unless otherwise provided by rule of the
 5 commission, a person shall not conduct samplings or tastings of any
 6 alcoholic liquor for a commercial purpose except at premises that
 7 are licensed by the commission for the sale and consumption of
 8 alcoholic liquor on the premises.

9 (2) Notwithstanding section 1025(1) or (2), a retailer
 10 licensed by the commission for consumption on the premises may
 11 allow customers to sample beer, wine, and spirits if the retailer
 12 does not charge for the samples provided to customers. Sample
 13 serving sizes must not exceed 3 ounces for beer, 2 ounces for wine,
 14 and 1/2 ounce for spirits. A customer must not be provided more
 15 than 2 samples within a 24-hour period per licensed premises.

16 (3) This section does not prohibit any of the following:

17 (a) A vendor of spirits, brewer, wine maker, ~~mixed spirit~~
 18 ~~drink manufacturer~~, small wine maker, outstate seller of beer, **or**
 19 outstate seller of wine, ~~or outstate seller of mixed spirit drink~~,
 20 or a bona fide market research organization retained by 1 of the
 21 persons named in this subsection, from conducting samplings or
 22 tastings of an alcoholic liquor product before it is approved for
 23 sale in this state if the sampling or tasting is conducted under
 24 prior written approval of the commission.

25 (b) An on-premises licensee from giving a sampling or tasting
 26 of alcoholic liquor to an employee of the licensee during the legal
 27 hours for consumption for the purpose of educating the employee
 28 regarding 1 or more types of alcoholic liquor if the employee is at
 29 least 21 years of age.



1 (c) A small distiller licensee from giving a sampling or
2 tasting of brands it manufactures on the licensed premises or an
3 off-site tasting facility operated by that small distiller.

4 (d) A micro brewer, brewpub, or on-premises licensee from
5 allowing the sampling and consumption on the licensed premises of
6 beer, wine, mead, honey-based beer, or cider produced by 1 or more
7 home brewers at a meeting of home brewers, or a club composed
8 primarily of home brewers, under the following circumstances:

9 (i) The sampling or consumption is for the purpose of
10 exhibitions or competitions involving home brewers.

11 (ii) The beer, honey-based beer, or cider is served in portions
12 that do not exceed 3 ounces. The wine or mead is served in portions
13 that do not exceed 2 ounces.

14 (iii) The beer, wine, mead, honey-based beer, or cider produced
15 by the home brewer is only consumed by the home brewer, the home
16 brewer's family, a club member, a judge, or a guest speaker and is
17 not sold to members of the general public.

18 (iv) The participants in the sampling or consumption otherwise
19 comply with applicable state and federal law and applicable
20 regulatory provisions of this act and rules adopted by the
21 commission under this act.

22 (v) The participants in the sampling or consumption are not
23 charged for the sampling or consumption of the beer, wine, mead,
24 honey-based beer, or cider.

25 (4) A vendor of spirits or a manufacturer may conduct a
26 consumer sampling event on the premises of a holder of a specially
27 designated distributor license upon submission of a completed
28 application to the commission.

29 (5) The holder of a consumer sampling event license shall



1 comply with the following:

2 (a) The commission must be notified in writing a minimum of 10
3 working days before the event with the date, time, and location of
4 the event.

5 (b) The consumer sampling event is limited to 3 events per
6 vendor of spirits or manufacturer per specially designated
7 distributor license per month.

8 (c) The vendor of spirits or manufacturer conducting the
9 consumer sampling event must have a licensed representative present
10 at the specially designated distributor's establishment.

11 (d) Licensed representatives or an authorized representative
12 may distribute merchandise, not to exceed \$100.00 in value, to
13 consumers 21 years of age or older during the event.

14 (e) Participating specially designated distributor licensees
15 do not receive any fee or other valuable consideration for
16 participating in the event.

17 (f) Each consumer is limited to 3 samples, which total no more
18 than 1/3 ounce of spirits per serving.

19 (g) The consumer is not charged for and does not purchase any
20 sample.

21 (h) The alcoholic liquor used in the consumer sampling event
22 is provided by the vendor of spirits or manufacturer, and purchased
23 at the minimum retail selling price fixed by the commission from
24 the specially designated distributor on whose premises the event is
25 located. The vendor of spirits or manufacturer shall remove any
26 unfinished product from the premises at which the event is held
27 upon completion of the event.

28 (i) The consumer sampling event is not allowed if the sale of
29 alcoholic liquor is otherwise prohibited on the premises at which



1 the event is conducted.

2 (j) Samples are not offered to, or allowed to be consumed by,
3 any person under the legal age for consuming alcoholic liquor.

4 (k) A consumer sampling event may be advertised in any type of
5 media and the advertisements may include the date, time, location,
6 and other information regarding the event.

7 (l) The participating vendor of spirits or manufacturer and
8 specially designated distributor licensees ~~complies~~**comply** with
9 this act and commission rules.

10 (m) The vendor of spirits or manufacturer demonstrates that
11 the individual actually conducting the sampling has successfully
12 completed the server training program in the manner provided for in
13 section 906 and rules promulgated by the commission.

14 (6) Violation of this section subjects the vendor of spirits
15 or manufacturer to the sanctions and penalties as provided for
16 under this act.

17 (7) The commission, by rule or issuance of an order, may
18 further define eligibility for licensure and processes for
19 conducting consumer sampling events.

20 (8) A sampling or tasting of any alcoholic liquor in a home or
21 domicile for other than a commercial purpose is not subject to this
22 section.

23 (9) Before a micro brewer, brewpub, or on-premises licensee
24 allows an event to be held under subsection (3)(d), the micro
25 brewer, brewpub, or on-premises licensee shall enter into a written
26 agreement with the home brewers or home brewers club stating all of
27 the following:

28 (a) The date and time the event will be held.

29 (b) The location of the event.



1 (c) Either of the following:

2 (i) A statement that the micro brewer, brewpub, or on-premises
3 licensee acknowledges that it is not in control of an unregulated
4 alcoholic beverage at its establishment and agrees to assume
5 liability under section 801(2) for the event.

6 (ii) Proof that the home brewers or home brewers club has
7 obtained a bond or liability insurance equal to that required under
8 section 803(1).

9 (10) As used in this section:

10 (a) "Commercial purpose" means a purpose for which monetary
11 gain or other remuneration could reasonably be expected.

12 (b) "Home brewer" means an individual who manufactures beer,
13 wine, mead, honey-based beer, or cider at his or her dwelling.

14 Sec. 1101. (1) Spirits ~~and mixed spirit drink~~ for consumption
15 on the premises, in addition to beer and wine, may be sold by
16 restaurants, hotels, and establishments approved by the commission
17 under this act in the following cities, villages, or townships, if
18 the legislative body of the city, village, or township by
19 resolution of a majority vote of the members elect, votes in favor
20 of allowing that sale. A petition may be filed with the city,
21 village, or township clerk requesting the submission of the
22 question of sale of spirits ~~and mixed spirit drink~~ for consumption
23 on the premises, in addition to beer and wine. ~~In the case of~~ **For** a
24 city or township, the petition ~~shall~~ **must** be signed by a number of
25 the registered and qualified electors ~~which shall be~~ **that is** not
26 less than 35% of the total number of votes cast for all candidates
27 for the office of secretary of state in that city or township at
28 the last general election held for that purpose. ~~In the case of~~ **For**
29 a village, the petition ~~shall~~ **must** be signed by a number of the



1 registered and qualified electors that is not less than 35% of the
 2 total number of votes cast for all candidates for the office of
 3 president of the village at the last village election held for that
 4 purpose. The question ~~shall~~**must** not be submitted to the electors
 5 of a city, village, or township more often than once in every 2
 6 years. The city, village, or township clerk shall, within 10 days
 7 after the petition is filed with the clerk, give notice of the
 8 filing by publication of notice setting forth the essential facts
 9 of the petition in a newspaper published or in general circulation
 10 in the city, village, or township. The city, village, or township
 11 clerk shall submit the question at the next regular state election
 12 held in the city, village, or township if the petitions are filed
 13 at least 60 days before the election. Class C licensees in a newly
 14 incorporated city or village ~~shall~~ continue to be licensed by the
 15 commission until the question of the sale of spirits ~~and mixed~~
 16 ~~spirit drink~~ for consumption on the premises, in addition to beer
 17 and wine, is submitted to the electors of the city or village as
 18 provided in this section. The question of the sale of spirits ~~and~~
 19 ~~mixed spirit drink~~ for consumption on the premises, in addition to
 20 beer and wine, ~~shall~~**must** be submitted by ballot in substantially
 21 the following form:

22 "Shall the sale of spirits ~~and mixed spirit drink~~ in addition
 23 to beer and wine be permitted for consumption on the premises
 24 within the city, village, or township of under the
 25 provisions of the law governing same?

26 Yes

27 No".

28 (2) All votes on the question submitted by ballot under
 29 subsection (1) ~~shall~~**must** be taken, counted, and canvassed in the



1 same manner as votes cast in city, village, or township elections,
 2 as applicable, are taken, counted, and canvassed. Ballots ~~shall~~
 3 **must** be furnished by the election commission or similar body of the
 4 respective city, village, or township. If a majority of the
 5 electors voting at an election conducted under this section ~~shall~~
 6 ~~vote~~ **votes** in favor of the question submitted by ballot under
 7 subsection (1), ~~spirits and mixed spirit drink~~ may be sold under
 8 this act in that city, village, or township for consumption on the
 9 premises, in addition to beer and wine.

10 (3) ~~At any time within~~ **Within** 18 months after an election
 11 conducted under this section has resulted in a tie vote, the
 12 question ~~shall~~ **must** be resubmitted to the electors ~~upon~~ **on** the
 13 filing of a petition with the legislative body of the city,
 14 village, or township. The petition ~~shall~~ **must** be signed by a number
 15 of electors not less than that required under subsection (1) for
 16 the calling of an election on an original petition. The question
 17 ~~shall~~ **must** be resubmitted to the electors by the city, village, or
 18 township clerk at the next regular election if that election occurs
 19 not less than 30 days and not more than 60 days after the filing of
 20 the petition or at a special election called for that purpose and
 21 to be held within not less than 30 days and not more than 60 days
 22 after the filing of the petition.

23 (4) ~~This section shall not be used by the~~ **The** legislative body
 24 of a city, village, or township **shall not use this section** to
 25 nullify the results of a referendum vote of the electors of the
 26 city, village, or township.

27 Sec. 1103. (1) If ~~spirits and mixed spirit drink~~ for
 28 consumption on the premises, in addition to beer and wine, may be
 29 sold by restaurants, hotels, and establishments approved by the



1 commission in a city, village, or township and all or a part of
2 that city, village, or township becomes annexed to and a part of a
3 city or village that does not, at the time of annexation, permit
4 those sales, class C licensees in that annexed area shall continue
5 to be licensed by the commission until the next regular, city, or
6 village election, at which election, without the need to file a
7 petition, the question of the sale of spirits ~~and mixed spirit~~
8 ~~drink~~ for consumption on the premises, in addition to beer and
9 wine, ~~shall~~ **must** be submitted to the electors of the city or
10 village to which the territory has been annexed.

11 (2) The form of the ballot, the voting and canvassing of
12 votes, and the effect of the votes ~~shall~~ **must** be as provided in
13 section 1101.

14 (3) The fact that a vote has been taken upon that question
15 either in the annexing municipality or in the annexed area, or in
16 both, within 4 years before the annexation is not a bar to the
17 submission of the question as provided in this section.

18 Sec. 1105. (1) When the question of the sale of spirits ~~and~~
19 ~~mixed spirit drink~~ for consumption on the premises is submitted to
20 and approved by the electors of a city, village, or township, and
21 immediately after certification of the results of the election, all
22 currently approved licensed establishments for consumption of beer
23 and wine on the premises in the city, village, or township ~~shall~~
24 **must** be licensed to serve spirits ~~and mixed spirit drink~~ in
25 addition to beer and wine for consumption on the premises ~~upon~~ **on**
26 application to and approval by the commission and payment of the
27 applicable license fee as specified in section 525.

28 (2) A township having incorporated villages within its
29 boundaries may submit to the voters in the unincorporated portion



1 of the township the question of sale of spirits ~~and mixed spirit~~
 2 ~~drink~~ for consumption on the premises and the will of the electors
 3 outside of the incorporated villages shall decide the question for
 4 the unincorporated portion of the township.

5 Sec. 1113. (1) Except as provided in subsection (2), (3), or
 6 (5) and subject to subsection (6), a licensee enumerated under
 7 section 525 may sell at retail, and a person may buy, spirits ~~or~~
 8 ~~mixed spirit drink~~ between the hours of 7 a.m. on Sunday and 2 a.m.
 9 on Monday.

10 (2) Unless the legislative body of a county has prohibited the
 11 sale of spirits ~~and mixed spirit drink~~ for consumption on the
 12 premises between the hours of 7 a.m. and 12 noon on Sunday or
 13 between the hours of 7 a.m. on Sunday and 2 a.m. on Monday, by
 14 resolution approved by a majority of the legislative body voting on
 15 that resolution, spirits ~~and mixed spirit drink~~ may be sold after 7
 16 a.m. on Sunday, in an establishment licensed under this act in
 17 which the gross receipts derived from the sale of food and other
 18 goods and services exceed 50% of the total gross receipts. With
 19 respect to an action taken by the legislative body or if the
 20 legislative body fails to act, a petition may be filed with the
 21 county clerk requesting the submission of the question regarding
 22 the prohibition of the sale of spirits ~~and mixed spirit drink~~ for
 23 consumption on the premises between the hours of 7 a.m. and 12 noon
 24 on Sunday or between the hours of 7 a.m. on Sunday and 2 a.m. on
 25 Monday. The petition ~~shall~~ **must** be signed by a number of the
 26 registered and qualified electors of the county that is not less
 27 than 8% of the total number of votes cast for all candidates for
 28 the office of secretary of state in the county at the last general
 29 election held for that purpose. The question ~~shall~~ **must** not be



submitted to the electors of a county more than once every 4 years. The county clerk shall submit the question at the next regular state election held in the county if the petitions are filed not less than 60 days before the election. The question regarding the prohibition of the sale of spirits and mixed spirit drink for consumption on the premises ~~shall~~**must** be submitted by ballot in substantially the following forms:

(a) For the sale between the hours of 7 a.m. and 12 noon on Sunday:

"Shall the sale of spirits ~~and mixed spirit drink~~ for consumption on the premises be prohibited between the hours of 7 a.m. and 12 noon on Sunday within the county of under the provisions of the law governing the sale of spirits ~~and mixed spirit drink~~ for consumption?

Yes

No "

(b) For the sale between the hours of 7 a.m. on Sunday and 2 a.m. on Monday:

"Shall the sale of spirits ~~and mixed spirit drink~~ for consumption on the premises be prohibited between the hours of 7 a.m. on Sunday and 2 a.m. on Monday within the county of under the provisions of the law governing the sale of spirits ~~and mixed spirit drink~~ for consumption?

Yes

No "

(3) Unless the legislative body of a county has prohibited the sale of spirits ~~and mixed spirit drink~~ for consumption off the premises between the hours of 7 a.m. and 12 noon on Sunday or between the hours of 7 a.m. on Sunday and 2 a.m. on Monday by



1 resolution approved by a majority of the legislative body voting on
2 the resolution, spirits ~~and mixed spirit drink~~ may be sold after 7
3 a.m., in a retail establishment licensed under this act. With
4 respect to an action taken by the legislative body or if the
5 legislative body fails to act, a petition may be filed with the
6 county clerk requesting the submission of the question regarding
7 the prohibition of the sale of spirits ~~and mixed spirit drink~~ for
8 consumption off the premises, in addition to beer and wine, in a
9 retail establishment licensed under this act between the hours of 7
10 a.m. and 12 noon on Sunday or between the hours of 7 a.m. on Sunday
11 and 2 a.m. on Monday. The petition ~~shall~~**must** be signed by a number
12 of the registered and qualified electors of the county that is not
13 less than 8% of the total number of votes cast for all candidates
14 for the office of secretary of state in the county at the last
15 general election held for that purpose. The question ~~shall~~**must** not
16 be submitted to the electors of a county more than once every 4
17 years. The county clerk shall submit the question at the next
18 regular state election held in the county if the petitions are
19 filed not less than 60 days before the election. The question
20 regarding the prohibition of the sale of spirits ~~and mixed spirit~~
21 ~~drink~~ for consumption off the premises, in addition to beer and
22 wine, in a retail establishment licensed under this act ~~shall~~**must**
23 be submitted by ballot in substantially the following forms:

24 (a) For the sale between the hours of 7 a.m. and 12 noon on
25 Sunday:

26 "Shall the sale of spirits ~~and mixed spirit drink~~ for
27 consumption off the premises be prohibited between the hours of 7
28 a.m. and 12 noon on Sunday in a retail establishment licensed under
29 the Michigan liquor control code of 1998 within the county of



..... under the provisions of the law governing the sale of spirits ~~and mixed spirit drink~~ for consumption?

Yes

No".

(b) For the sale between the hours of 7 a.m. on Sunday and 2 a.m. on Monday:

"Shall the sale of spirits ~~and mixed spirit drink~~ for consumption off the premises be prohibited between the hours of 7 a.m. on Sunday and 2 a.m. on Monday in a retail establishment licensed under the Michigan liquor control code of 1998 within the county of under the provisions of the law governing the sale of spirits ~~and mixed spirit drink~~ for consumption?

Yes

No".

(4) Votes on a question submitted to the electors under this section ~~shall~~ **must** be taken, counted, and canvassed in the same manner as votes cast in county elections are taken, counted, and canvassed. A ballot ~~shall~~ **must** be furnished by the election commission or similar body of the county. If a majority of the electors voting at an election vote in favor of the proposal, the sale of spirits ~~and mixed spirit drink~~ may be prohibited in the county under this act for consumption on the premises or by a retail establishment for consumption off the premises, in addition to beer and wine, between the hours of 7 a.m. and 12 noon on Sunday or between the hours of 7 a.m. on Sunday and 2 a.m. on Monday. The sale of spirits ~~and mixed spirit drink~~ ~~shall~~ **must** not be permitted in a city, village, or township in which the sale of spirits ~~and mixed spirit drink~~ is prohibited under this act. A violation of this section is a misdemeanor. This section does not apply to



1 spirits ~~and mixed spirit drink~~ served to a bona fide guest in the
2 residence of a person or sold or furnished for medicinal purposes
3 as provided for in this act.

4 (5) A licensee enumerated under section 525 or any other
5 person shall not sell at retail, and a person shall not knowingly
6 and willfully buy, alcoholic liquor between the hours of 11:59 p.m.
7 on December 24 and 12 noon on December 25. The legislative body of
8 a city, village, or township, by resolution or ordinance, may
9 prohibit the sale of alcoholic liquor on a legal holiday, primary
10 election day, general election day, municipal election day, between
11 the hours of 7 a.m. and 12 noon on Sunday, or between the hours of
12 7 a.m. on Sunday and 2 a.m. on Monday.

13 (6) The sale of spirits ~~or mixed spirit drink~~ in any county
14 between the hours of 7 a.m. and 12 noon on Sunday or between the
15 hours of 7 a.m. on Sunday and 2 a.m. on Monday ~~shall~~ **must** not be
16 prohibited under ~~the provisions of~~ subsections (1) ~~through~~ **to** (5)
17 as applied to a motorsports entertainment complex located in more
18 than 1 county if a resolution or referendum under this section
19 results in the question's failing to pass in 1 county but passing
20 in another. Under those circumstances, the commission shall
21 determine the issue of the sale of spirits ~~and mixed spirit drink~~
22 in the motorsports entertainment complex in those counties between
23 the hours of 7 a.m. and 12 noon on Sunday or between the hours of 7
24 a.m. on Sunday and 2 a.m. on Monday. As used in this section,
25 "motorsports entertainment complex" means a closed-course
26 motorsports facility, and its ancillary grounds and facilities,
27 that satisfies all of the following:

28 (a) Has at least 70,000 fixed seats for race patrons.

29 (b) Has at least 4 scheduled days of motorsports events each



1 calendar year.

2 (c) Serves food and beverages at the motorsports entertainment
3 complex during motorsports events each calendar year through
4 concession outlets ~~, which that~~ are staffed by individuals who
5 represent or are members of 1 or more nonprofit civic or charitable
6 organizations that directly benefit from the concession outlets'
7 sales.

8 (d) Engages in tourism promotion.

9 (e) Has permanent exhibitions of motorsports history, events,
10 or vehicles within the motorsports entertainment complex.

11 (7) Any prohibitions on the sale of alcoholic liquor between
12 the hours of 7 a.m. and 12 noon on Sunday or between the hours of 7
13 a.m. on Sunday and 2 a.m. on Monday adopted by a county, city,
14 village, or township before ~~the effective date of the amendatory~~
15 ~~act that added this subsection shall~~ **May 16, 2011** remain in effect.

16 Sec. 1114. (1) Notwithstanding R 436.1403 and R 436.1503 of
17 the Michigan ~~administrative code~~ **Administrative Code** and except as
18 otherwise provided under this act or rule of the commission, an on-
19 premises and an off-premises licensee shall not sell, give away, or
20 furnish alcoholic liquor between the hours of 2 a.m. and 7 a.m. on
21 any day.

22 (2) Subsection (1) does not prevent any local governmental
23 unit from prohibiting the sale of beer and wine between the hours
24 of 7 a.m. and 12 noon on Sunday or between the hours of 7 a.m. on
25 Sunday and 2 a.m. on Monday under section 1111 and does not prevent
26 any local governmental unit from prohibiting the sale of spirits
27 ~~and mixed spirit drink~~ between the hours of 7 a.m. and 12 noon on
28 Sunday or between the hours of 7 a.m. on Sunday and 2 a.m. on
29 Monday under section 1113. A licensee selling alcoholic liquor



1 between 7 a.m. and 12 noon on Sunday shall obtain a permit and pay
2 to the commission an annual fee of \$160.00.

3 (3) A reference to the time of day under this act or a rule of
4 the commission includes daylight savings time, when observed.

5 Sec. 1115. (1) A licensee ~~who~~**that** elects to sell spirits ~~or~~
6 ~~mixed spirit drink~~ between the hours of 12 noon on Sunday and 2
7 a.m. on Monday under section 1113 shall not do so until ~~he or she~~
8 **the licensee** first obtains a permit and pays to the commission an
9 additional fee in the amount of 15% of the fee charged for the
10 issuance of his or her license.

11 (2) The revenue received from subsection (1) for the sale of
12 spirits ~~or mixed spirit drink~~ between 12 noon on Sunday and 2 a.m.
13 on Monday ~~shall~~**must** be deposited with the state treasurer in a
14 special fund to be used only by the department of ~~public health~~ **and**
15 **human services** in programs for the treatment of alcoholics. Any
16 other revenue resulting from the additional \$160.00 license fee as
17 described in section 1114 for sales of alcoholic liquor permitted
18 under sections 1111 and 1113 ~~shall~~**must** be deposited into the
19 general fund.

20 Enacting section 1. This amendatory act does not take effect
21 unless all of the following bills of the 100th Legislature are
22 enacted into law:

23 (a) Senate Bill No. 934.

24 (b) Senate Bill No. 1138.

25 (c) Senate Bill No. 1140.

