



**House  
Legislative  
Analysis  
Section**

Olds Plaza Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

**LICENSE BREWPUBS**

**House Bill 5407**

**Sponsor: Rep. Curtis Hertel**

**Committee: Liquor Control**

**Complete to 2-7-92**

**A SUMMARY OF HOUSE BILL 5407 AS INTRODUCED 12-12-91**

The bill would amend the Michigan Liquor Control Act to permit the operation and provide for the licensing of brewpubs, establishments where beer is both brewed and sold for consumption on the premises. A brewpub license, under the bill, could only be issued to an establishment that holds a food service establishment license under the Public Health Code and that, at the time of application for a brewpub license, holds an on-premises license under the liquor act (as a Class C establishment, a tavern, a Class A hotel, or a Class B hotel). The brewpub annual licensure fee would be \$100. To obtain a license or renew a license, an establishment would have to provide evidence to the Liquor Control Commission that at least 25 percent of the gross sales of the restaurant during the one-year licensure period were from the sale of food and non-alcoholic beverages. If the sale on non-alcoholic products fell below that standard for a one-year licensure period, the license would be revoked. Further, no one person could have an interest, directly or indirectly, in more than one brewpub.

The bill would define a brewpub as a person licensed to manufacture beer and who sells not more than 2,000 barrels per year for consumption only on the premises where the beer is brewed. Beer sold by a brewpub would be subject to the tax on brewers of \$6.30 per barrel. Under the bill, a brewpub could not sell beer unless it provided a label that truthfully described the content of the container in a manner that complies with federal malt beverage regulations, received a registration number from the LCC indicating the commission's approval of the sale of the beer, and used a removable tap marker or sign placed on the draft dispenser and complying with the commission orders relating to its cost. Further, a brewpub would be required to possess the necessary equipment for a satisfactory operation maintained in good working order and in a sanitary condition. Agricultural products processed by a brewpub would have to comply with the laws and rules of the Department of Agriculture.

(Class C licensees can sell beer, wine, and spirits for on-premises consumption. A tavern can sell beer and wine only for on-premises consumption. Class A hotels can sell only beer and wine. Class B hotels can sell beer, wine, and spirits.)

MCL 436.19 et al.

House Bill 5407 (2-7-92)