

Act No. 343
Public Acts of 1996
Approved by the Governor
June 27, 1996
Filed with the Secretary of State
June 27, 1996

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1996**

Introduced by Senators Gast, McManus, Stille and Shugars

ENROLLED SENATE BILL No. 240

AN ACT to amend sections 2m and 31 of Act No. 8 of the Public Acts of the Extra Session of 1933, entitled as amended "An act to create a liquor control commission for the control of the alcoholic beverage traffic within the state of Michigan, and to prescribe its powers, duties and limitations; to provide for the control of the alcoholic liquor traffic within the state of Michigan and the establishment of state liquor stores; to provide for the care and treatment of alcoholics; to provide for the incorporation of farmer cooperative wineries and the granting of certain rights and privileges thereto; to provide for the licensing and taxation thereof, and the disposition of the moneys received under this act; to prescribe liability for retail licensees under certain circumstances; to require security for that liability; to provide procedures, defenses, and remedies regarding violations of this act; to provide for the enforcement and to prescribe penalties for violations of this act; to provide for the confiscation and disposition of property seized under the provisions of this act; to provide a referendum in certain cases; to repeal certain acts and parts of acts; and to repeal certain parts of this act on a specific date," as amended by Act No. 118 of the Public Acts of 1989, being sections 436.2m and 436.31 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Sections 2m and 31 of Act No. 8 of the Public Acts of the Extra Session of 1933, as amended by Act No. 118 of the Public Acts of 1989, being sections 436.2m and 436.31 of the Michigan Compiled Laws, are amended to read as follows:

Sec. 2m. (1) As used in this act:

(a) "Brandy manufacturer" means any person licensed under this act to engage in the manufacturing, rectifying or blending, or both, of brandy only and not any other distilled spirit. Only a licensed wine maker or a small wine maker is eligible to be a brandy manufacturer. The commission may approve a brandy manufacturer to sell at retail brandy which it manufactures, blends or rectifies, or both, at its licensed premises or at other premises authorized in this act.

(b) "Mixed spirit drink manufacturer" means a person licensed by the commission to manufacture in this state mixed spirit drink and to sell mixed spirit drink to a wholesaler.

(c) "Outstate seller of beer" means a person licensed by the commission to sell beer which has not been manufactured in this state to a wholesaler in this state in accordance with rules promulgated by the commission.

(d) "Outstate seller of mixed spirit drink" means a person licensed by the commission to sell mixed spirit drink not manufactured in this state to a wholesaler in this state according to rules promulgated by the commission.

(e) "Outstate seller of wine" means a person licensed by the commission to sell wine which has not been manufactured in this state to a wholesaler in this state in accordance with rules promulgated by the commission, and to sell sacramental wine as provided in section 16a.

(f) "Retailer" means a person licensed by the commission to sell to the consumer, under rules as the commission may establish.

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

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

(i) "Wholesaler" means a person who sells beer, wine, or mixed spirit drink only to retailers or other licensees, and who sells sacramental wine as provided in section 16a.

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

(2) For the purposes of rules promulgated by the commission, a mixed spirit drink manufacturer and an outstate seller of mixed spirit drink shall be considered and treated as a wine manufacturer and outstate seller of wine, respectively, except that they shall be subject to the rules applicable to spirits for purposes of manufacturing and labeling.

Sec. 31. (1) Except as provided in section 31a, a manufacturer, mixed spirit drink manufacturer, warehouseman, wholesaler, outstate seller of beer, outstate seller of wine, outstate seller of mixed spirit drink, or vendor of spirits shall not have any financial interest, directly or indirectly, in the establishment, maintenance, operation, or promotion of the business of any other vendor.

(2) Except as provided in section 31a, a manufacturer, mixed spirit drink manufacturer, warehouseman, wholesaler, outstate seller of beer, outstate seller of wine, outstate seller of mixed spirit drink, or vendor of spirits or a stockholder of a manufacturer, mixed spirit drink manufacturer, warehouseman, wholesaler, outstate seller of beer, outstate seller of wine, outstate seller of mixed spirit drink, or vendor of spirits shall not have an interest by ownership in fee, leasehold, mortgage, or otherwise, directly or indirectly, in the establishment, maintenance, operation, or promotion of the business of any other vendor.

(3) Except as provided in section 31a, a manufacturer, mixed spirit drink manufacturer, warehouseman, wholesaler, outstate seller of beer, outstate seller of wine, outstate seller of mixed spirit drink, or vendor of spirits shall not have an interest directly or indirectly by interlocking directors in a corporation or by interlocking stock ownership in a corporation in the establishment, maintenance, operation, or promotion of the business of any other vendor.

(4) Except as provided in section 31a, a person shall not buy the stocks of a manufacturer, mixed spirit drink manufacturer, warehouseman, wholesaler, outstate seller of beer, outstate seller of wine, outstate seller of mixed spirit drink, or vendor of spirits and place the stock in any portfolio under an arrangement, written trust agreement, or form of investment trust agreement and issue participating shares based upon the portfolio, trust agreement, or investment trust agreement, and sell the participating shares within this state.

(5) A wine maker may sell wine made by that wine maker in a restaurant for consumption on or off the premises if the restaurant is owned by the wine maker or operated by another person under an agreement approved by the commission and is located on the premises where the wine maker is licensed.

(6) The commission may approve a brandy manufacturer to sell brandy made by that brandy manufacturer in a restaurant for consumption on or off the premises if the restaurant is owned by the brandy manufacturer or operated by another person under an agreement approved by the commission and is located on the premises where the brandy manufacturer is licensed. Brandy sold for consumption off the premises under this subsection shall be sold at the uniform price established by the commission.

(7) A wine maker, with the prior written approval of the commission, may conduct wine tastings of wines made by that wine maker and may sell the wine made by that wine maker for consumption off the premises at a location other than the premises where the wine maker is licensed to manufacture wine, under the following conditions:

(a) The premises upon which the wine tasting occurs conforms to local and state sanitation requirements.

(b) Payment of a \$100.00 fee per location is made to the commission.

(c) The wine tasting locations are considered licensed premises.

(d) The wine tasting does not take place between the hours of 2 a.m. and 7 a.m. Monday through Saturday, or between 2 a.m. and 12 noon on Sunday.

(e) The premises and the licensee comply with and are subject to all applicable rules promulgated by the commission.

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved -----

Governor.