



HOUSE BILL No. 6129

September 25, 1996, Introduced by Rep. Law and referred to the Committee on Regulatory Affairs.

A bill to amend sections 19d, 24, and 31 of Act No. 8 of the Public Acts of the Extra Session of 1933, entitled as amended "The Michigan liquor control act," section 19d as amended by Act No. 118 of the Public Acts of 1989, section 24 as amended by Act No. 379 of the Public Acts of 1996, and section 31 as amended by Act No. 343 of the Public Acts of 1996, being sections 436.19d, 436.24, and 436.31 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 19d, 24, and 31 of Act No. 8 of the
2 Public Acts of the Extra Session of 1933, section 19d as amended
3 by Act No. 118 of the Public Acts of 1989, section 24 as amended
4 by Act No. 379 of the Public Acts of 1996, and section 31 as
5 amended by Act No. 343 of the Public Acts of 1996, being sections

1 436.19d, 436.24, and 436.31 of the Michigan Compiled Laws, are
2 amended to read as follows:

3 Sec. 19d. (1) ~~A~~ THE COMMISSION MAY LICENSE A retail
4 vendor licensed under this act to sell for consumption on the
5 premises ~~may apply for a license~~ as a specially designated
6 merchant.

7 (2) ~~A~~ THE COMMISSION MAY LICENSE A specially designated
8 distributor ~~may apply for a license~~ as a specially designated
9 merchant.

10 (3) Except as provided in section 31(5), THE COMMISSION
11 SHALL NOT LICENSE a warehouseman, mixed spirit drink manufactur-
12 er, wholesaler, outstate seller of beer, outstate seller of wine,
13 outstate seller of mixed spirit drink, or vendor of spirits
14 ~~shall not be licensed~~ as a specially designated merchant or a
15 specially designated distributor or ~~permitted~~ to sell AT RETAIL
16 or deliver to the consumer any quantity of alcoholic liquor. ~~at~~
17 ~~retail.~~

18 (4) ~~(2) A~~ THE COMMISSION SHALL NOT LICENSE A specially
19 designated distributor or specially designated merchant or any
20 other retailer ~~shall not hold~~ AS a mixed spirit drink manufac-
21 turer, wholesale, warehouse, outstate seller of beer, outstate
22 seller of mixed spirit drink, or outstate seller of wine.
23 ~~license.~~

24 (5) ~~(3) A~~ THE COMMISSION SHALL NOT LICENSE A brewer, ware-
25 houseman, or wholesaler ~~shall not be licensed~~ as a specially
26 designated merchant ~~—~~ except for ~~brewers who manufacture~~ A
27 BREWER THAT MANUFACTURES less than 200,000 barrels of beer per

1 year. This subsection ~~shall~~ DOES not affect the operation of a
2 brewery hospitality room.

3 (6) ~~(4)~~ A wholesaler may sell or deliver ~~beer and~~ alco-
4 holic liquor to hospitals, military establishments, governments
5 of federal Indian reservations, and churches requiring sacramen-
6 tal wines and may sell to the wholesaler's own employees to a
7 limit of 2 cases of 24 12-ounce units or its equivalent of malt
8 beverage per week, or 1 case of 12 1-liter units or its equiva-
9 lent of wine or mixed spirit drink per week.

10 Sec. 24. (1) The following classes of vendors may sell
11 alcoholic ~~liquors~~ LIQUOR at retail as provided in this
12 section:

13 (a) Taverns where beer and wine may be sold for consumption
14 on the premises only.

15 (b) Class C license where beer, wine, mixed spirit drink,
16 and spirits may be sold for consumption on the premises.

17 (c) Clubs where beer, wine, mixed spirit drink, and spirits
18 may be sold for consumption on the premises only to bona fide
19 members, who have attained the age of 21 years.

20 (d) Class A hotels where beer and wine may be sold for con-
21 sumption on the premises and in the rooms of bona fide registered
22 guests. Class B hotels where beer, wine, mixed spirit drink, and
23 spirits may be sold for consumption on the premises and in the
24 rooms of bona fide registered guests.

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

1 (f) Specially designated distributors where spirits and
2 mixed spirit drink may be sold for consumption off the premises
3 only.

4 (g) Special licenses where beer and wine or beer, wine,
5 mixed spirit drink, and spirits may be sold for consumption on
6 the premises only.

7 (h) Dining cars or other railroad or pullman cars, water-
8 craft, or aircraft, where alcoholic liquor may be sold for con-
9 sumption on the premises only, subject to rules promulgated by
10 the commission.

11 (i) Brewpubs where beer manufactured on the premises by the
12 licensee may be sold only for consumption on the premises by any
13 of the following licensees:

14 (i) Class "C".

15 (ii) Tavern.

16 (iii) Class "A" hotel.

17 (iv) Class "B" hotel.

18 (j) Micro brewers where beer produced by the micro brewer
19 may be sold to a consumer for consumption on or off the brewery
20 premises.

21 (2) THE COMMISSION SHALL NOT ISSUE A LICENSE TO ANY OF THE
22 FOLLOWING TO SELL ALCOHOLIC LIQUOR AT RETAIL:

23 (A) A MANUFACTURER.

24 (B) A MIXED SPIRIT DRINK MANUFACTURER.

25 (C) A WAREHOUSEMAN.

26 (D) A WHOLESALER.

1 (E) AN OUTSIDE SELLER OF BEER.

2 (F) AN OUTSTATE SELLER OF WINE.

3 (G) AN OUTSTATE SELLER OF MIXED SPIRIT DRINK.

4 (H) A VENDOR OF SPIRITS.

5 Sec. 31. (1) Except as provided in section 31a, a manufac-
6 turer, mixed spirit drink manufacturer, warehouseman, wholesaler,
7 outstate seller of beer, outstate seller of wine, outstate seller
8 of mixed spirit drink, or vendor of spirits shall not ~~have any~~
9 DO ANY OF THE FOLLOWING:

10 (A) HAVE A financial interest, directly or indirectly, in
11 the establishment, maintenance, operation, or promotion of the
12 business of any other vendor.

13 (B) HAVE AN INTEREST, DIRECTLY OR INDIRECTLY, BY INTERLOCK-
14 ING DIRECTORS IN A CORPORATION OR BY INTERLOCKING STOCK OWNERSHIP
15 IN A CORPORATION IN THE ESTABLISHMENT, MAINTENANCE, OPERATION, OR
16 PROMOTION OF THE BUSINESS OF ANY OTHER VENDOR.

17 (2) Except as provided in section 31a, a manufacturer, mixed
18 spirit drink manufacturer, warehouseman, wholesaler, outstate
19 seller of beer, outstate seller of wine, outstate seller of mixed
20 spirit drink, or vendor of spirits or a stockholder of a manufac-
21 turer, mixed spirit drink manufacturer, warehouseman, wholesaler,
22 outstate seller of beer, outstate seller of wine, outstate seller
23 of mixed spirit drink, or vendor of spirits shall not have an
24 interest by ownership in fee, leasehold, mortgage, or otherwise,
25 directly or indirectly, in the establishment, maintenance, opera-
26 tion, or promotion of the business of any other vendor.

1 (3) ~~Except as provided in section 31a, a manufacturer,~~
2 ~~mixed spirit drink manufacturer, warehouseman, wholesaler,~~
3 ~~outstate seller of beer, outstate seller of wine, outstate seller~~
4 ~~of mixed spirit drink, or vendor of spirits shall not have an~~
5 ~~interest directly or indirectly by interlocking directors in a~~
6 ~~corporation or by interlocking stock ownership in a corporation~~
7 ~~in the establishment, maintenance, operation, or promotion of the~~
8 ~~business of any other vendor.~~ THE COMMISSION SHALL NOT LICENSE A
9 RETAILER AS ANY OTHER VENDOR.

10 (4) Except as provided in section 31a, a person shall not
11 buy the stocks of a manufacturer, mixed spirit drink manufactur-
12 er, warehouseman, wholesaler, outstate seller of beer, outstate
13 seller of wine, outstate seller of mixed spirit drink, or vendor
14 of spirits and place the stock in any portfolio under an arrange-
15 ment, written trust agreement, or form of investment trust agree-
16 ment and issue participating shares based upon the portfolio,
17 trust agreement, or investment trust agreement, and sell the par-
18 ticipating shares within this state.

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

24 (6) The commission may approve a brandy manufacturer to sell
25 brandy made by that brandy manufacturer in a restaurant for con-
26 sumption on or off the premises if the restaurant is owned by the
27 brandy manufacturer or operated by another person under an

1 agreement approved by the commission and is located on the
2 premises where the brandy manufacturer is licensed. Brandy sold
3 for consumption off the premises under this subsection shall be
4 sold at the uniform price established by the commission.

5 (7) A wine maker, with the prior written approval of the
6 commission, may conduct wine tastings of wines made by that wine
7 maker and may sell the wine made by that wine maker for consump-
8 tion off the premises at a location other than the premises where
9 the wine maker is licensed to manufacture wine, under the follow-
10 ing conditions:

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

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

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

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

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