

**SUBSTITUTE FOR  
HOUSE BILL NO. 4959**

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending sections 107, 113, 203, 537, 543, and 607 (MCL  
436.1107, 436.1113, 436.1203, 436.1537, 436.1543, and 436.1607),  
sections 107 and 537 as amended by 2001 PA 223, section 203 as  
amended by 2000 PA 289, and section 543 as amended by 2005 PA 97.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 107. (1) "Cash" means money in hand, bank notes, demand  
2       deposits at a bank, or legal tender, which a creditor must accept  
3       according to law. Cash does not include call loans, postdated  
4       checks, or promissory notes.

5       (2) "Class C license" means a place licensed to sell at retail  
6       beer, wine, mixed spirit drink, and spirits for consumption on the

1 premises.

2 (3) "Class G-1 license" means a place licensed to sell at  
3 retail beer, wine, mixed spirit drink, and spirits for consumption  
4 on the premises at a golf course having at least 18 holes that  
5 measure at least 5,000 yards and which license is issued only to a  
6 facility which permits member access by means of payments that  
7 include annual paid membership fees.

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

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

22 (6) "Commission" means the liquor control commission provided  
23 for and created in section 209.

24 (7) "COMPUTER" MEANS ANY CONNECTED, DIRECTLY INTEROPERABLE OR  
25 INTERACTIVE DEVICE, EQUIPMENT, OR FACILITY THAT USES A COMPUTER  
26 PROGRAM OR OTHER INSTRUCTIONS TO PERFORM SPECIFIC OPERATIONS  
27 INCLUDING LOGICAL, ARITHMETIC, OR MEMORY FUNCTIONS WITH OR ON

1 COMPUTER DATA OR A COMPUTER PROGRAM AND THAT CAN STORE, RETRIEVE,  
2 ALTER, OR COMMUNICATE THE RESULTS OF THE OPERATIONS TO A PERSON,  
3 COMPUTER PROGRAM, COMPUTER, COMPUTER SYSTEM, OR COMPUTER NETWORK.

4 (8) "COMPUTER NETWORK" MEANS THE INTERCONNECTION OF HARDWARE  
5 OR WIRELESS COMMUNICATION LINES WITH A COMPUTER THROUGH REMOTE  
6 TERMINALS, OR A COMPLEX CONSISTING OF 2 OR MORE INTERCONNECTED  
7 COMPUTERS.

8 (9) "COMPUTER PROGRAM" MEANS A SERIES OF INTERNAL OR EXTERNAL  
9 INSTRUCTIONS COMMUNICATED IN A FORM ACCEPTABLE TO A COMPUTER THAT  
10 DIRECTS THE FUNCTIONING OF A COMPUTER, COMPUTER SYSTEM, OR COMPUTER  
11 NETWORK IN A MANNER DESIGNED TO PROVIDE OR PRODUCE PRODUCTS OR  
12 RESULTS FROM THE COMPUTER, COMPUTER SYSTEM, OR COMPUTER NETWORK.

13 (10) "COMPUTER SYSTEM" MEANS A SET OF RELATED, CONNECTED OR  
14 UNCONNECTED, COMPUTER EQUIPMENT, DEVICES, SOFTWARE, OR HARDWARE.

15 (11) ~~—(7)—~~ "Church" means an entire house or structure set  
16 apart primarily for use for purposes of public worship, and which  
17 is tax exempt under the laws of this state, and in which religious  
18 services are held and with which a clergyman is associated, and the  
19 entire structure of which is kept for that use and not put to any  
20 other use inconsistent with that use.

21 (12) "DEVICE" INCLUDES, BUT IS NOT LIMITED TO, AN ELECTRONIC,  
22 MAGNETIC, ELECTROCHEMICAL, BIOCHEMICAL, HYDRAULIC, OPTICAL, OR  
23 ORGANIC OBJECT THAT PERFORMS INPUT, OUTPUT, OR STORAGE FUNCTIONS BY  
24 THE MANIPULATION OF ELECTRONIC, MAGNETIC, OR OTHER IMPULSES.

25 (13) "DILIGENT INQUIRY" MEANS A DILIGENT GOOD FAITH EFFORT TO  
26 DETERMINE THE AGE OF A PERSON, WHICH INCLUDES AT LEAST AN  
27 EXAMINATION OF AN OFFICIAL MICHIGAN OPERATOR'S OR CHAUFFEUR'S

1 LICENSE, AN OFFICIAL MICHIGAN PERSONAL IDENTIFICATION CARD, OR ANY  
2 OTHER PICTURE IDENTIFICATION ISSUED BY THIS STATE OR THE FEDERAL  
3 GOVERNMENT THAT ESTABLISHES THE IDENTITY AND AGE OF THE PERSON.

4 (14) "DIRECT SHIPPER" MEANS A PERSON WHO ENGAGES IN THE SALE,  
5 DELIVERY, OR IMPORTATION OF WINE THAT HE OR SHE PRODUCES AND  
6 BOTTLES TO A CONSUMER IN THIS STATE THROUGH THE USE OF ANY MAIL  
7 ORDER, INTERNET, TELEPHONE, COMPUTER, DEVICE, OR OTHER ELECTRONIC  
8 MEANS.

9 (15) ~~-(8)-~~ "Distiller" means any person licensed to  
10 manufacture and sell spirits or alcohol, or both, of any kind.

11 (16) ~~-(9)-~~ "Hotel" means a building or group of buildings  
12 located on the same or adjoining pieces of real property, which  
13 provide lodging to travelers and temporary residents and which may  
14 also provide food service and other goods and services to  
15 registered guests and to the public.

16 (17) ~~-(10)-~~ "Class A hotel" means a hotel licensed by the  
17 commission to sell beer and wine for consumption on the premises  
18 only, which provides for the rental of, and maintains the  
19 availability for rental of, not less than 25 bedrooms if located in  
20 a local governmental unit with a population of less than 175,000 or  
21 not less than 50 bedrooms if located in a local governmental unit  
22 with a population of 175,000 or more.

23 (18) ~~-(11)-~~ "Class B hotel" means a hotel licensed by the  
24 commission to sell beer, wine, mixed spirit drink, and spirits for  
25 consumption on the premises only, which provides for the rental of,  
26 and maintains the availability for rental of, not less than 25  
27 bedrooms if located in a local governmental unit with a population

1 of less than 175,000 or not less than 50 bedrooms if located in a  
2 local governmental unit with a population of 175,000 or more.

3 (19) "IDENTIFICATION VERIFICATION SERVICE" MEANS ANY INTERNET-  
4 BASED SERVICE APPROVED BY THE COMMISSION SPECIALIZING IN AGE AND  
5 IDENTITY VERIFICATION.

6 (20) ~~—(12)—~~ "License" means a contract between the commission  
7 and the licensee granting authority to that licensee to manufacture  
8 and sell, or sell, or warehouse alcoholic liquor in the manner  
9 provided by this act.

10 Sec. 113. (1) "Tavern" means any place licensed to sell at  
11 retail beer and wine for consumption on the premises only.

12 (2) "Vehicle" means any means of transportation by land, by  
13 water, or by air.

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

16 (4) "Vendor of spirits" means a person selling spirits to the  
17 commission.

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

22 (6) "Warehouser" means a licensee authorized by the commission  
23 to store alcoholic ~~—beverages—~~ **LIQUOR**, but prohibited from making  
24 sales or deliveries to retailers unless the licensee is also the  
25 holder of a wholesaler ~~—or manufacturer—~~ license issued by the  
26 commission.

27 (7) "Wholesaler" means a person who sells beer, wine, or mixed

1 spirit drink only to retailers or other licensees, and who sells  
2 sacramental wine as provided in section 301.

3 (8) "Wine" means the product made by the normal alcoholic  
4 fermentation of the juice of sound, ripe grapes, or any other fruit  
5 with the usual cellar treatment, and containing not more than 21%  
6 of alcohol by volume, including fermented fruit juices other than  
7 grapes and mixed wine drinks.

8 (9) "Wine maker" means any person licensed by the commission  
9 to manufacture wine, ~~and sell, at wholesale or retail, wine~~  
10 ~~manufactured by that person~~ **TO SELL THAT WINE TO A WHOLESALER, AT**  
11 **RETAIL ON THE LICENSED WINERY PREMISES, AND AS PROVIDED FOR IN**  
12 **SECTIONS 537 AND 603.**

13 Sec. 203. (1) Except as provided in this section and section  
14 301, a sale, delivery, or importation of alcoholic liquor,  
15 including alcoholic liquor for personal use, shall not be made in  
16 this state unless the sale, delivery, or importation is made by the  
17 commission, the commission's authorized agent or distributor, an  
18 authorized distribution agent approved by order of the commission,  
19 **OR** a person licensed by the commission ~~—~~ or by prior written  
20 order of the commission.

21 (2) **ALL SPIRITS FOR SALE, USE, STORAGE, OR DISTRIBUTION IN**  
22 **THIS STATE SHALL ORIGINALLY BE PURCHASED BY AND IMPORTED INTO THE**  
23 **STATE BY THE COMMISSION OR BY PRIOR WRITTEN AUTHORITY OF THE**  
24 **COMMISSION.**

25 (3) **THIS SECTION DOES NOT APPLY IN THE CASE OF AN ALCOHOLIC**  
26 **LIQUOR BROUGHT INTO THIS STATE FOR PERSONAL OR HOUSEHOLD USE IN AN**  
27 **AMOUNT PERMITTED BY FEDERAL LAW BY A PERSON OF LEGAL AGE TO**

1 PURCHASE ALCOHOLIC LIQUOR AT THE TIME OF REENTRY INTO THIS STATE  
2 FROM WITHOUT THE TERRITORIAL LIMITS OF THE UNITED STATES IF THE  
3 PERSON HAS BEEN OUTSIDE THE TERRITORIAL LIMITS OF THE UNITED STATES  
4 FOR MORE THAN 48 HOURS AND HAS NOT BROUGHT ALCOHOLIC LIQUOR INTO  
5 THE UNITED STATES DURING THE PRECEDING 30 DAYS.

6 (4) ~~-(2)-~~ For purposes of subsection (1), the sale, delivery,  
7 or importation of alcoholic liquor, **EXCEPT AS OTHERWISE PROVIDED IN**  
8 **SUBSECTION (5)**, includes, but is not limited to, the sale,  
9 delivery, or importation of alcoholic liquor transacted or caused  
10 to be transacted by means of any mail order, internet, telephone,  
11 computer, device, or other electronic means. Subject to subsection  
12 ~~-(3)-~~ (6), if a retail sale, delivery, or importation of alcoholic  
13 liquor occurs by any ~~such~~ means **DESCRIBED IN THIS SUBSECTION**, the  
14 retailer must comply with all of the following:

15 (a) Be appropriately licensed under the laws of this state.

16 (b) Pay any applicable taxes to the commission.

17 (c) Comply with all prohibitions of the laws of this state,  
18 including, but not limited to, sales to minors.

19 (d) Verify the age of the individual placing the order by  
20 obtaining from him or her an affirmation that he or she is of legal  
21 age to purchase alcoholic liquor. The person receiving and  
22 accepting the order shall record the name, address, date of birth,  
23 and telephone number of the person placing the order on the order  
24 form or other verifiable record of a type and generated in a manner  
25 approved by the commission.

26 (e) Upon request of the commission, make available to the  
27 commission any document used to verify the age of the individual

1 ordering the alcoholic liquor from the retail seller.

2 (f) Stamp, print, or label on the outside of the shipping  
3 container language that clearly establishes in a prominent fashion  
4 that the package contains alcoholic liquor and that the recipient  
5 at the time of the delivery is required to provide identification  
6 verifying his or her age along with a signature.

7 (g) Place a label on the top panel of the shipping container  
8 containing the name and address of the individual placing the order  
9 and the name of the designated recipient, if any.

10 (5) FOR PURPOSES OF SUBSECTION (1), THE SALE, DELIVERY, OR  
11 IMPORTATION OF WINE TRANSACTED OR CAUSED TO BE TRANSACTED BY MEANS  
12 OF ANY MAIL ORDER, INTERNET, TELEPHONE, COMPUTER, DEVICE, OR OTHER  
13 ELECTRONIC MEANS SHALL ONLY BE DONE BY A DIRECT SHIPPER. IF A  
14 RETAIL SALE, DELIVERY, OR IMPORTATION OF WINE OCCURS BY ANY MEANS  
15 DESCRIBED IN THIS SUBSECTION, THE DIRECT SHIPPER MUST COMPLY WITH  
16 ALL OF THE FOLLOWING:

17 (A) HOLD A DIRECT SHIPPER LICENSE.

18 (B) PAY ANY APPLICABLE TAXES TO THE COMMISSION AS REQUIRED  
19 UNDER THIS ACT OR UNDER RULES PROMULGATED BY THE COMMISSION.

20 (C) COMPLY WITH ALL PROHIBITIONS OF THE LAWS OF THIS STATE,  
21 INCLUDING, BUT NOT LIMITED TO, SALES TO MINORS.

22 (D) VERIFY THE AGE OF THE INDIVIDUAL PLACING THE ORDER BY  
23 OBTAINING FROM HIM OR HER A COPY OF A PHOTO IDENTIFICATION ISSUED  
24 BY THIS STATE OR THE FEDERAL GOVERNMENT AND BY UTILIZING AN  
25 IDENTIFICATION VERIFICATION SERVICE. THE PERSON RECEIVING AND  
26 ACCEPTING THE ORDER ON BEHALF OF THE DIRECT SHIPPER SHALL RECORD  
27 THE NAME, ADDRESS, DATE OF BIRTH, AND TELEPHONE NUMBER OF THE



1 PERSON PLACING THE ORDER ON THE ORDER FORM OR OTHER VERIFIABLE  
2 RECORD OF A TYPE AND GENERATED IN A MANNER APPROVED BY THE  
3 COMMISSION AND PROVIDE A DUPLICATE TO THE COMMISSION.

4 (E) UPON REQUEST OF THE COMMISSION, MAKE AVAILABLE TO THE  
5 COMMISSION ANY DOCUMENT USED TO VERIFY THE AGE OF THE INDIVIDUAL  
6 ORDERING OR RECEIVING THE WINE FROM THE DIRECT SHIPPER.

7 (F) STAMP, PRINT, OR LABEL ON THE OUTSIDE OF THE SHIPPING  
8 CONTAINER THAT THE PACKAGE "CONTAINS ALCOHOL. MUST BE DELIVERED TO  
9 A PERSON 21 YEARS OF AGE OR OLDER." AND THAT THE RECIPIENT AT THE  
10 TIME OF THE DELIVERY IS REQUIRED TO PROVIDE PHOTO IDENTIFICATION  
11 VERIFYING HIS OR HER AGE ALONG WITH A SIGNATURE.

12 (G) PLACE A TAX STAMP ON THE TOP SIDE OF THE SHIPPING  
13 CONTAINER THAT REPRESENTS THE VALUE OF THE EXCISE TAX DUE ON THE  
14 WINE BEING SHIPPED.

15 (H) PLACE A LABEL ON THE TOP PANEL OF THE SHIPPING CONTAINER  
16 CONTAINING THE NAME AND ADDRESS OF THE INDIVIDUAL PLACING THE ORDER  
17 AND THE NAME OF THE DESIGNATED RECIPIENT IF DIFFERENT FROM THE NAME  
18 OF THE INDIVIDUAL PLACING THE ORDER.

19 (I) SHIP TO CONSUMERS IN THIS STATE NOT MORE THAN 4,500 LITERS  
20 OF WINE ANNUALLY.

21 (J) REPORT TO THE COMMISSION QUARTERLY THE TOTAL AMOUNT OF  
22 WINE, BY TYPE, BRAND, AND PRICE, SHIPPED TO CONSUMERS IN THIS STATE  
23 DURING THE PRECEDING CALENDAR QUARTER, AND THE NAMES, ADDRESSES,  
24 AND AMOUNT OF WINE ORDERED BY AND SHIPPED TO SPECIFIC CONSUMERS.

25 (K) AUTHORIZE AND ALLOW THE COMMISSION AND THE DEPARTMENT OF  
26 TREASURY TO CONDUCT AN AUDIT OF THE DIRECT SHIPPER'S RECORDS.

27 (L) CONSENT AND SUBMIT TO THE JURISDICTION OF THE COMMISSION,

1 THE DEPARTMENT OF TREASURY, AND THE COURTS OF THIS STATE CONCERNING  
2 ENFORCEMENT OF THIS SECTION AND ANY RELATED LAWS, RULES, AND  
3 REGULATIONS.

4 (6) ~~-(3)-~~ Notwithstanding subsection ~~-(2)-~~ (4) OR (5), in the  
5 case of a retail sale, delivery, or importation of alcoholic liquor  
6 occurring by any means described in subsection ~~-(2)-~~ (4) OR (5), a  
7 person taking the order on behalf of the retailer OR DIRECT SHIPPER  
8 must comply with subsection ~~-(2)-(e)-~~ (4)(C) through ~~-(g)~~ AND  
9 SUBSECTION (5)(C) THROUGH (H).

10 (7) ~~-(4)-~~ The person who delivers the alcoholic liquor shall  
11 verify that the individual accepting delivery is of legal age and  
12 is either the individual who placed the order or the designated  
13 recipient residing at the same address or is otherwise authorized  
14 through a rule promulgated under this act by the commission to  
15 receive alcoholic liquor under this section. If the delivery  
16 person, after a diligent inquiry, determines that the purchaser or  
17 designated recipient is not of legal age, the delivery person shall  
18 return the alcoholic liquor to the retailer OR DIRECT SHIPPER. A  
19 delivery person who returns alcoholic liquor to the retailer OR  
20 DIRECT SHIPPER due to inability to obtain the purchaser's or  
21 designated recipient's legal age is not liable for any damages  
22 suffered by the purchaser, ~~-or-~~ retailer, OR DIRECT SHIPPER.

23 ~~----- (5) All spirits for sale, use, storage, or distribution in~~  
24 ~~this state, shall originally be purchased by and imported into the~~  
25 ~~state by the commission, or by prior written authority of the~~  
26 ~~commission.~~

27 ~~----- (6) This section does not apply in the case of an alcoholic~~

~~liquor brought into this state for personal or household use in an amount permitted by federal law by a person of legal age to purchase alcoholic liquor at the time of reentry into this state from without the territorial limits of the United States if the person has been outside the territorial limits of the United States for more than 48 hours and has not brought alcoholic liquor into the United States during the preceding 30 days.~~

(8) ~~—(7)—~~ A person who is of legal age to purchase alcoholic liquor may do either of the following in relation to alcoholic liquor that contains less than 21% alcohol by volume:

(a) Personally transport from another state, once in a 24-hour period, not more than 312 ounces of alcoholic liquor for that person's personal use, notwithstanding subsection (1).

(b) Ship or import from another state alcoholic liquor for that person's personal use so long as that personal importation is done in compliance with subsection (1).

~~——(8) As used in this section:~~

~~——(a) "Computer" means any connected, directly interoperable or interactive device, equipment, or facility that uses a computer program or other instructions to perform specific operations including logical, arithmetic, or memory functions with or on computer data or a computer program and that can store, retrieve, alter, or communicate the results of the operations to a person, computer program, computer, computer system, or computer network.~~

~~——(b) "Computer network" means the interconnection of hardwire or wireless communication lines with a computer through remote terminals, or a complex consisting of 2 or more interconnected~~

1 ~~computers.~~

2 ~~—— (c) "Computer program" means a series of internal or external~~  
 3 ~~instructions communicated in a form acceptable to a computer that~~  
 4 ~~directs the functioning of a computer, computer system, or computer~~  
 5 ~~network in a manner designed to provide or produce products or~~  
 6 ~~results from the computer, computer system, or computer network.~~

7 ~~—— (d) "Computer system" means a set of related, connected or~~  
 8 ~~unconnected, computer equipment, devices, software, or hardware.~~

9 ~~—— (e) "Device" includes, but is not limited to, an electronic,~~  
 10 ~~magnetic, electrochemical, biochemical, hydraulic, optical, or~~  
 11 ~~organic object that performs input, output, or storage functions by~~  
 12 ~~the manipulation of electronic, magnetic, or other impulses.~~

13 ~~—— (f) "Diligent inquiry" means a diligent good faith effort to~~  
 14 ~~determine the age of a person, which includes at least an~~  
 15 ~~examination of an official Michigan operator's or chauffeur's~~  
 16 ~~license, an official Michigan personal identification card, or any~~  
 17 ~~other bona fide picture identification which establishes the~~  
 18 ~~identity and age of the person.~~

19 (9) A DIRECT SHIPPER SHALL NOT ENGAGE IN THE SALE, DELIVERY,  
 20 OR IMPORTATION OF WINE TO A CONSUMER UNLESS IT APPLIES FOR AND IS  
 21 GRANTED A DIRECT SHIPPER LICENSE FROM THE COMMISSION. THIS  
 22 SUBSECTION DOES NOT PROHIBIT WINE TASTING OR THE SELLING AT RETAIL  
 23 BY A WINE MAKER OF WINES HE OR SHE PRODUCED AND BOTTLED, IF DONE IN  
 24 COMPLIANCE WITH THIS ACT. ONLY THE FOLLOWING PERSONS QUALIFY FOR  
 25 THE ISSUANCE OF A DIRECT SHIPPER LICENSE:

26 (A) A WINE MAKER HOLDING A WINE MAKER LICENSE IN THIS STATE.

27 (B) A WINE PRODUCER AND BOTTLER LOCATED OUTSIDE OF THIS STATE

1 AND HOLDING AN OUTSTATE SELLER OF WINE LICENSE.

2 (C) A WINE PRODUCER AND BOTTLER LOCATED OUTSIDE OF THIS STATE  
3 AND NOT LICENSED AS AN OUTSTATE SELLER OF WINE BUT HOLDING BOTH A  
4 FEDERAL BASIC PERMIT ISSUED BY THE ALCOHOL AND TOBACCO TAX AND  
5 TRADE BUREAU AND LICENSED TO MANUFACTURE WINE IN ITS STATE OF  
6 DOMICILE.

7 (10) AN APPLICANT FOR A DIRECT SHIPPER LICENSE SHALL SUBMIT AN  
8 APPLICATION TO THE COMMISSION IN A WRITTEN OR ELECTRONIC FORMAT  
9 PROVIDED BY THE COMMISSION AND ACCOMPANIED BY AN APPLICATION FEE  
10 AND AN INITIAL LICENSE FEE BOTH TO BE DETERMINED BY THE COMMISSION.  
11 IF THE APPLICATION IS DENIED, THE COMMISSION SHALL REFUND ONLY THE  
12 INITIAL LICENSE FEE. THE APPLICATION SHALL BE ACCOMPANIED BY A COPY  
13 OR OTHER EVIDENCE OF THE EXISTING FEDERAL BASIC PERMIT OR LICENSE,  
14 OR BOTH, HELD BY THE APPLICANT. THE DIRECT SHIPPER MAY RENEW ITS  
15 LICENSE ANNUALLY BY SUBMISSION OF A LICENSE RENEWAL FEE TO BE  
16 DETERMINED BY THE COMMISSION AND A RENEWAL APPLICATION. THE  
17 COMMISSION SHALL USE THE FEES COLLECTED UNDER THIS SECTION TO  
18 CONDUCT INVESTIGATIONS AND AUDITS OF DIRECT SHIPPERS. THE FAILURE  
19 TO RENEW OR THE REVOCATION OR SUSPENSION OF THE APPLICANT'S  
20 EXISTING MICHIGAN LICENSE, FEDERAL BASIC PERMIT, OR LICENSE TO  
21 MANUFACTURE WINE IN ITS STATE OF DOMICILE IS GROUNDS FOR REVOCATION  
22 OR DENIAL OF THE DIRECT SHIPPER LICENSE. IF A DIRECT SHIPPER IS  
23 FOUND GUILTY OF VIOLATING THE CODE OR ADMINISTRATIVE RULE OF THE  
24 COMMISSION, THE COMMISSION SHALL NOTIFY BOTH THE ALCOHOLIC LIQUOR  
25 CONTROL AGENCY IN THE DIRECT SHIPPER'S STATE OF DOMICILE AND THE  
26 ALCOHOL AND TOBACCO TAX AND TRADE BUREAU OF THE UNITED STATES  
27 DEPARTMENT OF TREASURY OF THE VIOLATION.

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

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

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

7       (c) Clubs where beer, wine, mixed spirit drink, and spirits  
8 may be sold for consumption on the premises only to bona fide  
9 members where consumption is limited to these members and their  
10 bona fide guests, who have attained the age of 21 years.

11       **(D) DIRECT SHIPPER WHERE WINE MAY BE SOLD AND SHIPPED DIRECTLY**  
12 **TO A MICHIGAN RESIDENT 21 YEARS OF AGE OR OLDER FOR CONSUMPTION OFF**  
13 **THE LICENSED PREMISES FOR PERSONAL USE ONLY.**

14       **(E) —(d)—** Hotels of class A where beer and wine may be sold  
15 for consumption on the premises and in the rooms of bona fide  
16 registered guests. Hotels of class B where beer, wine, mixed spirit  
17 drink, and spirits may be sold for consumption on the premises and  
18 in the rooms of bona fide registered guests.

19       **(F) —(e)—** Specially designated merchants, where beer and wine  
20 may be sold for consumption off the premises only.

21       **(G) —(f)—** Specially designated distributors where spirits and  
22 mixed spirit drink may be sold for consumption off the premises  
23 only.

24       **(H) —(g)—** Special licenses where beer and wine or beer, wine,  
25 mixed spirit drink, and spirits may be sold for consumption on the  
26 premises only.

27       **(I) —(h)—** Dining cars or other railroad or Pullman cars,

1 watercraft, or aircraft, where alcoholic liquor may be sold for  
2 consumption on the premises only, subject to rules promulgated by  
3 the commission.

4 (J) ~~-(i)-~~ Brewpubs where beer manufactured on the premises by  
5 the licensee may be sold for consumption on or off the premises by  
6 any of the following licensees:

7 (i) Class C.

8 (ii) Tavern.

9 (iii) Class A hotel.

10 (iv) Class B hotel.

11 (K) ~~-(j)-~~ Micro brewers **AND BREWERS SELLING LESS THAN 200,000**  
12 **BARRELS OF BEER PER YEAR** where beer produced by the micro brewer **OR**  
13 **BREWER** may be sold to a consumer for consumption on or off the  
14 brewery premises.

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

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

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

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

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

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

11           (c) The wine tasting locations shall be considered licensed  
12 premises.

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

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

18           Sec. 543. (1) ~~Quarterly~~ **EXCEPT FOR THE LICENSE FEE ON DIRECT**  
19 **SHIPPERS, QUARTERLY**, upon recommendation of the commission, the  
20 state shall pay pursuant to appropriation in the manner prescribed  
21 by law to the city, village, or township in which a full-time  
22 police department or full-time ordinance enforcement department is  
23 maintained or, if a police department or full-time ordinance  
24 enforcement department is not maintained, to the county, to be  
25 credited to the sheriff's department of the county in which the  
26 licensed premises are located, 55% of the amount of the proceeds of  
27 the retailers' license fees and license renewal fees collected in



1 that jurisdiction, for the specific purpose of enforcing this act  
2 and the rules promulgated under this act. Forty-one and one-half  
3 percent of the amount of the proceeds of retailers' license and  
4 license renewal fees collected shall be deposited in a special fund  
5 to be annually appropriated to the commission for carrying out the  
6 licensing and enforcement provisions of this act. Any unencumbered  
7 or uncommitted money in the special fund shall revert to the  
8 general fund of the state 12 months after the end of each fiscal  
9 year in which the funds were collected. The legislature shall  
10 appropriate 3-1/2% of the amount of the proceeds of retailers'  
11 license and license renewal fees collected to be credited to a  
12 special fund in the state treasury for the purposes of promoting  
13 and sustaining programs for the prevention, rehabilitation, care,  
14 and treatment of alcoholics. This subsection does not apply to  
15 retail license fees collected for railroad or Pullman cars,  
16 watercraft, or aircraft, or to the transfer fees provided in  
17 section 529.

18 (2) All license and license renewal fees, other than retail  
19 license and license renewal fees, shall be credited to the grape  
20 and wine industry council created in section 303, to be used as  
21 provided in section 303. Money credited to the grape and wine  
22 industry council shall not revert to the state general fund at the  
23 close of the fiscal year, but shall remain in the account to which  
24 it was credited to be used as provided in section 303.

25 (3) All retail license fees collected for railroad or Pullman  
26 cars, watercraft, or aircraft, and the transfer fees provided in  
27 section 529 shall be deposited in the special fund created in

1 subsection (1) for carrying out the licensing and enforcement  
2 provisions of this act.

3 (4) The license fee enhancement imposed for licenses issued  
4 under section 531(3) and (4) shall be deposited into a special fund  
5 to be annually appropriated to the commission for enforcement and  
6 other related projects determined appropriate by the commission.  
7 The money representing that amount of the license fees for  
8 identical licenses not issued under section 531(3) and (4) shall be  
9 allocated and appropriated under subsection (1).

10 (5) As used in this section, "license fee enhancement" means  
11 the money representing the difference between the license fee  
12 imposed for a license under section 525(1) and the additional  
13 amount imposed for resort and resort economic development licenses  
14 under section 525(2).

15 **(6) THE LICENSE FEE IMPOSED ON DIRECT SHIPPER LICENSES AND ANY**  
16 **VIOLATION FINES IMPOSED BY THE COMMISSION SHALL BE DEPOSITED INTO**  
17 **THE DIRECT SHIPPER ENFORCEMENT REVOLVING FUND. THE DIRECT SHIPPER**  
18 **ENFORCEMENT REVOLVING FUND IS CREATED WITHIN THE STATE TREASURY.**  
19 **THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY**  
20 **SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL DIRECT**  
21 **THE INVESTMENT OF THE FUND. THE STATE TREASURER SHALL CREDIT TO THE**  
22 **FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS. MONEY IN THE FUND**  
23 **AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL**  
24 **NOT LAPSE TO THE GENERAL FUND. THE COMMISSION SHALL EXPEND MONEY**  
25 **FROM THE FUND, UPON APPROPRIATION, ONLY FOR ENFORCEMENT OF THE**  
26 **PROVISION OF SECTION 203 AND RELATED PROJECTS.**

27 Sec. 607. (1) Except as provided in section 537(2), a

1    warehouser, mixed spirit drink manufacturer, wholesaler, outstate  
2    seller of beer, outstate seller of wine, outstate seller of mixed  
3    spirit drink, **WINE MAKER, SMALL WINE MAKER**, or vendor of spirits  
4    shall not be licensed as a specially designated merchant or a  
5    specially designated distributor or permitted to sell or deliver to  
6    the consumer any quantity of alcoholic liquor at retail.

7           (2) A specially designated distributor or specially designated  
8    merchant or any other retailer shall not hold a mixed spirit drink  
9    manufacturer, wholesale, warehouse, outstate seller of beer,  
10   outstate seller of mixed spirit drink, **WINE MAKER, SMALL WINE**  
11   **MAKER**, or outstate seller of wine license.

12           (3) A brewer, warehouser, or wholesaler shall not be licensed  
13   as a specially designated merchant. ~~—, except for brewers who~~  
14   ~~manufacture less than 200,000 barrels of beer per year.~~ This  
15   subsection ~~shall~~ **DOES** not affect the operation of a brewery  
16   hospitality room.

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

24           Enacting section 1. If any section or part of a section of  
25   this amendatory act is for any reason held to be invalid or  
26   unconstitutional, the remaining amendments made by this amendatory  
27   act are not severable and shall also be invalid, and it is the

1 intent of the legislature that the direct shipment of wine be  
2 prohibited.