

# HOUSE BILL No. 5381

November 1, 2005, Introduced by Rep. LaJoy and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending sections 537 and 1025 (MCL 436.1537 and 436.2025),  
section 537 as amended by 2001 PA 223 and section 1025 as amended  
by 2002 PA 725.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

1 may be sold for consumption on the premises only to bona fide  
2 members where consumption is limited to these members and their  
3 bona fide guests, who have attained the age of 21 years.

4 (d) Hotels of class A where beer and wine may be sold for  
5 consumption on the premises and in the rooms of bona fide  
6 registered guests. Hotels of class B where beer, wine, mixed spirit  
7 drink, and spirits may be sold for consumption on the premises and  
8 in the rooms of bona fide registered guests.

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

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

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

16 (h) Dining cars or other railroad or Pullman cars, watercraft,  
17 or aircraft, where alcoholic liquor may be sold for consumption on  
18 the premises only, subject to rules promulgated by the commission.

19 (i) Brewpubs where beer manufactured on the premises by the  
20 licensee may be sold for consumption on or off the premises by any  
21 of the following licensees:

22 (i) Class C.

23 (ii) Tavern.

24 (iii) Class A hotel.

25 (iv) Class B hotel.

26 (j) Micro brewers where beer produced by the micro brewer may  
27 be sold to a consumer for consumption on or off the brewery

1 premises.

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

6 (l) Class G-2 license where beer and wine may be sold for  
7 consumption on the premises only to members required to pay an  
8 annual membership fee and consumption is limited to these members  
9 and their bona fide guests.

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

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

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

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

25 (c) The wine tasting locations ~~shall be~~ **ARE** considered  
26 licensed premises.

27 (d) Wine tasting does not take place between the hours of 2

1 a.m. and 7 a.m. Monday through Saturday, or between 2 a.m. and 12  
2 noon on Sunday.

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

5 (4) NOTWITHSTANDING SECTION 1025(1), A SPECIALLY DESIGNATED  
6 MERCHANT, WHO DOES NOT HOLD A LICENSE ALLOWING THE CONSUMPTION OF  
7 ALCOHOLIC LIQUOR ON THE PREMISES AT THE SAME LICENSED ADDRESS, MAY  
8 CONDUCT WINE TASTINGS ON THE LICENSED PREMISES UNDER THE FOLLOWING  
9 CONDITIONS:

10 (A) A CUSTOMER IS NOT CHARGED FOR THE TASTING OF WINE.

11 (B) THE TASTING SAMPLES PROVIDED TO A CUSTOMER DO NOT EXCEED 1  
12 OUNCE PER SERVING AND NOT MORE THAN 6 SERVINGS FOR A TOTAL OF 6  
13 OUNCES ARE PROVIDED TO A CUSTOMER WITHIN A 24-HOUR PERIOD.

14 (C) THE LICENSEE HAS FIRST OBTAINED A WINE TASTING PERMIT  
15 APPROVED BY THE COMMISSION AND PAID A \$50.00 ANNUAL FEE PER  
16 LOCATION.

17 (5) DURING THE TIME A WINE TASTING CONDUCTED UNDER SUBSECTION  
18 (4) IS CONDUCTED, THE LICENSEE, OR AN AGENT OR EMPLOYEE OF THE  
19 LICENSEE, WHO HAS SUCCESSFULLY COMPLETED A SERVER TRAINING PROGRAM  
20 AS PROVIDED FOR IN SECTION 906 SHALL DEVOTE FULL TIME TO THE WINE  
21 TASTING ACTIVITY AND SHALL PERFORM NO OTHER DUTIES, INCLUDING THE  
22 SALE OF ALCOHOLIC LIQUOR FOR CONSUMPTION OFF THE LICENSED PREMISES.  
23 WINE USED FOR THE TASTING MUST COME FROM THE SPECIALLY DESIGNATED  
24 MERCHANT'S INVENTORY, AND ALL OPEN BOTTLES MUST BE REMOVED FROM THE  
25 PREMISES ON THE SAME BUSINESS DAY OR RESEALED AND STORED IN A  
26 LOCKED, SEPARATE STORAGE COMPARTMENT ON THE LICENSED PREMISES WHEN  
27 NOT BEING USED FOR THE ACTIVITIES ALLOWED BY THE PERMIT.

1           (6) A MANUFACTURER, WHOLESALER, OUTSTATE SELLER OF WINE, WINE  
2   MAKER, OR SALESPERSON IS PROHIBITED FROM CONDUCTING OR  
3   PARTICIPATING IN WINE TASTINGS ALLOWED BY THE PERMIT CREATED IN  
4   SUBSECTION (4).

5           (7) A WINE TASTING UNDER SUBSECTION (4) MAY ONLY BE CONDUCTED  
6   DURING THE LEGAL HOURS FOR SALE OF ALCOHOLIC LIQUOR BY THE  
7   LICENSEE.

8           Sec. 1025. (1) A vendor shall not give away any alcoholic  
9   liquor of any kind or description at any time in connection with  
10   his or her business, except manufacturers for consumption on the  
11   premises only.

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

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

21          (b) A person from conducting of any sampling or tasting  
22   authorized by **SECTION 537 OR** rule of the commission.

23          (c) A class A or B hotel designed to attract and accommodate  
24   tourists and visitors in a resort area from giving away alcoholic  
25   liquor to an invitee or guest in connection with a business event  
26   or as a part of a room special or promotion for overnight  
27   accommodations.

1           (3) A vendor shall not sell an alcoholic liquor to a person in  
2 an intoxicated condition.