

HOUSE BILL No. 6306

July 16, 2008, Introduced by Reps. Warren, Farrah, Hune, Alma Smith, Ward, Moolenaar, Wojno, Byrnes, Gaffney and Meadows 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 107, 525, 531, 537, and 1025 (MCL 436.1107, 436.1525, 436.1531, 436.1537, and 436.2025), section 107 as amended by 2001 PA 223, section 525 as amended by 2006 PA 539, section 531 as amended by 2005 PA 97, section 537 as amended by 2005 PA 269, and section 1025 as amended by 2008 PA 11.

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

1 beer, wine, mixed spirit drink, and spirits for consumption on the
2 premises.

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

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

15 (5) **"CLASS W LICENSE" MEANS A PLACE LICENSED TO SELL WINE AT**
16 **RETAIL FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES.**

17 (6) ~~(5)~~-"Club" means a nonprofit association, whether
18 incorporated or unincorporated, organized for the promotion of some
19 common purpose, the object of which is owning, hiring, or leasing a
20 building, or space in a building, of an extent and character as in
21 the judgment of the commission may be suitable and adequate for the
22 reasonable and comfortable use and accommodation of its members and
23 their guests, but does not include an association organized for a
24 commercial or business purpose.

25 (7) ~~(6)~~-"Commission" means the liquor control commission
26 provided for and created in section 209.

27 (8) ~~(7)~~-"Church" means an entire house or structure set apart

1 primarily for use for purposes of public worship, and which is tax
2 exempt under the laws of this state, and in which religious
3 services are held and with which a clergyman is associated, and the
4 entire structure of which is kept for that use and not put to any
5 other use inconsistent with that use.

6 (9) ~~(8)~~—"Distiller" means any person licensed to manufacture
7 and sell spirits or alcohol, or both, of any kind.

8 (10) ~~(9)~~—"Hotel" means a building or group of buildings
9 located on the same or adjoining pieces of real property, which
10 provide lodging to travelers and temporary residents and which may
11 also provide food service and other goods and services to
12 registered guests and to the public.

13 (11) ~~(10)~~—"Class A hotel" means a hotel licensed by the
14 commission to sell beer and wine for consumption on the premises
15 only, which provides for the rental of, and maintains the
16 availability for rental of, not less than 25 bedrooms if located in
17 a local governmental unit with a population of less than 175,000 or
18 not less than 50 bedrooms if located in a local governmental unit
19 with a population of 175,000 or more.

20 (12) ~~(11)~~—"Class B hotel" means a hotel licensed by the
21 commission to sell beer, wine, mixed spirit drink, and spirits for
22 consumption on the premises only, which provides for the rental of,
23 and maintains the availability for rental of, not less than 25
24 bedrooms if located in a local governmental unit with a population
25 of less than 175,000 or not less than 50 bedrooms if located in a
26 local governmental unit with a population of 175,000 or more.

27 (13) ~~(12)~~—"License" means a contract between the commission

1 and the licensee granting authority to that licensee to manufacture
2 and sell, or sell, or warehouse alcoholic liquor in the manner
3 provided by this act.

4 Sec. 525. (1) Except as otherwise provided for in this
5 section, the following license fees shall be paid at the time of
6 filing applications or as otherwise provided in this act:

7 (a) Manufacturers of spirits, but not including makers,
8 blenders, and rectifiers of wines containing 21% or less alcohol by
9 volume, \$1,000.00.

10 (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or
11 fraction of a barrel, production annually with a maximum fee of
12 \$1,000.00, and in addition \$50.00 for each motor vehicle used in
13 delivery to retail licensees. A fee increase does not apply to a
14 manufacturer of less than 15,000 barrels production per year.

15 (c) Outstate seller of beer, delivering or selling beer in
16 this state, \$1,000.00.

17 (d) Wine makers, blenders, and rectifiers of wine, including
18 makers, blenders, and rectifiers of wines containing 21% or less
19 alcohol by volume, \$100.00. The small wine maker license fee is
20 \$25.00.

21 (e) Outstate seller of wine, delivering or selling wine in
22 this state, \$300.00.

23 (f) Outstate seller of mixed spirit drink, delivering or
24 selling mixed spirit drink in this state, \$300.00.

25 (g) Dining cars or other railroad or Pullman cars selling
26 alcoholic liquor, \$100.00 per train.

27 (h) Wholesale vendors other than manufacturers of beer,

1 \$300.00 for the first motor vehicle used in delivery to retail
2 licensees and \$50.00 for each additional motor vehicle used in
3 delivery to retail licensees.

4 (i) Watercraft, licensed to carry passengers, selling
5 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of
6 \$500.00 per year computed on the basis of \$1.00 per person per
7 passenger capacity.

8 (j) Specially designated merchants, for selling beer or wine
9 for consumption off the premises only but not at wholesale, \$100.00
10 for each location regardless of the fact that the location may be a
11 part of a system or chain of merchandising.

12 (k) Specially designated distributors licensed by the
13 commission to distribute spirits and mixed spirit drink in the
14 original package for the commission for consumption off the
15 premises, \$150.00 per year, and an additional fee of \$3.00 for each
16 \$1,000.00 or major fraction of that amount in excess of \$25,000.00
17 of the total retail value of merchandise purchased under each
18 license from the commission during the previous calendar year.

19 (l) Hotels of class A selling beer and wine, a minimum fee of
20 \$250.00 and, for all bedrooms in excess of 20, \$1.00 for each
21 additional bedroom, but not more than \$500.00.

22 (m) Hotels of class B selling beer, wine, mixed spirit drink,
23 and spirits, a minimum fee of \$600.00 and, for all bedrooms in
24 excess of 20, \$3.00 for each additional bedroom. If a hotel of
25 class B sells beer, wine, mixed spirit drink, and spirits in more
26 than 1 public bar, the fee entitles the hotel to sell in only 1
27 public bar, other than a bedroom, and a license shall be secured

1 for each additional public bar, other than a bedroom, the fee for
2 which is \$350.00.

3 (n) Taverns, selling beer and wine, \$250.00.

4 (o) Class C license selling beer, wine, mixed spirit drink,
5 and spirits, \$600.00. If a class C licensee sells beer, wine, mixed
6 spirit drink, and spirits in more than 1 bar, a fee of \$350.00
7 shall be paid for each additional bar. In municipally owned or
8 supported facilities in which nonprofit organizations operate
9 concession stands, a fee of \$100.00 shall be paid for each
10 additional bar.

11 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,
12 \$300.00 for clubs having 150 or fewer duly accredited members and
13 \$1.00 for each additional member. The membership list for the
14 purpose only of determining the license fees to be paid under this
15 subdivision shall be the accredited list of members as determined
16 by a sworn affidavit 30 days before the closing of the license
17 year. This subdivision does not prevent the commission from
18 checking a membership list and making its own determination from
19 the list or otherwise. The list of members and additional members
20 is not required of a club paying the maximum fee. The maximum fee
21 shall not exceed \$750.00 for any 1 club.

22 (q) Warehouse, to be fixed by the commission with a minimum
23 fee for each warehouse of \$50.00.

24 (r) Special licenses, a fee of \$50.00 per day, except that the
25 fee for that license or permit issued to any bona fide nonprofit
26 association, duly organized and in continuous existence for 1 year
27 before the filing of its application, is \$25.00. Not more than 12

1 special licenses may be granted to any organization, including an
2 auxiliary of the organization, in a calendar year.

3 (s) Airlines licensed to carry passengers in this state that
4 sell, offer for sale, provide, or transport alcoholic liquor,
5 \$600.00.

6 (t) Brandy manufacturer, \$100.00.

7 (u) Mixed spirit drink manufacturer, \$100.00.

8 (v) Brewpub, \$100.00.

9 (w) Class G-1, \$1,000.00.

10 (x) Class G-2, \$500.00.

11 (y) Motorsports event license, \$250.00.

12 **(z) CLASS W, \$500.00.**

13 (2) The fees provided in this act for the various types of
14 licenses shall not be prorated for a portion of the effective
15 period of the license. Notwithstanding subsection (1), the initial
16 license fee for any licenses issued under section 531(3) and (4) is
17 \$20,000.00. The renewal license fee shall be the amount described
18 in subsection (1). However, the commission shall not impose the
19 \$20,000.00 initial license fee for applicants whose license
20 eligibility was already approved on July 20, 2005.

21 (3) Beginning July 23, 2004, and except in the case of any
22 resort or resort economic development license issued under section
23 531(2), (3), (4), and (5) and a license issued under section 521,
24 the commission shall issue an initial or renewal license not later
25 than 90 days after the applicant files a completed application.
26 Receipt of the application is considered the date the application
27 is received by any agency or department of the state of Michigan.

1 If the application is considered incomplete by the commission, the
2 commission shall notify the applicant in writing, or make the
3 information electronically available, within 30 days after receipt
4 of the incomplete application, describing the deficiency and
5 requesting the additional information. The determination of the
6 completeness of an application does not operate as an approval of
7 the application for the license and does not confer eligibility
8 upon an applicant determined otherwise ineligible for issuance of a
9 license. The 90-day period is tolled under any of the following
10 circumstances:

11 (a) Notice sent by the commission of a deficiency in the
12 application until the date all of the requested information is
13 received by the commission.

14 (b) The time period during which actions required by a party
15 other than the applicant or the commission are completed that
16 include, but are not limited to, completion of construction or
17 renovation of the licensed premises; mandated inspections by the
18 commission or by any state, local, or federal agency; approval by
19 the legislative body of a local unit of government; criminal
20 history or criminal record checks; financial or court record
21 checks; or other actions mandated by this act or rule or as
22 otherwise mandated by law or local ordinance.

23 (4) If the commission fails to issue or deny a license within
24 the time required by this section, the commission shall return the
25 license fee and shall reduce the license fee for the applicant's
26 next renewal application, if any, by 15%. The failure to issue a
27 license within the time required under this section does not allow

1 the commission to otherwise delay the processing of the
2 application, and that application, upon completion, shall be placed
3 in sequence with other completed applications received at that same
4 time. The commission shall not discriminate against an applicant in
5 the processing of the application based upon the fact that the
6 license fee was refunded or discounted under this subsection.

7 (5) Beginning October 1, 2005, the chair of the commission
8 shall submit a report by December 1 of each year to the standing
9 committees and appropriations subcommittees of the senate and house
10 of representatives concerned with liquor license issues. The chair
11 of the commission shall include all of the following information in
12 the report concerning the preceding fiscal year:

13 (a) The number of initial and renewal applications the
14 commission received and completed within the 90-day time period
15 described in subsection (3).

16 (b) The number of applications denied.

17 (c) The number of applicants not issued a license within the
18 90-day time period and the amount of money returned to licensees
19 under subsection (4).

20 (6) As used in this section, "completed application" means an
21 application complete on its face and submitted with any applicable
22 licensing fees as well as any other information, records, approval,
23 security, or similar item required by law or rule from a local unit
24 of government, a federal agency, or a private entity but not from
25 another department or agency of the state of Michigan.

26 Sec. 531. (1) ~~A~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION**
27 **(18)**, A public license shall not be granted for the sale of

1 alcoholic liquor for consumption on the premises in excess of 1
2 license for each 1,500 of population or major fraction thereof. On-
3 premises escrowed licenses issued under this subsection may be
4 transferred subject to local legislative approval under section
5 501(2) to an applicant whose proposed operation is located within
6 any local governmental unit in a county in which the escrowed
7 license was located. However, beginning July 8, 2004, and until
8 July 1, 2009, if the on-premises escrowed license was issued to a
9 location within a city with a population of over 190,000 but under
10 300,000, the on-premises escrowed license shall not be transferred
11 to an applicant whose proposed operation is located within any
12 other local governmental unit in the county in which that city is
13 located and, in addition, an escrowed license located within any
14 local governmental unit in that county is not transferable into the
15 city with a population of over 190,000 but under 300,000. If the
16 local governmental unit within which the former licensee's premises
17 were located spans more than 1 county, an escrowed license is
18 available subject to local legislative approval under section
19 501(2) to an applicant whose proposed operation is located within
20 any local governmental unit in either county. If an escrowed
21 license is activated within a local governmental unit other than
22 that local governmental unit within which the escrowed license was
23 originally issued, the commission shall count that activated
24 license against the local governmental unit originally issuing the
25 license. This quota does not bar the right of an existing licensee
26 to renew a license or transfer the license and does not bar the
27 right of an on-premise licensee of any class to reclassify to

1 another class of on-premises license in a manner not in violation
2 of law or this act, subject to the consent of the commission. The
3 upgrading of a license resulting from a request under this
4 subsection shall be approved by the local governmental unit having
5 jurisdiction.

6 (2) In a resort area, the commission may issue 1 or more
7 licenses for a period not to exceed 12 months without regard to a
8 limitation because of population, but not in excess of 550, and
9 with respect to the resort license the commission, by rule, shall
10 define and classify resort seasons by months and may issue 1 or
11 more licenses for resort seasons without regard to the calendar
12 year or licensing year.

13 (3) In addition to the resort licenses authorized in
14 subsection (2), the commission may issue not more than 5 additional
15 licenses per year to establishments whose business and operation,
16 as determined by the commission, is designed to attract and
17 accommodate tourists and visitors to the resort area, whose primary
18 purpose is not for the sale of alcoholic liquor, and whose capital
19 investment in real property, leasehold improvement, and fixtures
20 for the premises to be licensed is \$75,000.00 or more. Further, the
21 commission shall issue 1 license under this subsection per year to
22 an applicant located in a rural area that has a poverty rate, as
23 defined by the latest decennial census, greater than the statewide
24 average, or that is located in a rural area that has an
25 unemployment rate higher than the statewide average for 3 of the 5
26 preceding years. In counties having a population of less than
27 50,000, as determined by the last federal decennial census or as

1 determined pursuant to subsection (11) and subject to subsection
2 (16) in the case of a class A hotel or a class B hotel, the
3 commission shall not require the establishments to have dining
4 facilities to seat more than 50 persons. The commission may cancel
5 the license if the resort is no longer active or no longer
6 qualifies for the license. Before January 16 of each year the
7 commission shall transmit to the legislature a report giving
8 details as to the number of applications received under this
9 subsection; the number of licenses granted and to whom; the number
10 of applications rejected and the reasons; and the number of the
11 licenses revoked, suspended, or other disciplinary action taken and
12 against whom and the grounds for revocation, suspension, or
13 disciplinary action.

14 (4) In addition to any licenses for the sale of alcoholic
15 liquor for consumption on the premises that may be available in the
16 local governmental unit under subsection (1) and the resort
17 licenses authorized in subsections (2) and (3), the commission may
18 issue not more than 15 resort economic development licenses per
19 year. A person is eligible to apply for a resort economic
20 development license under this subsection upon submitting an
21 application to the commission and demonstrating all of the
22 following:

23 (a) The establishment's business and operation, as determined
24 by the commission, is designed to attract and accommodate tourists
25 and visitors to the resort area.

26 (b) The establishment's primary business is not the sale of
27 alcoholic liquor.

1 (c) The capital investment in real property, leasehold
2 improvement, fixtures, and inventory for the premises to be
3 licensed is in excess of \$1,500,000.00.

4 (d) The establishment does not allow or permit casino gambling
5 on the premises.

6 (5) In governmental units having a population of 50,000
7 persons or less, as determined by the last federal decennial census
8 or as determined pursuant to subsection (11), in which the quota of
9 specially designated distributor licenses, as provided by section
10 533, has been exhausted, the commission may issue not more than a
11 total of 10 additional specially designated distributor licenses
12 per year to established merchants whose business and operation, as
13 determined by the commission, is designed to attract and
14 accommodate tourists and visitors to the resort area. A specially
15 designated distributor license issued pursuant to this subsection
16 may be issued at a location within 2,640 feet of existing specially
17 designated distributor license locations. A specially designated
18 distributor license issued pursuant to this subsection shall not
19 bar another specially designated distributor licensee from
20 transferring location to within 2,640 feet of said licensed
21 location. A specially designated distributor license issued
22 pursuant to section 533 may be located within 2,640 feet of a
23 specially designated distributor license issued pursuant to this
24 subsection.

25 (6) In addition to any licenses for the sale of alcoholic
26 liquor for consumption on the premises that may be available in the
27 local governmental unit under subsection (1), and the resort or

1 resort economic development licenses authorized in subsections (2),
2 (3), and (4), and notwithstanding section 519, the commission may
3 issue not more than 5 additional special purpose licenses in any
4 calendar year for the sale of beer and wine for consumption on the
5 premises. A special purpose license issued pursuant to this
6 subsection shall be issued only for events which are to be held
7 from May 1 to September 30, are artistic in nature, and which are
8 to be held on the campus of a public university with an enrollment
9 of 30,000 or more students. A special purpose license shall be
10 valid for 30 days or for the duration of the event for which it is
11 issued, whichever is less. The fee for a special purpose license
12 shall be \$50.00. A special purpose license may be issued only to a
13 corporation which is all of the following:

14 (a) Is a nonprofit corporation organized pursuant to the
15 nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.

16 (b) Has a board of directors constituted of members of whom
17 half are elected by the public university at which the event is
18 scheduled and half are elected by the local governmental unit.

19 (c) Has been in continuous existence for not less than 6
20 years.

21 (7) Notwithstanding the local legislative body approval
22 provision of section 501(2) and notwithstanding the provisions of
23 section 519, the commission may issue, without regard to the quota
24 provisions of subsection (1) and with the approval of the governing
25 board of the university, either a tavern or class C license which
26 may be used only for regularly scheduled events at a public
27 university's established outdoor program or festival at a facility

1 on the campus of a public university having a head count enrollment
2 of 10,000 students or more. A license issued under this subsection
3 may only be issued to the governing board of a public university, a
4 person that is the lessee or concessionaire of the governing board
5 of the university, or both. A license issued under this subsection
6 is not transferable as to ownership or location. A license issued
7 under this subsection may not be issued at an outdoor stadium
8 customarily used for intercollegiate athletic events.

9 (8) In issuing a resort or resort economic development license
10 under subsection (3), (4), or (5), the commission shall consider
11 economic development factors of the area in the issuance of
12 licenses to establishments designed to stimulate and promote the
13 resort and tourist industry. The commission shall not transfer a
14 resort or resort economic development license issued under
15 subsection (3), (4), or (5) to another location. If the licensee
16 goes out of business the license shall be surrendered to the
17 commission.

18 (9) The limitations and quotas of this section are not
19 applicable to the issuance of a new license to a veteran of the
20 armed forces of the United States who was honorably discharged or
21 released under honorable conditions from the armed forces of the
22 United States and who had by forced sale disposed of a similar
23 license within 90 days before or after entering or while serving in
24 the armed forces of the United States, as a part of the person's
25 preparation for that service if the application for a new license
26 is submitted for the same governmental unit in which the previous
27 license was issued and within 60 days after the discharge of the

1 applicant from the armed forces of the United States.

2 (10) The limitations and quotas of this section shall not be
3 applicable to the issuance of a new license or the renewal of an
4 existing license where the property or establishment to be licensed
5 is situated in or on land on which an airport owned by a county or
6 in which a county has an interest is situated.

7 (11) For purposes of implementing this section a special state
8 census of a local governmental unit may be taken at the expense of
9 the local governmental unit by the federal bureau of census or the
10 secretary of state under section 6 of the home rule city act, 1909
11 PA 279, MCL 117.6. The special census shall be initiated by
12 resolution of the governing body of the local governmental unit
13 involved. The secretary of state may promulgate additional rules
14 necessary for implementing this section pursuant to the
15 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
16 24.328.

17 (12) Before granting an approval as required in section 501(2)
18 for a license to be issued under subsection (2), (3), or (4), a
19 local legislative body shall disclose the availability of
20 transferable licenses held in escrow for more than 1 licensing year
21 within that respective local governmental unit. Public notice of
22 the meeting to consider the granting of the license by the local
23 governmental unit shall be made 2 weeks before the meeting.

24 (13) The person signing the application for an on-premise
25 resort or resort economic development license shall state and
26 verify that he or she attempted to secure an on-premise escrowed
27 license or quota license and that, to the best of his or her

1 knowledge, an on-premise escrowed license or quota license is not
2 readily available within the county in which the applicant for the
3 on-premise resort or resort economic development license proposes
4 to operate, except that until July 1, 2009, and in the case
5 involving a city with a population of over 190,000 but under
6 300,000 that verification is not required.

7 (14) The commission shall not issue an on-premise resort or
8 resort economic development license if the county within which the
9 resort or resort economic development license applicant proposes to
10 operate has not issued all on-premise licenses available under
11 subsection (1) or if an on-premise escrowed license exists and is
12 readily available within the local governmental unit in which the
13 applicant for the on-premise resort or resort economic development
14 license proposes to operate, except until July 1, 2009, in the case
15 involving a city with a population of over 190,000 but under
16 300,000. The commission may waive the provisions of this subsection
17 upon a showing of good cause.

18 (15) The commission shall annually report to the legislature
19 the names of the businesses issued licenses under this section and
20 their locations.

21 (16) The commission shall not require a class A hotel or a
22 class B hotel licensed pursuant to subsection (2), (3), or (4) to
23 provide food service to registered guests or to the public.

24 (17) Subject to the limitation and quotas of subsection (1)
25 and to local legislative approval under section 501(2), the
26 commission may approve the transfer of ownership and location of an
27 on-premises escrowed license within the same county to a class G-1

1 or class G-2 license or may approve the reclassification of an
2 existing on-premises license at the location to be licensed to a
3 class G-1 license or to a class G-2 license, subject to subsection
4 (1). Resort or economic development on-premises licenses created
5 under subsection (3) or (4) may not be issued as, or reclassified
6 to, a class G-1 or class G-2 license.

7 (18) NOTWITHSTANDING SUBSECTION (1), THE COMMISSION MAY ISSUE
8 CLASS W LICENSES IN A NUMBER NOT TO EXCEED 1 LICENSE FOR EACH
9 10,000 OF POPULATION, OR MAJOR FRACTION THEREOF, WITHIN A LOCAL
10 GOVERNMENTAL UNIT. THE COMMISSION SHALL NOT ISSUE A CLASS W LICENSE
11 TO A LICENSEE HOLDING ANOTHER RETAIL LICENSE FOR THE SAME LICENSED
12 ADDRESS.

13 (19) ~~(18)~~—As used in this section:

14 (a) "Escrowed license" means a license in which the rights of
15 the licensee in the license or to the renewal of the license are
16 still in existence and are subject to renewal and activation in the
17 manner provided for in R 436.1107 of the Michigan administrative
18 code.

19 (b) "Readily available" means available under a standard of
20 economic feasibility, as applied to the specific circumstances of
21 the applicant, that includes, but is not limited to, the following:

22 (i) The fair market value of the license, if determinable.

23 (ii) The size and scope of the proposed operation.

24 (iii) The existence of mandatory contractual restrictions or
25 inclusions attached to the sale of the license.

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

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

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

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

9 (d) Direct shippers where wine may be sold and shipped
10 directly to the consumer.

11 (e) Hotels of class A where beer and wine may be sold for
12 consumption on the premises and in the rooms of bona fide
13 registered guests. Hotels of class B where beer, wine, mixed spirit
14 drink, and spirits may be sold for consumption on the premises and
15 in the rooms of bona fide registered guests.

16 (f) Specially designated merchants, where beer and wine may be
17 sold for consumption off the premises only.

18 (g) Specially designated distributors where spirits and mixed
19 spirit drink may be sold for consumption off the premises only.

20 (h) Special licenses where beer and wine or beer, wine, mixed
21 spirit drink, and spirits may be sold for consumption on the
22 premises only.

23 (i) Dining cars or other railroad or Pullman cars, watercraft,
24 or aircraft, where alcoholic liquor may be sold for consumption on
25 the premises only, subject to rules promulgated by the commission.

26 (j) Brewpubs where beer manufactured on the premises by the
27 licensee may be sold for consumption on or off the premises by any

1 of the following licensees:

2 (i) Class C.

3 (ii) Tavern.

4 (iii) Class A hotel.

5 (iv) Class B hotel.

6 (k) Micro brewers and brewers selling less than 200,000

7 barrels of beer per year where beer produced by the micro brewer or

8 brewer may be sold to a consumer for consumption on or off the

9 brewery premises.

10 (l) Class G-1 license where beer, wine, mixed spirit drink, and

11 spirits may be sold for consumption on the premises only to members

12 required to pay an annual membership fee and consumption is limited

13 to these members and their bona fide guests.

14 (m) Class G-2 license where beer and wine may be sold for

15 consumption on the premises only to members required to pay an

16 annual membership fee and consumption is limited to these members

17 and their bona fide guests.

18 (n) Motorsports event license where beer and wine may be sold

19 for consumption on the premises during sanctioned motorsports

20 events only.

21 (o) Wine maker where wine may be sold by direct shipment, at

22 retail on the licensed premises, and as provided for in subsections

23 (2) and (3).

24 **(P) CLASS W LICENSE WHERE WINE MAY BE SOLD FOR CONSUMPTION ON**
25 **AND OFF THE LICENSED PREMISES.**

26 (2) A wine maker may sell wine made by that wine maker in a

27 restaurant for consumption on or off the premises if the restaurant

1 is owned by the wine maker or operated by another person under an
2 agreement approved by the commission and located on the premises
3 where the wine maker is licensed.

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

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

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

14 (c) The wine tasting locations shall be considered licensed
15 premises.

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

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

21 **(4) A PERSON HOLDING A LICENSE FOR CONSUMPTION ON THE LICENSED**
22 **PREMISES MAY PROVIDE TASTINGS OR SAMPLINGS OF NOT MORE THAN 3**
23 **INDIVIDUAL SERVINGS OF BEER OR WINE, OR BOTH, TO ANY 1 INDIVIDUAL**
24 **IN A 24-HOUR PERIOD. A SERVING OF BEER SHALL NOT EXCEED 2 OUNCES,**
25 **AND A SERVING OF WINE SHALL NOT EXCEED 1 OUNCE.**

26 Sec. 1025. (1) A vendor shall not give away any alcoholic
27 liquor of any kind or description at any time in connection with

1 his or her business, except manufacturers for consumption on the
2 premises only.

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

4 (a) A vendor of spirits, brewer, mixed spirit drink
5 manufacturer, wine maker, small wine maker, outstate seller of
6 beer, outstate seller of wine, or outstate seller of mixed spirit
7 drink, or a bona fide market research organization retained by 1 of
8 the persons named in this subsection, from conducting samplings or
9 tastings of an alcoholic liquor product before it is approved for
10 sale in this state, if the sampling or tasting is conducted
11 pursuant to prior written approval of the commission.

12 (b) A person from conducting of any sampling or tasting
13 authorized by rule of the commission.

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

19 **(D) AN ON-PREMISES LICENSEE FROM PROVIDING TASTINGS OR**
20 **SAMPLINGS OF BEER OR WINE, OR BOTH, IN THE MANNER PROVIDED FOR IN**
21 **SECTION 537(4).**

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

24 (4) Evidence of any breathalyzer or blood alcohol test results
25 obtained in a licensed establishment, or on property adjacent to
26 the licensed premises and under the control or ownership of the
27 licensee, shall not be admissible to prove a violation of this

1 section, section 707(1), (2), (3), or (4), or section 801(2). To
2 establish a violation of this section, section 707(1), (2), (3), or
3 (4), or section 801(2), the person's intoxicated condition at the
4 time of the sale or consumption of alcohol must be proven by direct
5 observation by law enforcement or commission enforcement personnel
6 or through other admissible witness statements or corroborating
7 evidence obtained as part of the standard investigation other than
8 breathalyzer or blood alcohol test results.