

HOUSE BILL No. 5798

September 16, 2014, Introduced by Reps. Crawford, Haugh, Dianda, Stanley, Brown, Geiss, Schor, VerHeulen, Yonker, Rogers, Singh, Bumstead, Lori, MacGregor, Haveman, Genetski, Heise, Segal, Potvin, Schmidt, Victory, Townsend, McCann, Slavens, Darany, Clemente, Franz, Lauwers, Foster, Kesto, Phelps, Pettalia, Knezek, Pscholka, Abed and Kosowski 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 105, 525, and 609 (MCL 436.1105, 436.1525, and 436.1609), section 105 as amended by 2005 PA 320, section 525 as amended by 2013 PA 236, and section 609 as amended by 2014 PA 47, and by adding section 914a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 105. (1) "Alcohol" means the product of distillation of
2 fermented liquid, whether or not rectified or diluted with water,
3 but does not mean ethyl or industrial alcohol, diluted or not, that
4 has been denatured or otherwise rendered unfit for beverage
5 purposes.

6 (2) "Alcohol vapor device" means any device that provides for
7 the use of air or oxygen bubbled through alcoholic liquor to

1 produce a vapor or mist that allows the user to inhale this
2 alcoholic vapor through the mouth or nose.

3 (3) "Alcoholic liquor" means any spirituous, vinous, malt, or
4 fermented liquor, **POWDER**, liquids and compounds, whether or not
5 medicated, proprietary, patented, and by whatever name called,
6 containing 1/2 of 1% or more of alcohol by volume ~~which~~**THAT** are
7 fit for use for **FOOD PURPOSES OR** beverage purposes as defined and
8 classified by the commission according to alcoholic content as
9 belonging to 1 of the varieties defined in this chapter.

10 (4) "Authorized distribution agent" means a person approved by
11 the commission to do 1 or more of the following:

12 (a) To store spirits owned by a supplier of spirits or the
13 commission.

14 (b) To deliver spirits sold by the commission to retail
15 licensees.

16 (c) To perform any function needed to store spirits owned by a
17 supplier of spirits or by the commission or to deliver spirits sold
18 by the commission to retail licensees.

19 (5) "Bar" means a barrier or counter at which alcoholic liquor
20 is sold to, served to, or consumed by customers.

21 (6) "Beer" means any beverage obtained by alcoholic
22 fermentation of an infusion or decoction of barley, malt, hops, or
23 other cereal in potable water.

24 (7) "Brand" means any word, name, group of letters, symbol,
25 trademark, or combination thereof adopted and used by a supplier to
26 identify a specific beer, malt beverage, wine, mixed wine drink, or
27 mixed spirit drink product and to distinguish that product from

1 another beer, malt beverage, wine, mixed wine drink, or mixed
 2 spirit drink product that is produced or marketed by that or
 3 another supplier. As used in this section and notwithstanding
 4 sections 305(2)(j) and 403(2)(j), "supplier" means a brewer, an
 5 outstate seller of beer, a wine maker, a small wine maker, an
 6 outstate seller of wine, a manufacturer of mixed wine drink, an
 7 outstate seller of a mixed wine drink, a mixed spirit drink
 8 manufacturer, or an outstate seller of mixed spirit drink.

9 (8) "Brand extension" means any brand which incorporates all
 10 or a substantial part of the unique features of a preexisting brand
 11 of the same supplier. As used in this section and notwithstanding
 12 sections 305(2)(j) and 403(2)(j), "supplier" means a brewer, an
 13 outstate seller of beer, a wine maker, a small wine maker, an
 14 outstate seller of wine, a manufacturer of mixed wine drink, an
 15 outstate seller of a mixed wine drink, a mixed spirit drink
 16 manufacturer, or an outstate seller of mixed spirit drink.

17 (9) "Brandy" means an alcoholic liquor as defined in 27 CFR
 18 5.22(d) (1980).

19 (10) "Brandy manufacturer" means a ~~person~~ **WINE MAKER OR A**
 20 **SMALL WINE MAKER** licensed under this act to ~~engage in the~~
 21 ~~manufacturing, rectifying or blending, or both, of~~ **MANUFACTURE,**
 22 **RECTIFY, OR BLEND** brandy only and no other ~~distilled spirit~~. ~~Only a~~
 23 ~~licensed wine maker or a small wine maker is eligible to be a~~
 24 ~~brandy manufacturer.~~ The commission may approve a brandy
 25 manufacturer to sell ~~at retail~~ brandy ~~which~~ **THAT** it manufactures,
 26 blends or rectifies, or both, at its licensed premises or at other
 27 premises authorized in this act.

1 (11) "Brewer" means a person located in this state that is
2 licensed to manufacture and sell to licensed wholesalers beer
3 produced by it.

4 (12) "Brewpub" means a license issued in conjunction with a
5 class C, tavern, class A hotel, or class B hotel license that
6 authorizes the person licensed with the class C, tavern, class A
7 hotel, or class B hotel to manufacture and brew not more than 5,000
8 barrels of beer per calendar year in Michigan and sell at those
9 licensed premises the beer produced for consumption on or off the
10 licensed brewery premises in the manner provided for in sections
11 405 and 407.

12 Sec. 525. (1) Except as otherwise provided in this section,
13 the following license fees shall be paid at the time of filing
14 applications or as otherwise provided in this act and are subject
15 to allocation under section 543:

16 (a) Manufacturers of spirits, not including makers, blenders,
17 and rectifiers of wines containing 21% or less alcohol by volume,
18 \$1,000.00.

19 (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or
20 fraction of a barrel, production annually with a maximum fee of
21 \$1,000.00, and in addition \$50.00 for each motor vehicle used in
22 delivery to retail licensees. A fee increase does not apply to a
23 manufacturer of less than 15,000 barrels production per year.

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

26 (d) Wine makers, blenders, and rectifiers of wine, including
27 makers, blenders, and rectifiers of wines containing 21% or less

1 alcohol by volume, \$100.00. The small wine maker license fee is
2 \$25.00.

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

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

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

9 (h) Wholesale vendors other than manufacturers of beer,
10 \$300.00 for the first motor vehicle used in delivery to retail
11 licensees and \$50.00 for each additional motor vehicle used in
12 delivery to retail licensees.

13 (i) Watercraft, licensed to carry passengers, selling
14 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of
15 \$500.00 per year computed on the basis of \$1.00 per person per
16 passenger capacity.

17 (j) Specially designated merchants, for selling beer or wine
18 for consumption off the premises only but not at wholesale, \$100.00
19 for each location regardless of whether the location is part of a
20 system or chain of merchandising.

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

1 (l) Hotels of class A selling beer and wine, a minimum fee of
2 \$250.00 and \$1.00 for each bedroom in excess of 20, but not more
3 than \$500.00 total.

4 (m) Hotels of class B selling beer, wine, mixed spirit drink,
5 and spirits, a minimum fee of \$600.00 and \$3.00 for each bedroom in
6 excess of 20. If a hotel of class B sells beer, wine, mixed spirit
7 drink, and spirits in more than 1 public bar, a fee of \$350.00
8 shall be paid for each additional public bar, other than a bedroom.

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

10 (o) Class C license selling beer, wine, mixed spirit drink,
11 and spirits, \$600.00. Subject to section 518(2), if a class C
12 licensee sells beer, wine, mixed spirit drink, and spirits in more
13 than 1 bar, a fee of \$350.00 shall be paid for each additional bar.
14 In municipally owned or supported facilities in which nonprofit
15 organizations operate concession stands, a fee of \$100.00 shall be
16 paid for each additional bar.

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

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

3 (r) Special licenses, a fee of \$50.00 per day, except that the
4 fee for that license or permit issued to any bona fide nonprofit
5 association, duly organized and in continuous existence for 1 year
6 before the filing of its application, is \$25.00. Not more than 12
7 special licenses may be granted to any organization, including an
8 auxiliary of the organization, in a calendar year.

9 (s) Airlines licensed to carry passengers in this state that
10 sell, offer for sale, provide, or transport alcoholic liquor,
11 \$600.00.

12 (t) Brandy manufacturer, \$100.00.

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

14 (v) Brewpub, \$100.00.

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

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

17 (y) Motorsports event license, the amount as described and
18 determined under section 518(2).

19 (z) Small distiller, \$100.00.

20 (aa) Wine auction license, \$50,000.00.

21 (bb) Nonpublic continuing care retirement center license,
22 \$600.00.

23 (cc) Conditional license approved under subsection (5) and
24 issued under subsection (6), \$300.00.

25 (2) The fees provided in this act for the various types of
26 licenses shall not be prorated for a portion of the effective
27 period of the license. Notwithstanding subsection (1), the initial

1 license fee for any licenses issued under section 531(3) or (4) is
2 \$20,000.00. The renewal license fee shall be the amount described
3 in subsection (1). However, the commission shall not impose the
4 \$20,000.00 initial license fee for applicants whose license
5 eligibility was already approved on July 20, 2005.

6 (3) Except in the case of any resort or resort economic
7 development license issued under section 531(2), (3), (4), or (5)
8 or a license issued under section 521a, the commission shall issue
9 an initial or renewal license not later than 90 days after the
10 applicant files a completed application. The application is
11 considered to be received the date the application is received by
12 any agency or department of this state. If the commission
13 determines that an application is incomplete, the commission shall
14 notify the applicant in writing, or make the information
15 electronically available, within 30 days after receipt of the
16 incomplete application, describing the deficiency and requesting
17 the additional information. The determination of the completeness
18 of an application is not an approval of the application for the
19 license and does not confer eligibility upon an applicant
20 determined otherwise ineligible for issuance of a license. The 90-
21 day period is tolled for the following periods under any of the
22 following circumstances:

23 (a) If notice is sent by the commission of a deficiency in the
24 application, until the date all of the requested information is
25 received by the commission.

26 (b) For the time required to complete actions required by a
27 person, other than the applicant or the commission, including, but

1 not limited to, completion of construction or renovation of the
2 licensed premises; mandated inspections by the commission or by any
3 state, local, or federal agency; approval by the legislative body
4 of a local unit of government; criminal history or criminal record
5 checks; financial or court record checks; or other actions mandated
6 by this act or rule or as otherwise mandated by law or local
7 ordinance.

8 (4) If the commission fails to issue or deny a license within
9 the time required by this section, the commission shall return the
10 license fee and shall reduce the license fee for the applicant's
11 next renewal application, if any, by 15%. The failure to issue a
12 license within the time required under this section does not allow
13 the commission to otherwise delay the processing of the
14 application, and that application, upon completion, shall be placed
15 in sequence with other completed applications received at that same
16 time. The commission shall not discriminate against an applicant in
17 the processing of the application based upon the fact that the
18 license fee was refunded or discounted under this subsection.

19 (5) If, in addition to a completed application under this
20 section, an applicant submits a separate form requesting a
21 conditional license with an acceptable proof of financial
22 responsibility form under section 803, and an executed property
23 document, the commission shall, after considering the arrest and
24 conviction records or previous violation history in the management,
25 operation, or ownership of a licensed business, approve or deny a
26 conditional license. ~~to any of the following:~~ **A CONDITIONAL LICENSE**
27 **ISSUED UNDER SUBSECTION (6) FOR THE TRANSFER OF AN EXISTING LICENSE**

1 AT THE SAME LOCATION SHALL INCLUDE ANY EXISTING PERMITS AND
2 APPROVALS HELD IN CONNECTION WITH THAT LICENSE. THE FOLLOWING
3 APPLICANTS MAY REQUEST A CONDITIONAL LICENSE:

4 (a) An applicant seeking to transfer ownership of or interest
5 in an existing license at the same location ~~under subsection (3)~~ to
6 sell alcoholic liquor for consumption on or off the premises.

7 (b) An applicant seeking an initial license ~~under subsection~~
8 ~~(3), except for OTHER THAN~~ a specially designated distributor
9 license or a license for the sale of alcoholic liquor for
10 consumption on the premises.

11 (6) The commission shall issue a conditional license to
12 applicants approved under subsection (5) within 20 business days
13 after receipt of a completed application and a completed
14 conditional license request form and documentation for a
15 conditional license at a single location. The commission may take
16 up to 30 business days to issue conditional licenses to approved
17 applicants seeking conditional licenses at multiple locations.

18 (7) A conditional license approved under subsection (5) and
19 issued under subsection (6) is nontransferable and nonrenewable. A
20 conditional license approved under subsection (5) and issued under
21 subsection (6) expires when the commission issues an order of
22 denial of the license application that serves as the basis for the
23 conditional license after all administrative remedies before the
24 commission have been exhausted, expires 20 business days after the
25 commission issues an order of approval of the license application
26 that serves as the basis for the conditional license, expires when
27 the licensee or conditional licensee notifies the commission in

1 writing that the initial application should be canceled, or expires
2 1 year after the date the conditional license was issued, whichever
3 occurs first. If a conditionally approved licensee fails to
4 maintain acceptable proof of its financial responsibility, the
5 commission shall, after due notice and proper hearing, suspend the
6 conditional license until the licensee files an acceptable proof of
7 financial responsibility form under section 803. If a conditional
8 license is revoked, the conditional licensee shall not recover from
9 a unit of local government any compensation for property, future
10 income, or future economic loss due to the revocation.

11 (8) Upon issuing a conditional license under subsection (6),
12 the commission shall, until the conditional license expires under
13 subsection (7), place an existing license under subsection (3) in
14 escrow in compliance with R 436.1107 of the Michigan administrative
15 code. If the conditional license expires because a transfer of an
16 existing license was denied or because the license was not
17 transferred within the 1-year period, an existing licensee may do 1
18 of the following:

19 (a) Request that the commission release the license from
20 escrow.

21 (b) Keep the license in escrow. The escrow date for compliance
22 with R 436.1107 of the Michigan administrative code shall be the
23 date the conditional license expires.

24 (9) The chair of the commission shall submit a report by
25 December 1 of each year to the standing committees and
26 appropriations subcommittees of the senate and house of
27 representatives concerned with liquor license issues. The chair of

1 the commission shall include all of the following information in
2 the report concerning the preceding fiscal year:

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

6 (b) The number of applications denied.

7 (c) The number of applicants not issued a license within the
8 90-day time period and the amount of money returned to licensees
9 under subsection (4).

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

16 Sec. 609. (1) Except as provided in this section and sections
17 605 and 1029, a manufacturer, mixed spirit drink manufacturer,
18 warehouser, wholesaler, outstate seller of beer, outstate seller of
19 wine, outstate seller of mixed spirit drink, or vendor of spirits
20 shall not aid or assist any other vendor by gift, loan of money or
21 property of any description, or other valuable thing, or by the
22 giving of premiums or rebates, and a vendor shall not accept the
23 same. However, if manufacturers of spirits reduce the price of
24 their products, the manufacturer of spirits may refund the amount
25 of the price reductions to specially designated distributor
26 licensees in a manner prescribed by the commission.

27 (2) A manufacturer, mixed spirit drink manufacturer,

1 warehouse, wholesaler, outstate seller of beer, outstate seller of
2 wine, outstate seller of mixed spirit drink, or vendor of spirits
3 may, in a manner consistent with rules, regulations, and orders
4 made by the commission, provide another licensee with advertising
5 items that promote the brands and prices of alcoholic liquor
6 produced by the manufacturer; sold by the outstate seller of beer,
7 the outstate seller of wine, or the outstate seller of mixed spirit
8 drink; or distributed by the wholesaler. Except as otherwise
9 provided under subsection (3), ~~or~~(4), **OR (5)**, the advertising
10 items shall not have any use or value beyond the actual advertising
11 of brands and prices of the alcoholic liquor.

12 (3) Except for those orders that were approved for specific
13 sponsorships or festivals, a manufacturer, mixed spirit drink
14 manufacturer, warehouse, wholesaler, outstate seller of beer,
15 outstate seller of wine, outstate seller of mixed spirit drink, or
16 vendor of spirits may provide goods and services to another
17 licensee that were approved by the commission pursuant to rules or
18 orders adopted prior to January 1, 2014 and the following
19 ~~advertising~~ items:

- 20 (a) Alcoholic liquor recipes literature.
- 21 (b) Calendars and matchbooks.
- 22 (c) Removable tap markers or signs.
- 23 (d) Table tents.
- 24 (e) Shelf talkers.
- 25 (f) Bottle neckers.
- 26 (g) Cooler stickers.
- 27 (h) Buttons, blinking and nonblinking.

1 (i) Menu clip-ons.

2 (j) Mirrors.

3 (k) Napkin holders.

4 (l) Spirits cold shot tap machines.

5 (m) Alcoholic liquor drink menus.

6 **(N) KEG COUPLERS THAT ARE LENT TO AN ON-PREMISES RETAILER.**

7 **(O) SPORTING EVENT OR ENTERTAINMENT TICKETS.**

8 **(4) A WHOLESALER MAY SELL BRAND LOGOED ITEMS TO AN OFF-**
9 **PREMISES LICENSEE IF THOSE BRAND LOGOED ITEMS ARE CONTAINED WITHIN**
10 **THE PACKAGING OF AN ALCOHOLIC LIQUOR PRODUCT THAT IS TO BE SOLD TO**
11 **A CONSUMER.**

12 (5) ~~(4)~~—A retailer shall not use or possess, at its licensed
13 premises, advertising items that have a use or value beyond the
14 actual advertising of brands and prices of alcoholic liquor except
15 for those allowed in ~~subsection~~**SUBSECTIONS (3) AND (4)** or as
16 otherwise provided in this subsection. A retailer may possess and
17 use brand logoed barware that advertises spirits as long as those
18 items are purchased from a manufacturer of spirits, vendor of
19 spirits, salesperson, broker, or barware retailer. A retailer may
20 possess and use brand logoed barware that advertises beer or wine
21 as long as those items are purchased from a barware retailer. A
22 retailer shall maintain the receipts of all purchased brand logoed
23 barware for at least 3 years and shall make those receipts
24 available for inspection by the commission as provided in section
25 217. Beginning in the 2015 licensing year, a retailer shall
26 disclose, in a manner as prescribed by the commission on the
27 application for renewal of an existing license, if any barware was

1 purchased by the retailer during the immediately preceding license
2 year.

3 (6) ~~(5)~~—In addition to the penalties provided under section
4 903, a manufacturer of beer or wine, mixed spirit drink
5 manufacturer, warehouser, wholesaler, outstate seller of beer,
6 outstate seller of wine, or outstate seller of mixed spirit drink
7 that provides or sells barware and is not authorized to provide or
8 sell barware is subject to a fine in an amount of up to \$2,500.00
9 as determined by the commission. Multiple violations resulting from
10 the same incident may be treated as a single violation for purposes
11 of issuance of any penalty imposed under this act.

12 (7) ~~(6)~~—An on-premises retailer that hosts an on-premises
13 brand promotional event conducted by a wholesaler or supplier has
14 14 days after the event to remove from the premises any brand
15 logoed merchandise from the event to maintain compliance with this
16 section.

17 (8) ~~(7)~~—This act and rules promulgated under this act do not
18 prevent a retailer that holds an off-premises license only from
19 purchasing brand logoed inventory and selling that inventory to its
20 customers.

21 (9) ~~(8) Not sooner than 18 months after the effective date of~~
22 ~~the amendatory act that added this subsection, **BEGINNING AFTER**~~
23 **SEPTEMBER 25, 2015**, the commission may, by rule, add an item to or
24 remove an item from the definition of barware. The commission shall
25 not add or remove more than 1 item per rule and shall not
26 promulgate more than 1 rule at a time on the definition of barware.
27 The commission shall not issue a rule that adds refrigerator

1 systems, draft systems, or furniture to the definition of barware.
2 A rule, regulation, or order adopted after January 1, 2014 that is
3 not adopted in accordance with this subsection and that is not
4 consistent with this section or is in conflict with this section is
5 void and unenforceable.

6 (10) ~~(9)~~—As used in this section:

7 (a) "Barware" means the following brand logoed items:

8 (i) Trays.

9 (ii) Coasters.

10 (iii) Napkins.

11 (iv) Shirts.

12 (v) Hats.

13 (vi) Pitchers.

14 (vii) Drinkware that is intended to be reused.

15 (viii) Bar mats.

16 (ix) Buckets.

17 (x) Bottle openers.

18 (xi) Stir rods.

19 (xii) Patio umbrellas.

20 (xiii) Any packaging used to hold and deliver the alcoholic
21 liquor purchased by the retailer.

22 (xiv) Any other items that have been added by the commission
23 pursuant to subsection ~~(8)~~-(9).

24 (b) "Barware retailer" means a person that offers brand logoed
25 barware for sale to retailers, whether or not it is in their
26 ordinary course of business, and that is not licensed as, or
27 directly or indirectly affiliated with, a manufacturer of beer or

1 wine, mixed spirit drink manufacturer, warehouser, wholesaler,
2 outstate seller of beer, outstate seller of wine, or outstate
3 seller of mixed spirit drink. For purposes of this subdivision, a
4 licensing agreement that authorizes use of a brand logo does not
5 constitute a direct or indirect affiliation.

6 (c) "Broker" means a person, other than an individual, that is
7 licensed by the commission and that is employed or otherwise
8 retained by a manufacturer of spirits or a vendor of spirits to
9 sell, promote, or otherwise assist in the sale or promotion of
10 spirits.

11 (d) "Indirectly affiliated" means, for purposes of this
12 section only, that a person owns 5% or more of the voting interest
13 of another person.

14 (e) "Other valuable thing" means any goods, services, or
15 intangible goods that are given, loaned, leased, or sold to another
16 licensee that have value regardless of whether the value is nominal
17 and includes, but is not limited to, goods, services, or intangible
18 goods that provided any benefit, regardless of how nominal, to the
19 licensee other than advertising the brands and prices of alcoholic
20 liquor produced by the manufacturer, sold by the outstate seller of
21 beer, the outstate seller of wine, or the outstate seller of mixed
22 spirit drink, or distributed by the wholesaler, except **FOR**
23 **CONSUMABLE GOODS AND** those goods, services, or intangible goods
24 approved by rule or order of the commission prior to January 1,
25 2014.

26 (f) "Salesperson" means a person who is employed by a vendor
27 of spirits or a broker and who is licensed by the commission to

1 sell, deliver, or promote, or otherwise assist in the sale of,
2 spirits in this state.

3 SEC. 914A. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2),
4 A PERSON SHALL NOT USE OR OFFER FOR USE, POSSESS, SELL, OR OFFER
5 FOR SALE POWDERED ALCOHOL. A PERSON THAT VIOLATES THIS SECTION IS
6 GUILTY OF A MISDEMEANOR PUNISHABLE IN THE MANNER AS PROVIDED FOR IN
7 SECTION 909.

8 (2) THIS SECTION DOES NOT APPLY TO A HOSPITAL THAT OPERATES
9 PRIMARILY FOR THE PURPOSE OF CONDUCTING SCIENTIFIC RESEARCH, A
10 STATE INSTITUTION CONDUCTING BONA FIDE RESEARCH, A PRIVATE COLLEGE
11 OR UNIVERSITY CONDUCTING BONA FIDE RESEARCH, OR A PHARMACEUTICAL
12 COMPANY OR BIOTECHNOLOGY COMPANY CONDUCTING BONA FIDE RESEARCH.

13 (3) AS USED IN THIS SECTION, "POWDERED ALCOHOL" MEANS ALCOHOL
14 THAT IS SOLD IN POWDER FORM FOR EITHER DIRECT USE OR
15 RECONSTITUTION.