

**SUBSTITUTE FOR
HOUSE BILL NO. 4959**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 601 (MCL 436.1601).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 601. ~~(1) A wholesale licensee or an applicant for a~~
2 ~~wholesale license, if an individual, shall be licensed only if that~~
3 ~~individual has resided in this state for not less than 1 year~~
4 ~~immediately prior to the date of issuance of the license.~~
5 ~~(2) A wholesale licensee or an applicant for a wholesale~~
6 ~~license, if a partnership other than a limited partnership, shall~~
7 ~~be licensed only if all of its members have resided in this state~~
8 ~~for not less than 1 year immediately prior to the date of issuance~~
9 ~~of the license.~~



~~(3) A wholesale licensee or an applicant for a wholesale license, if a limited partnership, shall be licensed only if the limited partnership is authorized to do business under the laws of this state, and if the general partner and all limited partners have resided in this state for not less than 1 year immediately preceding the date of issuance of the license. If the general partner is a corporation, the limited partnership shall be licensed only if the corporation has been authorized to do business under the laws of this state for not less than 1 year immediately preceding the date on which the corporation obtained an interest in the limited partnership. A limited partnership that holds a wholesale license shall not admit as a new limited partner an individual who has not resided in this state for at least 1 year immediately preceding the date on which the limited partnership interest was acquired by the individual.~~

~~(4) A wholesale licensee or an applicant for a wholesale license, if a corporation, shall be licensed only if the corporation is authorized to do business under the laws of this state and if all stockholders of the corporation have resided in this state for not less than 1 year immediately preceding the date of issuance of the license. A corporation that holds a wholesale license shall not issue shares of the corporation's stock to a person who has not resided in this state for at least 1 year immediately preceding the date on which the corporate stock was acquired by the person.~~

(1) Pursuant to section 2 of Amendment XXI of the Constitution of the United States, this state has an interest in ensuring the safety of beer, wine, mixed spirit drink, and mixed wine drink that is intended to be sold or is sold by wholesalers to retailers for



1 purposes of human consumption. In order to protect the public
2 health and safety, the commission must be able to inspect and seize
3 beer, wine, mixed spirit drink, and mixed wine drink that is in the
4 possession of a wholesaler being offered for sale in this state.

5 The purpose of the inspection described in this subsection is to
6 ensure that the beer, wine, mixed spirit drink, or mixed wine drink
7 meets all of the following conditions:

8 (a) The beer, wine, mixed spirit drink, or mixed wine drink
9 has been registered for sale with the commission.

10 (b) The beer, wine, mixed spirit drink, or mixed wine drink is
11 not subject to a government mandated or supplier initiated recall.

12 (c) The beer, wine, mixed spirit drink, or mixed wine drink is
13 not counterfeit.

14 (d) The beer, wine, mixed spirit drink, or mixed wine drink is
15 labeled in conformance with applicable laws, rules, and
16 regulations.

17 (e) The beer, wine, mixed spirit drink, or mixed wine drink
18 can be tested by the commission or an agent assigned by the
19 commission.

20 (f) The beer, wine, mixed spirit drink, or mixed wine drink is
21 not prohibited by this state.

22 (2) The commission may seize or destroy beer, wine, mixed
23 spirit drink, and mixed wine drink that does not meet the
24 conditions of subsection (1).

25 (3) To enable the commission to carry out the functions
26 described in subsections (1) and (2) and to randomly inspect
27 records required to be maintained by a wholesaler under section 217
28 and R 436.1641 of the Michigan Administrative Code, a wholesaler or
29 an applicant for a wholesaler license must have a warehouse located



1 in this state and licensed by the commission for the storage, sale,
2 and distribution of beer, wine, mixed spirit drink, and mixed wine
3 drink before operating as a wholesaler in this state. This
4 subsection does not require a wholesaler to hold a warehouse
5 license for the wholesaler's licensed premises.

6 (4) To ensure that all beer, wine, mixed spirit drink, and
7 mixed wine drink sold in this state is subject to this section, the
8 importation, sale, transportation, and delivery of all beer, wine,
9 mixed spirit drink, and mixed wine drink offered for sale by a
10 wholesaler must meet the requirements of section 204.