

**SUBSTITUTE FOR
HOUSE BILL NO. 5351**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 111 (MCL 436.1111), as amended by 2018 PA 415.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 111. (1) "Person" means an individual, firm, partnership,
2 limited partnership, association, limited liability company, or
3 corporation.

4 (2) "Primary source of supply" means, in the case of domestic
5 spirits, the distiller, producer, owner of the commodity at the
6 time it becomes a marketable product, or bottler, or the exclusive
7 agent of the distiller, producer, owner of the commodity at the
8 time it becomes a marketable product, or bottler, and, ~~in the case~~
9 of ~~for~~ spirits imported into the United States, either the foreign



1 distiller, producer, owner, ~~of the or~~ bottler, or the prime
2 importer for, or the exclusive agent in the United States of, the
3 foreign distiller, producer, owner, or ~~the~~ bottler.

4 (3) "Professional account" means an account established for a
5 person by a class C licensee or tavern licensee whose major
6 business is the sale of food, by which the licensee extends credit
7 to the person for not more than 30 days.

8 (4) "Residence" means the premises in which a person resides
9 permanently.

10 (5) "Restaurant" means a food service establishment defined
11 and licensed under the food law, 2000 PA 92, MCL 289.1101 to
12 289.8111. A restaurant that does not hold a license issued by the
13 commission under this act shall not manufacture, market, deliver,
14 or sell alcoholic liquor in this state.

15 (6) "Retailer" means a person licensed by the commission ~~who~~
16 **that** sells to the consumer in accordance with rules promulgated by
17 the commission. Retailer includes a brewpub but does not include a
18 manufacturer or supplier, as defined in section 603, that is
19 allowed as a condition of its license to sell to consumers in this
20 state.

21 (7) "Sacramental wine" means wine containing not more than 24%
22 of alcohol by volume that is used for sacramental purposes.

23 (8) "Sale" includes the exchange, barter, traffic, furnishing,
24 delivery, or giving away of alcoholic liquor. ~~In the case of~~ **For** a
25 sale in which a shipment or delivery of alcoholic liquor is made by
26 a common or other carrier, the sale of the alcoholic liquor is
27 considered to be made in the county within which the delivery of
28 the alcoholic liquor is made by that carrier to the consignee or
29 his or her agent or employee, and venue for the prosecution for



1 that sale may be in the county or city where the seller resides or
2 from which the shipment is made or at the place of delivery.

3 (9) "School" includes buildings used for school purposes to
4 provide instruction to children in grades kindergarten through 12,
5 if that instruction is provided by a public, private,
6 denominational, or parochial school, except those buildings used
7 primarily for adult education or college extension courses. School
8 does not include a proprietary trade or occupational school.

9 (10) "Shiner" means an unlabeled, sealed container of wine,
10 including a keg, that is sold by a wine maker, small wine maker, or
11 out-of-state entity that is the substantial equivalent of a wine
12 maker or small wine maker to another wine maker, small wine maker,
13 or out-of-state entity that is the substantial equivalent of a wine
14 maker or small wine maker. The purchasing wine maker or small wine
15 maker must attach a label to the container using equipment owned or
16 leased by the purchasing wine maker or small wine maker, register
17 the wine label with the commission, and sell it as provided for in
18 this act.

19 (11) "Small distiller" means a manufacturer of spirits
20 annually manufacturing in this state not more than 60,000 gallons
21 of spirits, of all brands combined.

22 (12) "Small wine maker" means a wine maker manufacturing or
23 bottling not more than 50,000 gallons of wine in 1 calendar year. A
24 small wine maker is not required to bottle wine it manufactures.

25 (13) "Special license" means a contract between the commission
26 and the special licensee granting authority to that licensee to
27 sell beer, wine, mixed spirit drink, or spirits. The license must
28 be granted only to ~~such-the~~ persons and ~~such-the~~ organization and
29 for ~~such-the~~ period of time ~~as-that~~ the commission determines if



1 the person or organization is able to demonstrate an existence
2 separate from an affiliated umbrella organization. If such an
3 existence is demonstrated, the commission shall not deny a special
4 license solely by the applicant's affiliation with an organization
5 that is also eligible for a special license.

6 (14) "Specially designated distributor" means, subject to
7 section 534, a person engaged in an established business licensed
8 by the commission to distribute spirits and mixed spirit drink in
9 the original package for the commission for consumption off the
10 premises.

11 (15) "Specially designated merchant" means a person to whom
12 the commission grants a license to sell beer or wine, or both, at
13 retail for consumption off the licensed premises.

14 (16) "Spirits" means a beverage that contains alcohol obtained
15 by distillation, mixed with potable water or other substances, or
16 both, in solution, and includes wine containing an alcoholic
17 content of more than 21% by volume, except sacramental wine and
18 mixed spirit drink.

19 (17) "State liquor store" means a store established by the
20 commission under this act for the sale of spirits in the original
21 package for consumption off the premises.

22 (18) **"Successor to a supplier that continues in business"**
23 **means a supplier that acquires a brand or brands from another**
24 **supplier and remains in business after it acquires that brand or**
25 **brands. As used in this subsection, "supplier" means any of the**
26 **following:**

27 (a) **Brewer.**

28 (b) **Outstate seller of beer.**

29 (c) **Master distributor.**



1 (d) Wine maker.

2 (e) Outstate seller of wine.

3 (19) ~~(18)~~—"Supplier of spirits" means a vendor of spirits, a
4 manufacturer of spirits, or a primary source of supply.

5 Enacting section 1. This amendatory act does not take effect
6 unless all of the following bills of the 100th Legislature are
7 enacted into law:

8 (a) House Bill No. 5341.

9 (b) House Bill No. 5342.

10 (c) House Bill No. 5343.

11 (d) House Bill No. 5344.

12 (e) House Bill No. 5345.

13 (f) House Bill No. 5346.

14 (g) House Bill No. 5347.

15 (h) House Bill No. 5348.

16 (i) House Bill No. 5349.

17 (j) House Bill No. 5350.

18 (k) House Bill No. 5352.

19 (l) House Bill No. 5353.

20 (m) House Bill No. 5354.

21 (n) House Bill No. 5355.

22 (o) House Bill No. 5400.

