

**STATE OF MICHIGAN
100TH LEGISLATURE
REGULAR SESSION OF 2020**

Introduced by Senators Schmidt and Irwin

ENROLLED SENATE BILL No. 934

AN ACT to amend 1998 PA 58, entitled “An act to create a commission for the control of the alcoholic beverage traffic within this state, and to prescribe its powers, duties, and limitations; to provide for powers and duties for certain state departments and agencies; to impose certain taxes for certain purposes; to provide for the control of the alcoholic liquor traffic within this state and to provide for the power to establish state liquor stores; to prohibit the use of certain devices for the dispensing of alcoholic vapor; to provide for the care and treatment of alcoholics; to provide for the incorporation of farmer cooperative wineries and the granting of certain rights and privileges to those cooperatives; to provide for the licensing and taxation of activities regulated under this act and the disposition of the money received under this act; to prescribe liability for retail licensees under certain circumstances and to require security for that liability; to provide procedures, defenses, and remedies regarding violations of this act; to provide for the enforcement and to prescribe penalties for violations of this act; to provide for allocation of certain funds for certain purposes; to provide for the confiscation and disposition of property seized under this act; to provide referenda under certain circumstances; and to repeal acts and parts of acts,” (MCL 436.1101 to 436.2303) by adding section 203b.

The People of the State of Michigan enact:

Sec. 203b. Notwithstanding anything in this act to the contrary, a small wine maker or an out-of-state entity that is the substantial equivalent of a small wine maker may sell and deliver wine as defined in section 113(9)(b) or 113a(9)(b) that it manufactures to a retailer in this state only if all of the following conditions are met:

(a) The retailer is not located in a sales territory for which the small wine maker or out-of-state entity that is the substantial equivalent of a small wine maker has granted exclusive sales rights to a wholesaler under section 307 for the sale of any brand or brands of wine as defined in section 113(9)(b) or 113a(9)(b) produced by the small wine maker or out-of-state entity that is the substantial equivalent of a small wine maker.

(b) The wine as defined in section 113(9)(b) or 113a(9)(b) is sold and delivered by an employee of the small wine maker or out-of-state entity that is the substantial equivalent of a small wine maker, not an agent, and is transported and delivered using a vehicle owned by the small wine maker or out-of-state entity that is the substantial equivalent of a small wine maker.

(c) The small wine maker or out-of-state entity that is the substantial equivalent of a small wine maker is in compliance with applicable state and federal law and applicable regulatory provisions of this act and rules promulgated by the commission under this act related to each of the following:

- (i) Employees that sell and deliver wine as defined in section 113(9)(b) or 113a(9)(b) to retailers.
- (ii) Vehicles used to deliver wine as defined in section 113(9)(b) or 113a(9)(b) to retailers.
- (iii) Price schedules and temporary price reductions.

(iv) 1976 IL 1, MCL 445.571 to 445.576.

(v) Labeling and registration of wine as defined in section 113(9)(b) or 113a(9)(b).

(vi) Payment of taxes.

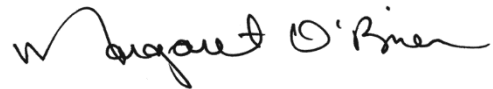
(d) The small wine maker sells not more than 31,000 gallons of wine as defined under section 113(9)(b) or 113a(9)(b) total per year. In determining the 31,000 gallon threshold under this subdivision, all brands and labels of a small wine maker or out-of-state equivalent of a small wine maker, whether sold to a wholesaler or a retailer in this state or outside of this state, must be combined. Sales to consumers on the licensed premises of the small wine maker or out-of-state entity that is the substantial equivalent of a small wine maker are not included in determining the 31,000 gallon threshold under this subdivision.

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

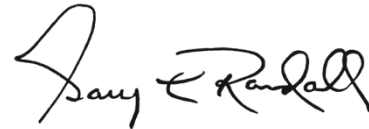
(a) Senate Bill No. 1138.

(b) Senate Bill No. 1139.

(c) Senate Bill No. 1140.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor