

HOUSE BILL NO. 4959

September 12, 2019, Introduced by Reps. Hauck, Griffin, Warren, Hoitenga, Crawford, Leutheuser, Hall, Webber, Wozniak, Wendzel, Kahle, Chirkun, Hertel, Bellino, Cambensy, Brixie, Elder, Sabo, Coleman, Byrd, Garza, Lasinski, Clemente, Shannon, Hood, Marino, Peterson, Witwer, Cherry, Liberati, Berman, Sheppard, Filler, Frederick, Neeley, Sneller, Wentworth, Jones, Eisen and VanSingel and referred to the Committee on Regulatory Reform.

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~~



1 ~~be licensed only if all of its members have resided in this state~~
2 ~~for not less than 1 year immediately prior to the date of issuance~~
3 ~~of the license.~~

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

19 ~~(4) A wholesale licensee or an applicant for a wholesale~~
20 ~~license, if a corporation, shall be licensed only if the~~
21 ~~corporation is authorized to do business under the laws of this~~
22 ~~state and if all stockholders of the corporation have resided in~~
23 ~~this state for not less than 1 year immediately preceding the date~~
24 ~~of issuance of the license. A corporation that holds a wholesale~~
25 ~~license shall not issue shares of the corporation's stock to a~~
26 ~~person who has not resided in this state for at least 1 year~~
27 ~~immediately preceding the date on which the corporate stock was~~
28 ~~acquired by the person.~~ **(1) Pursuant to section 2 of Amendment XXI**
29 **of the Constitution of the United States, this state has an**



1 interest in ensuring the safety of beer, wine, mixed spirit drink,
2 and mixed wine drink that is intended to be sold or is sold to
3 retailers for purposes of human consumption. In order to protect
4 the public health and safety, the commission must be able to
5 inspect and seize beer, wine, mixed spirit drink, and mixed wine
6 drink that is being offered for sale in this state. The purpose of
7 the inspection described in this subsection is to ensure that the
8 beer, wine, mixed spirit drink, or mixed wine drink meets all of
9 the following conditions:

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

12 (b) The beer, wine, mixed spirit drink, or mixed wine drink is
13 not subject to a recall.

14 (c) The beer, wine, mixed spirit drink, or mixed wine drink is
15 not counterfeit.

16 (d) The beer, wine, mixed spirit drink, or mixed wine drink is
17 within the code date set by the manufacturer.

18 (e) The beer, wine, mixed spirit drink, or mixed wine drink is
19 properly labeled.

20 (f) The beer, wine, mixed spirit drink, or mixed wine drink
21 can be tested by the commission or an agent assigned by the
22 commission.

23 (g) The beer, wine, mixed spirit drink, or mixed wine drink is
24 stored and handled in the manner recommended or required, or both,
25 by the manufacturer.

26 (h) The beer, wine, mixed spirit drink, or mixed wine drink is
27 not prohibited by this state.

28 (2) The commission may seize or destroy beer, wine, mixed
29 spirit drink, and mixed wine drink that does not meet the



1 conditions of subsection (1).

2 (3) To enable the commission to carry out the functions
3 described in subsections (1) and (2) and to randomly inspect
4 records required to be maintained by a wholesaler under section 217
5 and R 436.1641 of the Michigan Administrative Code, a wholesaler or
6 an applicant for a wholesaler license must have a warehouse located
7 in this state and licensed by the commission for the storage, sale,
8 and distribution of beer, wine, mixed spirit drink, and mixed wine
9 drink before operating as a wholesaler in this state.

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

