

HOUSE BILL NO. 5353

January 16, 2020, Introduced by Reps. Cambensy, Garza, Hall and Wendzel 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 537 (MCL 436.1537), as amended by 2018 PA 560.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 537. (1) The following classes of vendors may sell
2 alcoholic liquor at retail as provided in this section:
3 (a) Taverns, where beer and wine may be sold for consumption
4 on the premises only.
5 (b) Class C licensee, where beer, wine, mixed spirit drink,



1 and spirits may be sold for consumption on the premises.

2 (c) Clubs, where beer, wine, mixed spirit drink, and spirits
3 may be sold for consumption on the premises only to bona fide
4 members if consumption is limited to these members and their bona
5 fide guests, who are 21 years of age or older.

6 (d) Direct shippers, where wine may be sold and shipped
7 directly to the consumer.

8 (e) Hotels of class A, where beer and wine may be sold for
9 consumption on the premises and in the rooms of bona fide
10 registered guests. Hotels of class B where beer, wine, mixed spirit
11 drink, and spirits may be sold for consumption on the premises and
12 in the rooms of bona fide registered guests.

13 (f) Specially designated merchants, where beer and wine may be
14 sold for consumption off the premises only.

15 (g) Specially designated distributors, where spirits and mixed
16 spirit drink may be sold for consumption off the premises only.

17 (h) Special licensee, where beer and wine or beer, wine, mixed
18 spirit drink, and spirits may be sold for consumption on the
19 premises only.

20 (i) Dining cars or other railroad or Pullman cars, watercraft,
21 or aircraft, where alcoholic liquor may be sold for consumption on
22 the premises only, subject to rules promulgated by the commission.

23 (j) Brewpubs, where beer manufactured on the premises by the
24 licensee may be sold for consumption on or off the premises by any
25 of the following licensees:

26 (i) Class C.

27 (ii) Tavern.

28 (iii) Class A hotel.

29 (iv) Class B hotel.



1 (k) Micro brewers and brewers, where beer manufactured by the
2 micro brewer or brewer may be sold in an approved tasting room
3 under section 536 to a consumer for consumption on or off the
4 manufacturing premises.

5 (l) Class G-1 licensee, where beer, wine, mixed spirit drink,
6 and spirits may be sold for consumption on the premises only to
7 members required to pay an annual membership fee and consumption is
8 limited to these members and their bona fide guests.

9 (m) Class G-2 licensee, where beer and wine may be sold for
10 consumption on the premises only to members required to pay an
11 annual membership fee and consumption is limited to these members
12 and their bona fide guests.

13 (n) Motorsports event licensee, where beer and wine may be
14 sold for consumption on the premises during sanctioned motorsports
15 events only.

16 (o) Wine maker or small wine maker, where wine manufactured by
17 the wine maker or small wine maker may be sold by direct shipment
18 as provided in section 203, at retail for consumption on or off the
19 premises in an approved tasting room under section 536, or as
20 otherwise provided for in this act.

21 (p) Small wine maker, where wine bottled by the small wine
22 maker may be sold by direct shipment as provided in section 203, at
23 retail for consumption on or off the premises in an approved
24 tasting room under section 536, or as otherwise provided for in
25 this act.

26 (q) Wine maker or small wine maker, where shiners ~~as that term~~
27 ~~is defined in section 111~~ may be sold by direct shipment as
28 provided in section 203, at retail for consumption on or off the
29 premises in an approved tasting room under section 536, or as



1 otherwise provided for in this act.

2 (r) Distiller or small distiller, where spirits manufactured
3 by the distiller or small distiller may be sold to the consumer at
4 retail for consumption on or off the premises in an approved
5 tasting room under section 536.

6 (s) Nonpublic continuing care retirement center license, where
7 beer, wine, mixed spirit drink, mixed wine drink, and spirits may
8 be sold at retail and served on the licensed premises to residents
9 and bona fide guests accompanying the resident for consumption only
10 on the licensed premises.

11 (t) A small wine maker or an out-of-state entity that is the
12 substantial equivalent of a small wine maker, that holds a farmer's
13 market permit, where wine manufactured or bottled by the small wine
14 maker and shiners ~~as that term is defined in section 111~~ may be
15 sampled and sold at a farmers' market for consumption off the
16 licensed premises.

17 (u) A brandy manufacturer where brandy manufactured by the
18 brandy manufacturer may be sold at retail for consumption on or off
19 the premises in an approved tasting room under section 536 located
20 on the manufacturing premises of the brandy manufacturer.

21 (v) A mixed spirit drink manufacturer where mixed spirit drink
22 manufactured by the mixed spirit drink manufacturer may be sold at
23 retail for consumption on or off the premises in an approved
24 tasting room under section 536.

25 (2) Notwithstanding section 1025(1), an outstate seller of
26 beer, an outstate seller of wine, a wine maker, a brewer, a micro
27 brewer, or a specially designated merchant, or an agent of any of
28 those persons, that does not hold a license allowing the
29 consumption of alcoholic liquor on the premises at the same



1 licensed address, may conduct beer and wine tastings on the
2 licensed premises of a specially designated merchant under the
3 following conditions:

4 (a) A customer is not charged for the tasting of beer or wine.

5 (b) The tasting samples provided to a customer do not exceed 3
6 servings at up to 3 ounces per serving of beer or 3 servings at up
7 to 2 ounces of wine. A customer shall not be provided more than a
8 total of 3 samples of beer or wine within a 24-hour period per
9 licensed premises.

10 (c) The specially designated merchant, outstate seller of
11 beer, outstate seller of wine, wine maker, micro brewer, or brewer
12 has first obtained an annual beer and wine tasting permit approved
13 by the commission.

14 (d) The commission is notified, in writing, a minimum of 10
15 working days before the event, regarding the date, time, and
16 location of the event.

17 (3) While a beer or wine tasting is conducted under subsection
18 (2), a specially designated merchant, outstate seller of beer,
19 outstate seller of wine, wine maker, micro brewer, or brewer, or
20 its agent or employee who has successfully completed a server
21 training program as provided for in section 906, shall devote full
22 time to the beer and wine tasting activity and shall not perform
23 other duties, including the sale of alcoholic liquor for
24 consumption off the licensed premises. Beer and wine used for the
25 tasting must come from the specially designated merchant's
26 inventory, and all open bottles must be removed from the premises
27 on the same business day or resealed and stored in a locked,
28 separate storage compartment on the licensed premises when not
29 being used for the activities allowed by the permit.



1 (4) A wholesaler shall not conduct or participate in beer and
2 wine tastings allowed under a permit issued under subsection (2).

3 (5) A beer and wine tasting under subsection (2) may only be
4 conducted during the legal hours for the sale of alcoholic liquor
5 by the licensee.

6 (6) An eligible merchant may fill and sell growlers with beer
7 for consumption off the premises under the following conditions:

8 (a) The premises where the filling of growlers takes place
9 comply with the requirements for food service establishments under
10 the food law, 2000 PA 92, MCL 289.1101 to 289.8111.

11 (b) The growler is sealed and has a label affixed to it that
12 includes at least the brand name of the beer, the class of the
13 beer, the net contents of the container, and the name of the
14 retailer filling the growler. The label conditions described in
15 this subdivision do not apply to either of the following:

16 (i) A brewpub described in subsection (1)(j), but only as to
17 beer that the brewpub produces.

18 (ii) A micro brewer or brewer described in subsection (1)(k).

19 (c) The eligible merchant or his or her agent or employee
20 shall not fill a growler in advance of the sale.

21 (d) The eligible merchant or his or her agent or employee
22 shall only use containers that have a capacity of 5 gallons or more
23 to fill a growler.

24 ~~(e) The beer to be dispensed has received a registration~~
25 ~~number from the commission and has been approved for sale by the~~
26 ~~commission.~~

27 **(e)** ~~(f)~~ The eligible merchant complies with all applicable
28 rules promulgated by the commission.

29 (7) A wine maker, brandy manufacturer, small distiller, micro



1 brewer, brewer, or brewpub shall provide water, and may, in the
2 sole discretion of the wine maker, brandy manufacturer, small
3 distiller, micro brewer, brewer, or brewpub, sell or provide other
4 nonalcoholic beverages, for consumption on or off the premises
5 where the wine maker, brandy manufacturer, small distiller, micro
6 brewer, brewer, or brewpub is licensed.

7 (8) As used in this section:

8 (a) "Eligible merchant" means a person that holds a specially
9 designated merchant license.

10 (b) "Growler" means any clean, refillable, resealable
11 container that is exclusively intended, and used only, for the sale
12 of beer for consumption off the premises and that has a liquid
13 capacity that does not exceed 1 gallon.

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

17 (a) Senate Bill No. ____ or House Bill No. 5342 (request no.
18 04270'19).

19 (b) Senate Bill No. ____ or House Bill No. 5344 (request no.
20 04270'19 a).

21 (c) Senate Bill No. ____ or House Bill No. 5348 (request no.
22 04540'19).

23 (d) Senate Bill No. ____ or House Bill No. 5354 (request no.
24 04747'19).

25 (e) Senate Bill No. ____ or House Bill No. 5350 (request no.
26 05038'19).

27 (f) Senate Bill No. ____ or House Bill No. 5349 (request no.
28 05039'19).

29 (g) Senate Bill No. ____ or House Bill No. 5346 (request no.



1 05040'19).

2 (h) Senate Bill No. _____ or House Bill No. 5345 (request no.
3 05041'19).

4 (i) Senate Bill No. _____ or House Bill No. 5352 (request no.
5 05042'19).

6 (j) Senate Bill No. _____ or House Bill No. 5343 (request no.
7 05074'19).

8 (k) Senate Bill No. _____ or House Bill No. 5355 (request no.
9 05075'19).

10 (l) Senate Bill No. _____ or House Bill No. 5341 (request no.
11 05076'19).

12 (m) Senate Bill No. _____ or House Bill No. 5347 (request no.
13 05077'19).

14 (n) Senate Bill No. _____ or House Bill No. _____ (request no.
15 05122'19).

16 (o) Senate Bill No. _____ or House Bill No. 5351 (request no.
17 05151'19).

