

Act No. 115
Public Acts of 2020
Approved by the Governor
July 1, 2020
Filed with the Secretary of State
July 1, 2020
EFFECTIVE DATE: July 1, 2020

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

Introduced by Reps. Filler, Hall, Cambensy, Garza and Wendzel

ENROLLED HOUSE BILL No. 5351

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,” by amending section 111 (MCL 436.1111), as amended by 2018 PA 415.

The People of the State of Michigan enact:

Sec. 111. (1) “Person” means an individual, firm, partnership, limited partnership, association, limited liability company, or corporation.

(2) “Primary source of supply” means, in the case of domestic spirits, the distiller, producer, owner of the commodity at the time it becomes a marketable product, or bottler, or the exclusive agent of the distiller, producer, owner of the commodity at the time it becomes a marketable product, or bottler, and, for spirits imported into the United States, either the foreign distiller, producer, owner, or bottler, or the prime importer for, or the exclusive agent in the United States of, the foreign distiller, producer, owner, or bottler.

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

(4) “Residence” means the premises in which a person resides permanently.

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

(6) “Retailer” means a person licensed by the commission that sells to the consumer in accordance with rules promulgated by the commission. Retailer includes a brewpub but does not include a manufacturer or supplier, as defined in section 603, that is allowed as a condition of its license to sell to consumers in this state.

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

(8) “Sale” includes the exchange, barter, traffic, furnishing, delivery, or giving away of alcoholic liquor. For a sale in which a shipment or delivery of alcoholic liquor is made by a common or other carrier, the sale of the alcoholic liquor is considered to be made in the county within which the delivery of the alcoholic liquor is made by that carrier to the consignee or his or her agent or employee, and venue for the prosecution for that sale may be in the county or city where the seller resides or from which the shipment is made or at the place of delivery.

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

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

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

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

(13) “Special license” means a contract between the commission and the special licensee granting authority to that licensee to sell beer, wine, mixed spirit drink, or spirits. The license must be granted only to the persons and the organization and for the period of time that the commission determines if the person or organization is able to demonstrate an existence separate from an affiliated umbrella organization. If such an existence is demonstrated, the commission shall not deny a special license solely by the applicant’s affiliation with an organization that is also eligible for a special license.

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

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

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

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

(18) “Successor to a supplier that continues in business” means a supplier that acquires a brand or brands from another supplier and remains in business after it acquires that brand or brands. As used in this subsection, “supplier” means any of the following:

(a) Brewer.

(b) Outstate seller of beer.

(c) Master distributor.

(d) Wine maker.

(e) Outstate seller of wine.

(19) “Supplier of spirits” means a vendor of spirits, a manufacturer of spirits, or a primary source of supply.

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) House Bill No. 5341.

(b) House Bill No. 5342.

(c) House Bill No. 5343.

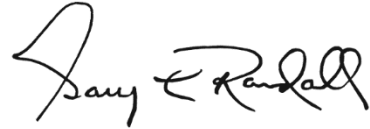
(d) House Bill No. 5344.

(e) House Bill No. 5345.

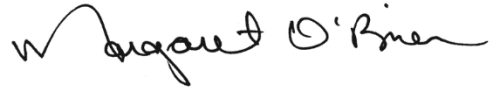
(f) House Bill No. 5346.

- (g) House Bill No. 5347.
- (h) House Bill No. 5348.
- (i) House Bill No. 5349.
- (j) House Bill No. 5350.
- (k) House Bill No. 5352.
- (l) House Bill No. 5353.
- (m) House Bill No. 5354.
- (n) House Bill No. 5355.
- (o) House Bill No. 5400.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor