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Senate Bill 656 (Substitute S-1)
Sponsor: Senator Jim Runestad
Committee: Regulatory Reform

Date Completed: 11-2-21

CONTENT

The bill would amend the Michigan Liquor Control Code to prohibit an on-premises licensee from allowing on the licensed premise a machine that dispensed alcoholic liquor directly to a customer, except as otherwise provided in the bill.

"On-premises licensee" would mean any of the following:

- A retailer that holds a license, other than a special license, to sell alcoholic liquor for consumption on the licensed premises.
- A manufacturer with an on-premises tasting room permit.
- A manufacturer that holds an off-premises tasting room license.
- A manufacturer that holds a joint off-premises tasting room license.

The prohibition would not apply to a dispensing machine located in a bedroom or a hotel suite of a class A or class B hotel licensee. The prohibition would not apply to a dispensing machine located at an on-premises licensed establishment if all of the following conditions were met:

- The machine was located at a customer's table or booth.
- The machine did not dispense more than 96 ounces of beer, wine, or mixed spirit drink in a single order.
- The machine did not dispense spirits.
- The customer ordered the beer, wine, or mixed spirit drink from an employee or agent of the licensee.
- The licensee did not sell, offer to sell, or advertise the sale of an unlimited quantity of beer, wine, or mixed spirit drink from the machine.
- The licensee or a clerk, servant, agent, or employee of the licensee monitored the sale, service, and consumption of beer, wine, or mixed spirit drink from the machine to ensure compliance with the Code and applicable rules.

The prohibition also would not apply to a dispensing machine that was located at an on-premises licensed establishment if all of the following conditions were met:

- The machine was not located at a customer's booth or table.
- The customer activated the machine with a secure key card supplied by the licensee or its clerk, servant, agent, or employee.
- The secure key card was attached to the customer at all times, either through a necklace or bracelet, or other means.
- The machine did not dispense more than 16 ounces of beer, 12 ounces of wine, or 12 ounces of mixed spirit drink.

- The dispensing machine did not dispense more than 32 ounces of any alcoholic liquor before the secure key card is reactivated by the licensee or a clerk, servant, agent, or employee of the licensee.
- The machine did not dispense spirits.
- The licensee or its clerk, servant, agent, or employee monitored the sale, service, and consumption of beer, wine, or mixed spirit drink from the machine to ensure compliance with the Code and applicable rules.

The bill would require a licensee or a clerk, servant, agent, or employee of the licensee who supplied a secure key card or reactivated a secure key card as described above to comply with Section 801(1) of the Code, which prohibits a licensee from selling, furnishing, or giving alcoholic liquor to minors or visibly intoxicated individuals, and prescribes penalties for a violation.

The bill also would rescind R 436.1045 of the Michigan Administrative Code, which regulates dispensing equipment, furniture, and fixtures.

Proposed MCL 436.1552

Legislative Analyst: Christian Schmidt

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Elizabeth Raczkowski

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.