

**SUBSTITUTE FOR
SENATE BILL NO. 559**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending sections 518, 537a, and 551 (MCL 436.1518, 436.1537a,
and 436.1551), section 518 as amended by 2021 PA 29, section 537a
as added by 2020 PA 125, and section 551 as added by 2020 PA 124.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 518. (1) As used in this section:
2 (a) "Motorsports entertainment complex" means a closed-course
3 motorsports facility and its ancillary grounds that comply with all
4 of the following:
5 (i) Has at least 1,500 fixed seats for race patrons.
6 (ii) Has at least 2 scheduled days of motorsports events each
7 calendar year.

1 (iii) Serves food and beverages at the facility during
2 sanctioned motorsports events each calendar year through concession
3 outlets, which may be staffed by individuals who represent or are
4 members of 1 or more nonprofit civic or charitable organizations
5 that directly financially benefit from the concession outlets'
6 sales.

7 (iv) Engages in tourism promotion.

8 (b) "Motorsports event" means a motorsports race and its
9 ancillary activities that have been sanctioned by a sanctioning
10 body.

11 (c) "Owner" means a person ~~who~~**that** owns and operates a
12 motorsports entertainment complex.

13 (d) "Sanctioning body" means the American Motorcycle
14 Association (AMA); Auto Racing Club of America (ARCA); IndyCar;
15 International Motor Sports Association (IMSA); National Association
16 for Stock Car Auto Racing (NASCAR); National Hot Rod Association
17 (NHRA); Sports Car Club of America (SCCA); United States Auto Club
18 (USAC); Michigan State Promoters Association; or any successor
19 organization or any other nationally or internationally recognized
20 governing body of motorsports that establishes an annual schedule
21 of motorsports events and grants rights to conduct the events, that
22 has established and administers rules and regulations governing all
23 participants involved in the events and all persons conducting the
24 events, and that requires certain liability assurances, including
25 insurance.

26 (2) Notwithstanding the quota provisions of section 531, the
27 commission may issue motorsports event licenses for the sale of
28 beer and wine or beer, wine, mixed spirit drink, and spirits for
29 consumption on the premises to the owner of a motorsports

1 entertainment complex for use during sanctioned motorsports events
2 only. The sale of beer, wine, mixed spirit drink, and spirits at
3 concession outlets or additional locations within the motorsports
4 entertainment complex during motorsports sanctioned events are not
5 considered additional bars for the purpose of determining a license
6 fee under section 525(1)(o). An applicant for a license under this
7 section that elects to sell beer and wine only shall pay to the
8 commission a license fee of \$250.00. An applicant for a license
9 under this section that elects to sell beer, wine, mixed spirit
10 drink, and spirits shall pay to the commission a license fee of
11 \$600.00.

12 (3) For a period of time not to exceed 7 consecutive days
13 during which public access is permitted to a motorsports
14 entertainment complex in connection with a motorsports event,
15 members of the general public at least 21 years or older may bring
16 beer and wine not purchased at the licensed motorsports
17 entertainment complex into the motorsports entertainment complex
18 and possess and consume that beer and wine. Possession and
19 consumption of beer and wine under this section are allowed only in
20 portions of the motorsports entertainment complex open to the
21 general public that are also part of the licensed premises of a
22 retail licensee under both of the following circumstances:

23 (a) The licensed premises are located within the motorsports
24 entertainment complex.

25 (b) The retail licensee holds a license for consumption on the
26 licensed premises of the motorsports entertainment complex.

27 (4) A person holding a license for the sale of alcoholic
28 liquor for consumption on the premises at a motorsports
29 entertainment complex is subject to the civil liability provisions

1 of section 801 if the civil action is brought by or on behalf of an
2 individual who suffers damage or is personally injured by a minor
3 or visibly intoxicated person by reason of the unlawful consumption
4 of alcoholic liquor on the licensed premises by that minor or
5 visibly intoxicated person if the unlawful consumption is proven to
6 be a proximate cause of the damage, injury, or death of the
7 individual, whether the alcoholic liquor was sold or furnished by
8 the licensee or was brought onto the licensed premises under
9 subsection (3).

10 Sec. 537a. (1) Notwithstanding anything in this act to the
11 contrary, a qualified licensee may fill and sell qualified
12 containers with alcoholic liquor for consumption off the premises
13 under the following conditions:

14 (a) The qualified licensee or his or her agent or employee
15 does not fill the qualified container in advance of the sale.

16 (b) The qualified licensee complies with all applicable rules
17 promulgated by the commission.

18 (c) The qualified licensee or his or her agent seals the
19 qualified container.

20 (2) Notwithstanding anything in this act to the contrary, a
21 qualified licensee may deliver alcoholic liquor to a consumer in
22 this state if all of the following conditions are met:

23 (a) The qualified licensee complies with all laws of this
24 state, including, but not limited to, the prohibition on sales to
25 minors.

26 (b) The qualified licensee stamps, prints, or labels on the
27 outside of the qualified container "Contains Alcohol. Must be
28 delivered to a person 21 years of age or older.". The recipient at
29 the time of the delivery shall provide identification verifying his

1 or her age.

2 (c) The qualified licensee or his or her agent seals the
3 qualified container.

4 (d) If the qualified licensee is a retailer, the alcoholic
5 liquor is delivered by the qualified licensee's employee or a third
6 party facilitator service, as that term is defined in section 203.

7 (e) If the qualified licensee is a manufacturer, the alcoholic
8 liquor is delivered by the qualified licensee's employee.

9 (3) Except as otherwise allowed under this act, a qualified
10 licensee shall not sell alcoholic liquor in its original package
11 under this section.

12 (4) This section does not apply after ~~December 31,~~
13 ~~2025.~~ **January 1, 2026.**

14 (5) As used in this section:

15 (a) "Consumer" means that term as defined in section 203.

16 (b) "Qualified container" means a clean, sealable container
17 that is for the sale of alcoholic liquor for consumption off the
18 premises, that has a liquid capacity that does not exceed 1 gallon,
19 and that, after it is filled, is sealed with a device or material
20 that is used to fully close off the container securely with no
21 perforations or straw holes.

22 (c) "Qualified licensee" means any of the following:

23 (i) A retailer that holds a license, other than a special
24 license, to sell alcoholic liquor for consumption on the licensed
25 premises.

26 (ii) A manufacturer with an on-premises tasting room permit
27 issued under section 536.

28 (iii) A manufacturer that holds an off-premises tasting room
29 license issued under section 536.

1 (iv) A manufacturer that holds a joint off-premises tasting
2 room license issued under section 536.

3 Sec. 551. (1) The governing body of a local governmental unit
4 may designate a social district that contains a commons area that
5 may be used by qualified licensees that obtain a social district
6 permit. A governing body of a local governmental unit shall not
7 designate a social district that would close a road unless the
8 governing body receives prior approval from the road authority with
9 jurisdiction over the road. If the governing body of a local
10 governmental unit designates a social district that contains a
11 commons area under this section, the governing body must define and
12 clearly mark the commons area with signs. The governing body shall
13 establish local management and maintenance plans, including, but
14 not limited to, hours of operation, for a commons area and submit
15 those plans to the commission. The governing body shall maintain
16 the commons area in a manner that protects the health and safety of
17 the community. Subject to this subsection, the governing body may
18 revoke the designation if it determines that the commons area
19 threatens the health, safety, or welfare of the public or has
20 become a public nuisance. Before revoking the designation, the
21 governing body must hold at least 1 public hearing on the proposed
22 revocation. The governing body shall give notice as required under
23 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, of the
24 time and place of the public hearing before the public hearing. The
25 governing body shall file the designation or the revocation of the
26 designation with the commission. As used in this subsection:

27 (a) "Local road agency" means a county road commission or
28 designated county road agency or city or village that is
29 responsible for the construction or maintenance of public roads

1 within this state.

2 (b) "Road authority" means a local road agency or the state
3 transportation department.

4 (2) Subject to subsection (3), the holder of a social district
5 permit may sell alcoholic liquor for consumption within the
6 confines of a commons area if both of the following requirements
7 are met:

8 (a) The holder of the social district permit ~~only~~ sells and
9 serves alcoholic liquor **only** on the holder's licensed premises.

10 (b) The holder of the social district permit ~~only~~ serves
11 alcoholic liquor to be consumed in the commons area **only** in a
12 container to which all of the following apply:

13 (i) The container prominently displays the social district
14 permittee's trade name or logo or some other mark that is unique to
15 the social district permittee under the social district permittee's
16 on-premises license.

17 (ii) The container prominently displays a logo or some other
18 mark that is unique to the commons area.

19 (iii) The container is not glass.

20 (iv) The container has a liquid capacity that does not exceed
21 16 ounces.

22 (3) If the commission issues a special license to a special
23 licensee located in a social district, the holder of a social
24 district permit shall not sell and serve alcoholic liquor under
25 subsection (2) during the effective period of the special license.

26 (4) A purchaser may remove a container of alcoholic liquor
27 sold by a holder of a social district permit under subsection (2)
28 from the social district permittee's licensed premises if both of
29 the following conditions are met:

1 (a) Except as otherwise provided in subdivision (b), the
2 purchaser does not remove the container from the commons area.

3 (b) While possessing the container, the purchaser does not
4 enter the licensed premises of a social district permittee other
5 than the social district permittee from which the purchaser
6 purchased the container.

7 (5) The consumption of alcoholic liquor from a container
8 described in subsection (2) (b) in the commons area as allowed under
9 this section may ~~only~~ occur **only** during the legal hours for the
10 sale of alcoholic liquor by the social district permittee.

11 (6) A qualified licensee whose licensed premises is shared by
12 and contiguous to a commons area in a social district designated by
13 the governing body of a local governmental unit under this section
14 may obtain from the commission an annual social district permit as
15 provided in this section. The social district permit must be issued
16 for the same period and may be renewed in the same manner as the
17 license held by the applicant. The commission shall develop an
18 application for a social district permit and shall charge a fee of
19 \$250.00 for a social district permit. An application for a social
20 district permit must be approved by the governing body of the local
21 governmental unit in which the applicant's place of business is
22 located before the application is submitted to the commission and
23 before the permit is granted by the commission. The \$250.00 permit
24 fee under this subsection must be deposited into the liquor control
25 enforcement and license investigation revolving fund under section
26 543(9).

27 (7) This section does not apply after ~~December 31,~~
28 ~~2024.~~ **January 1, 2025.**

29 (8) As used in this section:

1 (a) "Commons area" means an area within a social district
2 clearly designated and clearly marked by the governing body of the
3 local governmental unit that is shared by and contiguous to the
4 premises of at least 2 other qualified licensees. Commons area does
5 not include the licensed premises of any qualified licensee.

6 (b) "Local governmental unit" means a city, township, village,
7 or charter authority.

8 (c) "Qualified licensee" means any of the following:

9 (i) A retailer that holds a license, other than a special
10 license, to sell alcoholic liquor for consumption on the licensed
11 premises.

12 (ii) A manufacturer with an on-premises tasting room permit
13 issued under section 536.

14 (iii) A manufacturer that holds an off-premises tasting room
15 license issued under section 536.

16 (iv) A manufacturer that holds a joint off-premises tasting
17 room license issued under section 536.