

SENATE BILL NO. 141

February 16, 2021, Introduced by Senators SCHMIDT, MOSS, HORN, BRINKS, ANANICH, IRWIN, BAYER, CHANG, MACDONALD, ZORN, POLEHANKI, LASATA, BIZON, VANDERWALL, MCCANN, WOJNO, SANTANA, DALEY, STAMAS, GEISS, OUTMAN and HOLLIER 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 203 (MCL 436.1203), as amended by 2020 PA 106.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 203. (1) Except as provided in this section and section
2 301, a person shall not sell, deliver, or import alcoholic liquor,
3 including alcoholic liquor for personal use, in this state unless
4 the sale, delivery, or importation is made by the commission, the
5 commission's authorized agent or distributor, an authorized

1 distribution agent approved by order of the commission, a person
2 licensed by the commission, or by prior written order of the
3 commission.

4 (2) Notwithstanding R 436.1011(7)(b) and R 436.1527 of the
5 Michigan Administrative Code and except as provided in subsections
6 (3), (12), (13), (14), (15), and (16), a retailer shall not deliver
7 alcoholic liquor to a consumer in this state at the home or
8 business of the consumer or at any location away from the licensed
9 premises of the retailer. The purpose of this subsection is to
10 exercise this state's authority under section 2 of ~~amendment~~
11 **Amendment** XXI of the ~~constitution~~ **Constitution** of the United
12 States, to maintain the inherent police powers to regulate the
13 transportation and delivery of alcoholic liquor, and to promote a
14 transparent system for the transportation and delivery of alcoholic
15 liquor. The regulation described in this subsection is considered
16 necessary for both of the following reasons:

17 (a) To promote the public health, safety, and welfare.

18 (b) To maintain strong, stable, and effective regulation by
19 having beer and wine sold by retailers to consumers in this state
20 by passing through the 3-tier distribution system established under
21 this act.

22 (3) For purposes of subsection (1), a **qualified** retailer that
23 holds a specially designated merchant license located in this state
24 may use a common carrier to deliver **beer and** wine to a consumer in
25 this state. **A qualified retailer that holds a specially designated**
26 **distributor license located in this state may use a common carrier**
27 **to deliver spirits to a consumer in this state. A qualified**
28 retailer that uses a common carrier to deliver **beer, wine, or**
29 **spirits** to a consumer under this subsection shall comply with all

1 of the following:

2 (a) Pay any applicable taxes to the commission and pay any
3 applicable taxes to the department of treasury as directed by the
4 department of treasury. On the request of the department of
5 treasury, a **qualified** retailer shall furnish an affidavit to verify
6 payment.

7 (b) Comply with all laws of this state, including, but not
8 limited to, the prohibition on sales to minors.

9 (c) Verify the age of the individual placing the order by
10 obtaining from him or her a copy of a photo identification issued
11 by this state, another state, or the federal government or by using
12 an identification verification service. The person receiving and
13 accepting the order on behalf of the **qualified** retailer shall
14 record the name, address, date of birth, and telephone number of
15 the individual placing the order on the order form or other
16 verifiable record of a type and generated in a manner approved by
17 the commission and provide a duplicate to the commission.

18 (d) On request of the commission, make available to the
19 commission any document used to verify the age of the individual
20 ordering or receiving the **beer, wine, or spirits** from the **qualified**
21 retailer.

22 (e) Stamp, print, or label on the outside of the shipping
23 container that the package "Contains Alcohol. Must be delivered to
24 a person 21 years of age or older.". The recipient at the time of
25 the delivery shall provide identification verifying his or her age
26 and sign for the delivery.

27 (f) Place a label on the top panel of the shipping container
28 containing the name and address of the individual placing the order
29 and the name of the designated recipient if different from the name

1 of the individual placing the order.

2 **(g) For a qualified retailer that has been issued licenses at**
3 **2 or more locations, the shipment of the wine must be fulfilled**
4 **from the location nearest to the consumer unless that location does**
5 **not have the wine ordered in stock.**

6 (4) For purposes of subsection (1), a direct shipper may sell,
7 deliver, or import wine **other than wine as defined in section**
8 **113(9) (b) or 113a(9) (b)** to consumers in this state by means of any
9 mail order, internet, telephone, computer, device, or other
10 electronic means, or sell directly to a consumer on the winery
11 premises. A direct shipper that sells, delivers, or imports wine to
12 a consumer under this subsection shall comply with all of the
13 following:

14 (a) Hold a direct shipper license.

15 (b) Pay any applicable taxes to the commission and pay any
16 applicable taxes to the department of treasury as directed by the
17 department of treasury. On the request of the department of
18 treasury, a direct shipper shall furnish an affidavit to verify
19 payment.

20 (c) Comply with all laws of this state, including, but not
21 limited to, the prohibition on sales to minors.

22 (d) Verify the age of the individual placing the order by
23 obtaining from him or her a copy of a photo identification issued
24 by this state, another state, or the federal government or by using
25 an identification verification service. The person receiving and
26 accepting the order on behalf of the direct shipper shall record
27 the name, address, date of birth, and telephone number of the
28 individual placing the order on the order form or other verifiable
29 record of a type and generated in a manner approved by the

1 commission and provide a duplicate to the commission.

2 (e) On request of the commission, make available to the
3 commission any document used to verify the age of the individual
4 ordering or receiving the wine from the direct shipper.

5 (f) Stamp, print, or label on the outside of the shipping
6 container that the package "Contains Alcohol. Must be delivered to
7 a person 21 years of age or older.". The recipient at the time of
8 the delivery shall provide photo identification verifying his or
9 her age and sign for the delivery.

10 (g) Place a label on the top panel of the shipping container
11 containing the name and address of the individual placing the order
12 and the name of the designated recipient if different from the name
13 of the individual placing the order. The direct shipper must have
14 received a registration number of approval from the commission for
15 any wine imported into this state. However, the registration number
16 of approval from the commission is not required to be on the
17 invoice or on the label of the wine that the direct shipper sells,
18 delivers, or imports to a consumer in this state.

19 (h) Direct ship not more than 1,500 9-liter cases, or 13,500
20 liters in total, of wine in a calendar year to consumers in this
21 state. If a direct shipper, whether located in this state or
22 outside this state, owns, in whole or in part, or commonly manages
23 1 or more direct shippers, it shall not in combination ship to
24 consumers in this state more than 13,500 liters of wine in the
25 aggregate.

26 (i) Pay wine taxes quarterly and report to the commission
27 quarterly the total amount of wine, by type, brand, and price,
28 shipped to consumers in this state during the preceding calendar
29 quarter, and the order numbers.

1 (j) Authorize and allow the commission and the department of
2 treasury to conduct an audit of the direct shipper's records.

3 (k) Consent and submit to the jurisdiction of the commission,
4 the department of treasury, and the courts of this state concerning
5 enforcement of this section and any related laws, rules, and
6 regulations.

7 (l) For a direct shipper that is a wine manufacturer as
8 described in subsection (10) (b), direct ship only the wine that the
9 wine manufacturer has manufactured and registered with the
10 commission, wine purchased from another wine manufacturer and
11 further manufactured or bottled and registered with the commission,
12 or shiners purchased from another manufacturer in compliance with
13 section 204a and registered with the commission.

14 (5) For a delivery of **beer, wine, or spirits** through the use of
15 a common carrier under subsection (3), a person taking the order on
16 behalf of the **qualified** retailer shall comply with subsection
17 (3) (b) to (f). For a sale, delivery, or importation of wine
18 occurring by any means described in subsection (4), a person taking
19 the order on behalf of the direct shipper shall comply with
20 subsection (4) (c) to (g).

21 (6) A person that delivers the wine for a direct shipper under
22 this section shall verify that the individual accepting delivery is
23 21 years of age or older and is the individual who placed the order
24 or the designated recipient, is an individual 21 years of age or
25 older currently occupying or present at the address, or is an
26 individual otherwise authorized through a rule promulgated under
27 this act by the commission to receive alcoholic liquor under this
28 section. If the delivery person, after a diligent inquiry,
29 determines that the purchaser or designated recipient is not 21

1 years of age or older, the delivery person shall return the wine to
2 the direct shipper. A delivery person who returns wine to the
3 direct shipper because the purchaser or designated recipient is not
4 21 years of age or older is not liable for any damages suffered by
5 the purchaser or direct shipper.

6 (7) ~~All~~ **Except as provided in subsection (20), all** spirits for
7 sale, use, storage, or distribution in this state ~~shall~~ **must**
8 originally be purchased by and imported into the state by the
9 commission, or by prior written authority of the commission.

10 (8) This section does not apply to alcoholic liquor brought
11 into this state for personal or household use in an amount
12 permitted by federal law by an individual 21 years of age or older
13 at the time of reentry into this state from outside the territorial
14 limits of the United States if the individual has been outside the
15 territorial limits of the United States for more than 48 hours and
16 has not brought alcoholic liquor into the United States during the
17 preceding 30 days.

18 (9) An individual 21 years of age or older may do either of
19 the following in relation to alcoholic liquor that contains less
20 than 21% alcohol by volume:

21 (a) Personally transport from another state, once in a 24-hour
22 period, not more than 312 ounces of alcoholic liquor for that
23 individual's personal use, notwithstanding subsection (1).

24 (b) Ship or import from another state alcoholic liquor for
25 that individual's personal use if that personal importation is done
26 in compliance with subsection (1).

27 (10) A direct shipper shall not sell, deliver, or import wine
28 **as defined in section 113(9)(a) or 113a(9)(a)** to a consumer unless
29 it applies for and is granted a direct shipper license from the

commission. This subsection does not prohibit wine tasting or the selling at retail by a wine maker of wines he or she produced and bottled or wine manufactured for that wine maker by another wine ~~maker, manufacturer~~, if done in compliance with this act. Only the following persons qualify for the issuance of a direct shipper license:

(a) A wine maker **that does not hold a license in another state that is the substantial equivalent to a retailer license.**

(b) A wine ~~producer and bottler~~ **manufacturer that is** located inside this country but outside of this state ~~holding~~ **and that holds** both a federal basic permit issued by the Alcohol and Tobacco Tax and Trade Bureau of the United States Department of Treasury and a license to manufacture wine in its state of domicile.

(11) An applicant for a direct shipper license shall submit an application to the commission in a written or electronic format provided by the commission and accompanied by an application and initial license fee of \$100.00. The **initial** application must be accompanied by a copy or other **verifiable** evidence of the existing federal basic permit or license, or both, held by the applicant. The direct shipper may renew its license annually by submission of a license renewal fee of \$100.00 and a completed renewal application. The commission shall use the fees collected under this section to conduct investigations and audits of direct shippers. The failure to renew, or the revocation or suspension of, the applicant's existing Michigan license, federal basic permit, or license to manufacture wine in its state of domicile **or holding the substantial equivalent of a retail license not including a direct shipper license in a state outside its state of domicile** is grounds for revocation or denial of ~~the~~ **a** direct shipper license. If a

1 direct shipper is found guilty of violating this act or a rule
2 promulgated by the commission, the commission shall notify both the
3 alcoholic liquor control agency in the direct shipper's state of
4 domicile and the Alcohol and Tobacco Tax and Trade Bureau of the
5 United States Department of Treasury of the violation.

6 (12) A retailer that holds a specially designated merchant
7 license, a brewpub, a micro brewer, or an out-of-state entity that
8 is the substantial equivalent of a brewpub or micro brewer may
9 deliver beer and wine to the home or other designated location of a
10 consumer in this state if all of the following conditions are met:

11 (a) The beer or wine, or both, is delivered by the retailer's,
12 brewpub's, or micro brewer's employee.

13 (b) The retailer, brewpub, or micro brewer or its employee who
14 delivers the beer or wine, or both, verifies that the individual
15 accepting delivery is at least 21 years of age.

16 (c) If the retailer, brewpub, or micro brewer or its employee
17 intends to provide service to consumers, the retailer, brewpub, or
18 micro brewer or its employee providing the service has ~~received~~
19 ~~alcohol server training through~~ **successfully completed** a server
20 training program ~~approved by the commission.~~ **as provided for in**
21 **section 906.**

22 (13) A retailer that holds a specially designated merchant
23 license may use a third party that provides delivery service to
24 municipalities in this state that are surrounded by water and
25 inaccessible by motor vehicle to deliver beer and wine to the home
26 or other designated location of that consumer if the delivery
27 service is approved by the commission and agrees to verify that the
28 individual accepting delivery of the beer and wine is at least 21
29 years of age.

1 (14) A retailer that holds a specially designated distributor
2 license may deliver spirits to the home or other designated
3 location of a consumer in this state if all of the following
4 conditions are met:

5 (a) The spirits are delivered by the retailer's employee.

6 (b) The retailer or its employee who delivers the spirits
7 verifies that the individual accepting delivery is at least 21
8 years of age.

9 (c) If the retailer or its employee intends to provide service
10 to consumers, the retailer or its employee providing the service
11 has ~~received alcohol server training through~~ **successfully completed**
12 a server training program ~~approved by the commission.~~ **as provided**
13 **for in section 906.**

14 (15) A **qualified** retailer that holds a specially designated
15 merchant license located in this state may use a third party
16 facilitator service by means of the internet or mobile application
17 to facilitate the sale of beer or wine to be delivered to the home
18 or designated location of a consumer as provided in subsection
19 (12), this subsection, or, for wine only, subsection (3), and a
20 third party facilitator service may deliver beer or wine to a
21 consumer on behalf of a **qualified** retailer that holds a specially
22 designated merchant license located in this state, if all of the
23 following conditions are met:

24 (a) If the third party facilitator service delivers beer or
25 wine under this subsection, the third party facilitator service
26 verifies that the individual accepting the delivery of the beer or
27 wine is at least 21 years of age.

28 (b) A manufacturer, warehouser, wholesaler, outstate seller of
29 beer, outstate seller of wine, **or** supplier of spirits ~~, or outstate~~

1 ~~seller of mixed spirit drink~~ does not have a direct or indirect
2 interest in the third party facilitator service.

3 (c) A manufacturer, warehouser, wholesaler, outstate seller of
4 beer, outstate seller of wine, **or** supplier of spirits ~~, or outstate~~
5 ~~seller of mixed spirit drink~~ does not aid or assist ~~a~~ **the** third
6 party facilitator service by gift, loan of money or property of any
7 description, or other valuable thing as defined in section 609, and
8 ~~a~~ **the** third party facilitator service does not accept the same.

9 (d) The **qualified** retailer or consumer pays the fees
10 associated with deliveries provided for under this subsection.

11 (e) The third party facilitator service offers services for
12 all brands available at the retail location.

13 (16) A **qualified** retailer that holds a specially designated
14 distributor license located in this state may use a third party
15 facilitator service by means of the internet or mobile application
16 to facilitate the sale of spirits to be delivered to the home or
17 designated location of a consumer as provided in subsection (14) or
18 this subsection, and a third party facilitator service may deliver
19 spirits to a consumer on behalf of a retailer that holds a
20 specially designated distributor license located in this state, if
21 all of the following conditions are met:

22 (a) If the third party facilitator service delivers spirits
23 under this subsection, the third party facilitator service verifies
24 that the individual accepting the delivery of the spirits is at
25 least 21 years of age.

26 (b) A manufacturer, warehouser, wholesaler, outstate seller of
27 beer, outstate seller of wine, **or** supplier of spirits ~~, or outstate~~
28 ~~seller of mixed spirit drinks~~ does not have a direct or indirect
29 interest in the third party facilitator service.

1 (c) A manufacturer, warehouser, wholesaler, outstate seller of
2 beer, outstate seller of wine, **or** supplier of spirits ~~, or outstate~~
3 ~~seller of mixed spirit drinks~~ does not aid or assist a third party
4 facilitator service by gift, loan of money or property of any
5 description, or other valuable thing as defined in section 609, and
6 a third party facilitator service does not accept the same.

7 (d) The **qualified** retailer or consumer pays the fees
8 associated with deliveries provided for under this subsection.

9 (e) The third party facilitator service offers services for
10 all brands available at the retail location.

11 (17) A third party facilitator service shall not deliver beer,
12 wine, or spirits to a consumer under subsection (15) or (16), as
13 applicable, and shall not facilitate the sale of beer, wine, or
14 spirits under subsection (15) or (16), as applicable, unless it
15 applies for and is granted a third party facilitator service
16 license by the commission. The commission may charge a reasonable
17 application fee, initial license fee, and annual license renewal
18 fee. The commission shall establish a fee under this subsection by
19 written order.

20 (18) If a third party facilitator service used by a retailer
21 that holds a specially designated merchant or specially designated
22 distributor license under subsection (15) or (16), as applicable,
23 violates this section, the commission shall not treat the third
24 party facilitator service's violation as a violation by the
25 retailer.

26 (19) A common carrier that carries or transports alcoholic
27 liquor into this state to a person in this state shall submit
28 quarterly reports to the commission. A report required under this
29 subsection must include all of the following about each delivery to

1 a consumer in this state during the preceding calendar quarter:

2 (a) The name and business address of the person that ships **the**
3 alcoholic liquor.

4 (b) The name and address of the recipient of **the** alcoholic
5 liquor.

6 (c) The weight of **the** alcoholic liquor delivered to a
7 consignee.

8 (d) The date of the delivery.

9 (20) For purposes of subsection (1), a qualified small
10 distiller or an out-of-state entity that is the substantial
11 equivalent of a qualified small distiller may sell and deliver
12 spirits that it manufactured to a retailer licensed to purchase and
13 sell spirits in this state if both of the following conditions are
14 met:

15 (a) The spirits are sold and delivered by an employee of the
16 qualified small distiller or an out-of-state entity that is the
17 substantial equivalent of a qualified small distiller, not an
18 agent, and are transported and delivered using a vehicle owned by
19 the qualified small distiller or the out-of-state entity that is
20 the substantial equivalent of a qualified small distiller.

21 (b) The qualified small distiller or an out-of-state entity
22 that is the substantial equivalent of a qualified small distiller
23 complies with all applicable state and federal law and applicable
24 regulatory provisions of this act and rules adopted by the
25 commission under this act including, but not limited to, those
26 requirements related to each of the following:

27 (i) Employees that sell and deliver spirits to retailers.

28 (ii) Vehicles used to deliver spirits to retailers.

29 (iii) Uniform pricing established by the commission under

1 **section 233.**

2 **(iv) Labeling and registration of spirits under R 436.1829 of**
3 **the Michigan Administrative Code.**

4 **(v) Payment of taxes.**

5 **(21) ~~(20)~~**—A common carrier described in subsection (19) shall
6 maintain the books, records, and documents supporting a report
7 submitted under subsection (19) for 3 years unless the commission
8 notifies the common carrier in writing that the books, records, and
9 supporting documents may be destroyed. Within 30 days after the
10 commission's request, the common carrier shall make the books,
11 records, and documents available for inspection during normal
12 business hours. Within 30 days after a local law enforcement
13 agency's or local governmental unit's request, the common carrier
14 shall also make the books, records, and documents available for
15 inspection to a local law enforcement agency or local governmental
16 unit where the carrier resides or does business.

17 **(22) ~~(21)~~**—A third party facilitator service that delivers
18 beer, wine, or spirits to a consumer under subsection (15) or (16),
19 as applicable, shall submit quarterly reports to the commission. A
20 report required under this subsection must include all of the
21 following about each delivery to a consumer in this state during
22 the preceding calendar quarter:

23 (a) The name and business address of the person that ships
24 beer, wine, or spirits.

25 (b) The name and address of the recipient of beer, wine, or
26 spirits.

27 (c) The weight of beer, wine, or spirits delivered to a
28 consignee.

29 (d) The date of the delivery.

1 **(23)** ~~(22)~~—A third party facilitator service shall maintain the
2 books, records, and documents supporting a report submitted under
3 subsection ~~(21)~~—**(22)** for 3 years unless the commission notifies the
4 third party facilitator service in writing that the books, records,
5 and supporting documents may be destroyed. Within 30 days after the
6 commission's request, the third party facilitator service shall
7 make the books, records, and documents available for inspection
8 during normal business hours. Within 30 days after a local law
9 enforcement agency's or local governmental unit's request, the
10 third party facilitator service shall also make the books, records,
11 and documents available for inspection to a local law enforcement
12 agency or local governmental unit where the third party facilitator
13 service resides or does business.

14 **(24)** ~~(23)~~—A report submitted under subsection (19) or ~~(21)~~
15 **(22)** is subject to disclosure under the freedom of information act,
16 1976 PA 442, MCL 15.231 to 15.246.

17 **(25)** ~~(24)~~—As used in this section:

18 (a) "Common carrier" means a company that transports goods, on
19 reasonable request, on regular routes and at set rates.

20 (b) "Computer" means any connected, directly interoperable or
21 interactive device, equipment, or facility that uses a computer
22 program or other instructions to perform specific operations
23 including logical, arithmetic, or memory functions with or on
24 computer data or a computer program and that can store, retrieve,
25 alter, or communicate the results of the operations to a person,
26 computer program, computer, computer system, or computer network.

27 (c) "Computer network" means the interconnection of hardwire
28 or wireless communication lines with a computer through remote
29 terminals, or a complex consisting of 2 or more interconnected

1 computers.

2 (d) "Computer program" means a series of internal or external
3 instructions communicated in a form acceptable to a computer that
4 directs the functioning of a computer, computer system, or computer
5 network in a manner designed to provide or produce products or
6 results from the computer, computer system, or computer network.

7 (e) "Computer system" means a set of related, connected or
8 unconnected, computer equipment, devices, software, or hardware.

9 (f) "Consumer" means an individual who purchases beer, wine,
10 or spirits for personal consumption and not for resale.

11 (g) "Device" includes, but is not limited to, an electronic,
12 magnetic, electrochemical, biochemical, hydraulic, optical, or
13 organic object that performs input, output, or storage functions by
14 the manipulation of electronic, magnetic, or other impulses.

15 (h) "Diligent inquiry" means a diligent good faith effort to
16 determine the age of an individual, that includes at least an
17 examination of an official Michigan operator's or chauffeur's
18 license, an official Michigan personal identification card, or any
19 other bona fide picture identification that establishes the
20 identity and age of the individual.

21 (i) "Direct shipper" means ~~a person who~~ **either of the**
22 **following:**

23 (i) **A wine manufacturer that** sells, delivers, or imports wine
24 **other than wine as defined in section 113(9)(b) or 113a(9)(b) it**
25 **has manufactured, bottled, and registered with the commission, to**
26 **consumers in this state**, ~~that he or she produces and bottles or~~
27 ~~wine that is manufactured by a wine maker for another wine maker~~
28 ~~and~~ **that is transacted or caused to be transacted through the use**
29 **of any mail order, internet, telephone, computer, device, or other**

1 electronic means, or sells directly to consumers on the winery
2 premises.

3 (ii) A wine manufacturer that purchases wine other than wine as
4 defined in section 113(9) (b) or 113a(9) (b) from another wine
5 manufacturer and further manufactures or bottles the wine or
6 purchases shiners of wine other than wine as defined in section
7 113(9) (b) or 113a(9) (b) from another wine manufacturer in
8 compliance with section 204a, registers the wine with the
9 commission and sells the wine to consumers in this state that is
10 transacted or caused to be transacted through the use of any mail
11 order, internet, telephone, computer, device, or other electronic
12 means, or sells directly to consumers on the winery premises.

13 (j) "Facilitate" means, subject to subdivision (k),
14 advertising on behalf of a retailer, by means of the internet or
15 mobile application, and pursuant to a written or oral agreement,
16 the brands and prices of beer, wine, or spirits products sold by a
17 retailer and 1 or more of the following:

18 (i) Assisting the retailer, in any manner, in the arrangement
19 of delivery as allowed in this section.

20 (ii) Assisting the retailer, in any manner, in the processing
21 of payment by the consumer for the beer, wine, or spirits.

22 (iii) Transmitting customer information to the retailer.

23 (iv) Assisting the retailer by providing customer service.

24 (v) If the retailer maintains supervision and control over the
25 day-to-day operation of its business, providing other normal and
26 customary operational services.

27 (k) "Facilitate" does not include web designing, operating an
28 internet search engine, or publishing an internet version of a
29 newspaper.

1 (l) "Identification verification service" means an internet-
2 based service approved by the commission specializing in age and
3 identity verification.

4 (m) "Mobile application" means a specialized software program
5 downloaded onto a wireless communication device.

6 (n) "Qualified retailer" means a retailer licensed to sell
7 alcoholic liquor for consumption off the premises that complies
8 with all of the following:

9 (i) The retailer maintains physical licensed premises that are
10 open to the general public for face to face sales transactions of
11 alcoholic liquor, packaged food, and other products to consumers.

12 (ii) At least 25% of the retailer's annual gross sales of
13 alcoholic liquor must be from face to face sales transactions with
14 consumers on the premises described in subparagraph (i) unless the
15 retailer's physical licensed premises is less than 15,000 square
16 feet in total.

17 (iii) The retailer holds and maintains either of the following
18 for the premises described in subparagraph (i):

19 (A) A retail food establishment license issued under the food
20 law, 2000 PA 92, MCL 289.1101 to 289.8111. As used in this sub-
21 subparagraph, "retail food establishment" means that term as
22 defined in section 1111 of the food law, 2000 PA 92, MCL 289.1111.

23 (B) An extended retail food establishment license issued under
24 the food law, 2000 PA 92, MCL 289.1101 to 289.8111. As used in this
25 sub-subparagraph, "extended retail food establishment" means that
26 term as defined in section 1107 of the food law, 2000 PA 92, MCL
27 289.1107.

28 (o) "Qualified small distiller" means a small distiller, or an
29 out-of-state entity that is the substantial equivalent of a small

distiller, that sells under 3,000 gallons of spirits per calendar year direct to retailers located in this state or out-of-state entities that are the substantial equivalent of retailers. If a small distiller or an out-of-state entity that is the substantial equivalent of a qualified small distiller manufactures spirits at more than 1 location, the total number of gallons of spirits sold to retailers or out-of-state entities that are the substantial equivalent of retailers from all locations must be combined to determine the 3,000-gallon threshold.

(p) ~~(n)~~ "Third party facilitator service" means a person licensed by the commission to do any of the following:

(i) Facilitate the sale of beer or wine to a consumer as provided in subsection (15) on behalf of a **qualified** retailer that holds a specially designated merchant license located in this state.

(ii) Facilitate the sale of spirits to a consumer as provided in subsection (16) on behalf of a **qualified** retailer that holds a specially designated distributor license located in this state.

(iii) Deliver beer or wine to a consumer as provided in subsection (15) on behalf of a **qualified** retailer that holds a specially designated merchant license located in this state.

(iv) Deliver spirits to a consumer as provided in subsection (16) on behalf of a **qualified** retailer that holds a specially designated distributor license located in this state.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 101st Legislature are enacted into law:

(a) Senate Bill No. 144.

1 (b) Senate Bill No. 143.
2