

SUBSTITUTE FOR
HOUSE BILL NO. 5426

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 415 (MCL 436.1415), as added by 2013 PA 100.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 415. (1) Subject to the limitations provided under this
2 section, the commission may issue a farmer's market permit to a
3 qualified small wine maker **OR A QUALIFIED MICRO BREWER**. Regardless
4 of the location of the qualified small wine maker **OR QUALIFIED**
5 **MICRO BREWER**, the commission shall only issue 1 farmer's market
6 permit **FOR A QUALIFIED SMALL WINE MAKER AND 1 FARMER'S MARKET**
7 **PERMIT FOR A QUALIFIED MICRO BREWER** in a county where the farmer's
8 market is located for each 1,500 of population or fraction of 1,500
9 in that county as determined by the last federal decennial census,
10 by a special census pursuant to section 6 of the home rule city

1 act, 1909 PA 279, MCL 117.6, or section 7 of the Glenn Steil state
2 revenue sharing act of 1971, 1971 PA 140, MCL 141.907, or by the
3 latest census and corrections published by the United States
4 department of commerce, bureau of the census, whichever is later.
5 ~~The~~ **SUBJECT TO THE LIMITATIONS PROVIDED UNDER THIS SECTION, THE**
6 holder of a farmer's market permit may conduct tastings and sell,
7 at retail at a farmer's market, the wine produced by that qualified
8 small wine maker **OR THE BEER PRODUCED BY THAT QUALIFIED MICRO**
9 **BREWER.**

10 (2) The commission shall charge a fee for a farmer's market
11 permit of \$25.00 for each farmer's market location. A farmer's
12 market permit issued under this section is nontransferable.
13 Notwithstanding the quota provision under subsection (1), the
14 commission shall not limit the number of permits a qualified small
15 wine maker **OR A QUALIFIED MICRO BREWER** obtains under this section,
16 but an application for a farmer's market permit shall only contain
17 up to 5 separate locations at 1 time. Section 503 does not apply to
18 the application or issuance of a permit under this section or to
19 the location of a farmer's market where the holder of a farmer's
20 market permit intends to participate under this section.

21 (3) The commission shall not issue a farmer's market permit
22 under this section unless the applicant provides documentation, in
23 a manner prescribed by the commission, that the local police agency
24 where the farmer's market is located and the farmer's market
25 manager at that location have approved the proposed activity.

26 (4) The tastings and sales performed under a farmer's market
27 permit shall be limited to an exclusive area that is well defined

1 and clearly marked, in a manner prescribed by the commission, that
2 is under the control of the holder of the farmer's market permit,
3 as verified by the farmer's market manager.

4 (5) The tastings and sales performed under a farmer's market
5 permit shall be conducted by employees of the holder of the
6 farmer's market permit who have completed a server training program
7 as provided for in section 906 and the rules promulgated by the
8 commission.

9 (6) The wine **OR BEER** sold or used for tastings shall be
10 furnished from the stock of the holder of the farmer's market
11 permit and removed from the farmer's market premises immediately
12 after the farmer's market has concluded. **BEER SOLD AT A FARMER'S**
13 **MARKET BY THE HOLDER OF THE FARMER'S MARKET PERMIT SHALL ONLY BE**
14 **SOLD BY THE GROWLER AND THE HOLDER OF THE FARMER'S MARKET PERMIT**
15 **SHALL NOT SELL MORE THAN 2 GROWLERS TO A CUSTOMER PER DAY.**

16 (7) Tasting samples provided to a customer shall not exceed 3
17 servings of not more than 2 ounces of wine **OR 3 OUNCES OF BEER** in a
18 24-hour period of time.

19 (8) The commission shall develop an application for an annual
20 farmer's market permit allowing for licensed activities under this
21 section. A farmer's market manager shall verify on the application
22 that the location listed on the application qualifies as a farmer's
23 market under this section.

24 (9) A wholesaler shall not conduct or participate in any event
25 allowed by this section.

26 (10) A holder of a farmer's market permit is considered a
27 manufacturer as provided under section 603(15)(a).

1 (11) ~~Two years after the enactment date of the amendatory act~~
2 ~~that added this section,~~ **BY JULY 2, 2015,** the commission shall
3 submit a report to the standing committees of the senate and house
4 of representatives concerned with issues involving liquor control
5 and the house and senate fiscal agencies assessing the continued
6 issuance of farmer's market permits to qualified small wine makers
7 **AND QUALIFIED MICRO BREWERS.** The report shall include, at a
8 minimum, all of the following:

9 (a) The number of applications received each year for a
10 farmer's market permit.

11 (b) The number of farmer's market permit applications approved
12 each year.

13 (c) The number of farmer's market permit applications approved
14 in each county.

15 (12) As used in this section:

16 (a) "Farmer's market" means a group of farmers or their
17 designees or a variety of vendors, as determined by the farmer's
18 market manager or his or her designee, who assembles on a recurring
19 basis at a defined community sponsored or municipally sponsored
20 location for the purposes of selling, directly to a consumer, food
21 and products produced by those farmers or their representatives.

22 (b) "Farmer's market manager" means the person responsible for
23 enforcing the market policy and for the daily operation and
24 management of the farmer's market.

25 (c) "Farmer's market permit" means an annual permit issued as
26 part of an approved license to a qualified small wine maker **OR A**
27 **QUALIFIED MICRO BREWER** allowing that person to conduct tastings and

1 sell at retail, for consumption off the licensed premises, at a
2 farmer's market, wine produced by the qualified small wine maker OR
3 BEER PRODUCED BY THE QUALIFIED MICRO BREWER.

4 (D) "GROWLER" MEANS THAT TERM AS DEFINED IN SECTION 537.

5 (E) "QUALIFIED MICRO BREWER" MEANS A MICRO BREWER, OR AN OUT-
6 OF-STATE ENTITY THAT IS THE SUBSTANTIAL EQUIVALENT OF A MICRO
7 BREWER, THAT MANUFACTURES OR BOTTLES NOT MORE THAN 6,000 BARRELS OF
8 BEER IN 1 CALENDAR YEAR.

9 (F) ~~(d)~~—"Qualified small wine maker" means a small wine maker,
10 or an out-of-state entity that is the substantial equivalent of a
11 small wine maker, that manufactures or bottles not more than 5,000
12 gallons of wine in 1 calendar year.

13 Enacting section 1. This amendatory act does not take effect
14 unless House Bill No. 5427 of the 97th Legislature is enacted into
15 law.