

# SENATE BILL NO. 1139

September 22, 2020, Introduced by Senators VANDERWALL, MOSS and SCHMIDT and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending sections 105, 107, 109, 111, 113, 113a, 204, 301, 303,  
307, 502, 504, 518, 525, 532, 536, 537, 545, 601, 603, 605, 607,  
608, 610, 610a, 611, 914b, 1019, 1025, 1027, 1101, 1103, 1105,  
1113, 1114, and 1115 (MCL 436.1105, 436.1107, 436.1109, 436.1111,  
436.1113, 436.1113a, 436.1204, 436.1301, 436.1303, 436.1307,  
436.1502, 436.1504, 436.1518, 436.1525, 436.1532, 436.1536,  
436.1537, 436.1545, 436.1601, 436.1603, 436.1605, 436.1607,  
436.1608, 436.1610, 436.1610a, 436.1611, 436.1914b, 436.2019,

436.2025, 436.2027, 436.2101, 436.2103, 436.2105, 436.2113, 436.2114, and 436.2115), section 105 as amended by 2018 PA 414, section 107 as amended by 2019 PA 126, section 109 as amended by 2020 PA 120, section 111 as amended by 2020 PA 115, section 113 as amended by 2018 PA 405, section 113a as amended by 2018 PA 416, section 204 as added by 2018 PA 178, section 301 as amended by 2020 PA 110, section 303 as amended by 2018 PA 154, section 307 as amended by 2020 PA 114, section 502 as amended by 2020 PA 112, section 504 as added by 2020 PA 80, section 518 as amended by 2010 PA 279, section 525 as amended by 2016 PA 434, section 532 as amended by 2018 PA 104, section 536 as amended by 2020 PA 126, section 537 as amended by 2020 PA 117, section 545 as amended by 2016 PA 328, section 601 as amended by 2019 PA 125, section 603 as amended by 2018 PA 407, section 605 as amended by 2014 PA 45, section 607 as amended by 2018 PA 417, section 608 as added by 2019 PA 127, section 610 as added by 2016 PA 106, section 610a as added by 2017 PA 131, section 914b as added by 2018 PA 346, sections 1025 and 1027 as amended by 2019 PA 131, sections 1113 and 1114 as amended by 2011 PA 27, and section 1115 as amended by 2010 PA 213.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 105. (1) "Alcohol" means the product of distillation of  
2 fermented liquid, whether or not rectified or diluted with water,  
3 but does not mean ethyl or industrial alcohol, diluted or not, that  
4 has been denatured or otherwise rendered unfit for beverage  
5 purposes.

6           (2) "Alcohol vapor device" means any device that provides for  
7 the use of air or oxygen bubbled through alcoholic liquor to  
8 produce a vapor or mist that allows the user to inhale this  
9 alcoholic vapor through the mouth or nose.

1           (3) "Alcoholic liquor" means any spirituous, vinous, malt, or  
2 fermented liquor, powder, liquids, and compounds, whether or not  
3 medicated, proprietary, patented, and by whatever name called,  
4 containing 1/2 of 1% or more of alcohol by volume that are fit for  
5 use for food purposes or beverage purposes as defined and  
6 classified by the commission according to alcoholic content as  
7 belonging to 1 of the varieties defined in this chapter.

8           (4) "Alternating proprietorship" means 1 of the following:

9           (a) An arrangement in which 2 or more wine makers or small  
10 wine makers take turns using the same space and equipment to  
11 manufacture wine pursuant to section 603(9)(a) and in accordance  
12 with 27 CFR 24.136.

13           (b) An arrangement in which 2 or more brewers or micro brewers  
14 take turns using the same space and equipment to manufacture beer  
15 pursuant to section 603(9)(b) and in accordance with 27 CFR 25.52.

16           (5) "Approved tasting room" means a tasting room that is  
17 approved by the commission.

18           (6) "Authorized distribution agent" means a person approved by  
19 the commission to do 1 or more of the following:

20           (a) To store spirits owned by a supplier of spirits or the  
21 commission.

22           (b) To deliver spirits sold by the commission to retail  
23 licensees.

24           (c) To perform any function needed to store spirits owned by a  
25 supplier of spirits or by the commission or to deliver spirits sold  
26 by the commission to retail licensees.

27           (7) "Bar" means a barrier or counter at which alcoholic liquor  
28 is sold to, served to, or consumed by customers.

29           (8) "Beer" means ~~any~~ **either of the following:**

1           **(a)** A beverage obtained by alcoholic fermentation of an  
2 infusion or decoction of barley, malt, hops, **sugar**, or other cereal  
3 in potable water.

4           **(b) Alcoholic liquor that is not any of the following:**

5           **(i) Brandy.**

6           **(ii) Mead.**

7           **(iii) Spirits.**

8           **(iv) Wine.**

9           (9) "Bottle" or "bottling" means a process, separate from  
10 manufacturing, using owned or leased equipment to fill and seal a  
11 container, including a keg, with alcoholic liquor for sale at  
12 wholesale or retail in accordance with this act. Bottle or bottling  
13 does not include filling a growler for sale at retail.

14           (10) "Brand" means any word, name, group of letters, symbol,  
15 trademark, or combination thereof adopted and used by a supplier to  
16 identify a specific beer, malt beverage, wine, **or** mixed wine drink  
17 ~~, or mixed spirit drink~~ product and to distinguish that product  
18 from another beer, malt beverage, wine, **or** mixed wine drink ~~, or~~  
19 ~~mixed spirit drink~~ product that is produced or marketed by that or  
20 another supplier. As used in this subsection, "supplier" means a  
21 brewer, micro brewer, an outstate seller of beer, a wine maker, a  
22 small wine maker, an outstate seller of wine, a manufacturer of  
23 mixed wine drink, **or** an outstate seller of a mixed wine drink. ~~, a~~  
24 ~~mixed spirit drink manufacturer, or an outstate seller of mixed~~  
25 ~~spirit drink.~~

26           (11) "Brand extension" means any brand that incorporates all  
27 or a substantial part of the unique features of a preexisting brand  
28 of the same supplier. As used in this subsection, "supplier" means  
29 a brewer, micro brewer, an outstate seller of beer, a wine maker, a

1 small wine maker, an outstate seller of wine, a manufacturer of  
 2 mixed wine drink, **or** an outstate seller of a mixed wine drink. ~~7-a~~  
 3 ~~mixed spirit drink manufacturer, or an outstate seller of mixed~~  
 4 ~~spirit drink.~~

5 (12) "Brandy" means an alcoholic liquor as defined in 27 CFR  
 6 5.22(d).

7 (13) "Brandy manufacturer" means a wine maker or a small wine  
 8 maker licensed under this act to manufacture brandy. A wine maker  
 9 or small wine maker authorized to manufacture brandy shall not  
 10 manufacture any other spirits. The commission may approve a brandy  
 11 manufacturer to sell brandy that it manufactures at retail in  
 12 accordance with section 537.

13 (14) "Brewer" means a person located in this state that is  
 14 licensed to manufacture beer and sell at retail in accordance with  
 15 section 537 and to licensed wholesalers beer manufactured by ~~it~~**the**  
 16 **person.**

17 (15) "Brewpub" means a license issued in conjunction with a  
 18 class C, tavern, class A hotel, or class B hotel license that  
 19 authorizes the person licensed with the class C, tavern, class A  
 20 hotel, or class B hotel to manufacture and brew not more than  
 21 18,000 barrels of beer per calendar year in this state and sell at  
 22 its licensed premises the beer produced for consumption on or off  
 23 the licensed brewery premises in the manner provided for in  
 24 sections 405, 407, and 537.

25 Sec. 107. (1) "Cash" means money in hand, bank notes, demand  
 26 deposits at a bank, or legal tender, ~~which~~**that** a creditor must  
 27 accept according to law. Cash does not include call loans,  
 28 postdated checks, or promissory notes.

29 (2) "Class C license" means a place licensed to sell at retail

1 beer, wine, ~~mixed spirit drink~~, and spirits for consumption on the  
2 premises.

3 (3) "Class G-1 license" means a place licensed to sell at  
4 retail beer, wine, ~~mixed spirit drink~~, and spirits for consumption  
5 on the premises at a golf course having at least 18 holes that  
6 measure at least 5,000 yards and which license is issued only to a  
7 facility that permits member access by means of payments that  
8 include annual paid membership fees.

9 (4) "Class G-2 license" means a place licensed to sell at  
10 retail beer and wine for consumption on the premises at a golf  
11 course having at least 18 holes that measure at least 5,000 yards  
12 and which license is issued only to a facility that permits member  
13 access by means of payments that include annual paid membership  
14 fees.

15 (5) "Club" means a nonprofit association, whether incorporated  
16 or unincorporated, organized for the promotion of some common  
17 purpose, the object of which is owning, hiring, or leasing a  
18 building, or space in a building, of an extent and character as in  
19 the judgment of the commission may be suitable and adequate for the  
20 reasonable and comfortable use and accommodation of its members and  
21 their guests, but does not include an association organized for a  
22 commercial or business purpose.

23 (6) "Commission" means the liquor control commission created  
24 in section 209.

25 (7) "Church" means an entire house or structure set apart  
26 primarily for use for purposes of public worship, and that is tax  
27 exempt under the laws of this state, and in which religious  
28 services are held and with which a clergyman is associated, and the  
29 entire structure of which is kept for that use and not put to any

1 other use inconsistent with that use.

2 (8) "Distiller" means a person licensed to manufacture and  
3 sell spirits or alcohol, or both, of any kind.

4 (9) "Hotel" means a building or group of buildings located on  
5 the same or adjoining pieces of real property, that provide lodging  
6 to travelers and temporary residents and that may also provide food  
7 service and other goods and services to registered guests and to  
8 the public.

9 (10) "Class A hotel" means a hotel licensed by the commission  
10 to sell beer and wine for consumption on the premises only, ~~which~~  
11 **that** provides for the rental of, and maintains the availability for  
12 rental of, not less than 25 bedrooms if located in a local  
13 governmental unit with a population of less than 175,000 or not  
14 less than 50 bedrooms if located in a local governmental unit with  
15 a population of 175,000 or more.

16 (11) "Class B hotel" means a hotel licensed by the commission  
17 to sell beer, wine, ~~mixed spirit drink,~~ and spirits for consumption  
18 on the premises only, that provides for the rental of, and  
19 maintains the availability for rental of, not less than 25 bedrooms  
20 if located in a local governmental unit with a population of less  
21 than 175,000 or not less than 50 bedrooms if located in a local  
22 governmental unit with a population of 175,000 or more.

23 (12) "Financial records" means any document or summary of  
24 information contained in a document, including electronic  
25 documents, that contains information about the financial activities  
26 or position of a person including, but not limited to, information  
27 about the assets, balance sheets, budgets, cash flow, earnings,  
28 revenue, expenditures, income, investments, losses, liabilities,  
29 payroll, profits, retained earnings, or taxes.

1           (13) "License" means a contract between the commission and the  
2 licensee granting authority to that licensee to manufacture and  
3 sell, ~~or~~ sell, or warehouse alcoholic liquor in the manner provided  
4 by this act.

5           Sec. 109. (1) "Manufacture" means, **except as provided in**  
6 **section 603**, to distill, rectify, ferment, brew, make, produce,  
7 filter, mix, concoct, process, or blend an alcoholic liquor or to  
8 complete a portion of 1 or more of these activities. Manufacture  
9 does not include bottling or the mixing or other preparation of  
10 drinks for serving by those persons authorized under this act to  
11 serve alcoholic liquor for consumption on the licensed premises. In  
12 addition, manufacture does not include attaching a label to a  
13 shiner. All containers or packages of alcoholic liquor must state  
14 clearly the name, city, and state of the bottler.

15           (2) "Manufacturer" means a person that manufactures alcoholic  
16 liquor, whether located in or out of this state, including, but not  
17 limited to, a distiller, a small distiller, a rectifier, ~~a mixed~~  
18 ~~spirit drink manufacturer~~, a mixed wine drink manufacturer, a wine  
19 maker, a small wine maker, a brewer, and a micro brewer.

20           (3) "Manufacturing premises" means the licensed premises of a  
21 manufacturer where the manufacturer manufactures alcoholic liquor  
22 or, for a small wine maker only, bottles wine.

23           (4) "Master distributor" means, **except as provided in section**  
24 **307**, a wholesaler that acts in the same or similar capacity as a  
25 brewer, wine maker, outstate seller of wine, or outstate seller of  
26 beer for a brand or brands of beer or wine to other wholesalers on  
27 a regular basis in the normal course of business.

28           (5) "Micro brewer" means a brewer that manufactures in total  
29 less than 60,000 barrels of beer per year and that may sell the



1 beer manufactured to consumers at the licensed brewery premises for  
 2 consumption on or off the licensed brewery premises and to  
 3 retailers as provided in section 203a. In determining the 60,000-  
 4 barrel threshold, all brands and labels of a brewer, whether  
 5 manufactured in this state or outside this state, must be combined  
 6 and all facilities for the manufacturing of beer that are owned or  
 7 controlled by the same person must be treated as a single facility.

8 (6) "Minor" means an individual less than 21 years of age.

9 (7) "Mixed spirit drink" means a ~~drink~~ **wine** manufactured and  
 10 packaged or sold by a ~~mixed spirit drink manufacturer or sold by an~~  
 11 ~~outstate seller of mixed spirit drink~~ **wine maker or sold by an**  
 12 **outstate seller of wine** to a wholesaler that contains ~~10%~~ **21%** or  
 13 less alcohol by volume consisting of spirits mixed with  
 14 nonalcoholic beverages or flavoring or coloring materials and that  
 15 may also contain 1 or more of the following:

16 (a) Water.

17 (b) Fruit juices.

18 (c) Fruit adjuncts.

19 (d) Sugar.

20 (e) Carbon dioxide.

21 (f) Preservatives.

22 ~~(8) "Mixed spirit drink manufacturer" means a person licensed~~  
 23 ~~under this act to manufacture mixed spirit drink in this state and~~  
 24 ~~to sell mixed spirit drink at retail in accordance with section 537~~  
 25 ~~or to a wholesaler. For purposes of rules promulgated by the~~  
 26 ~~commission, a mixed spirit drink manufacturer is treated as a wine~~  
 27 ~~manufacturer but is subject to the rules applicable to spirits for~~  
 28 ~~manufacturing and labeling.~~

29 (8) ~~(9)~~ "Mixed wine drink" means a drink or similar product

1 marketed as a wine cooler that contains less than 7% alcohol by  
 2 volume, consists of wine and plain, sparkling, or carbonated water,  
 3 and contains any 1 or more of the following:

4 (a) Nonalcoholic beverages.

5 (b) Flavoring.

6 (c) Coloring materials.

7 (d) Fruit juices.

8 (e) Fruit adjuncts.

9 (f) Sugar.

10 (g) Carbon dioxide.

11 (h) Preservatives.

12 (9) ~~(10)~~—"Outstate seller of beer" means a person licensed by  
 13 the commission to sell beer that has not been manufactured in this  
 14 state, or beer that the person purchased from a limited production  
 15 manufacturer, to a wholesaler in this state in accordance with  
 16 rules promulgated by the commission. As used in this subsection,  
 17 "limited production manufacturer" means a person licensed under  
 18 section 504.

19 ~~(11) "Outstate seller of mixed spirit drink" means a person~~  
 20 ~~licensed by the commission to sell mixed spirit drink that has not~~  
 21 ~~been manufactured in this state to a wholesaler in this state in~~  
 22 ~~accordance with rules promulgated by the commission. For purposes~~  
 23 ~~of rules promulgated by the commission, an outstate seller of mixed~~  
 24 ~~spirit drink is treated as an outstate seller of wine but is~~  
 25 ~~subject to the rules applicable to spirits for manufacturing and~~  
 26 ~~labeling.~~

27 (10) ~~(12)~~—"Outstate seller of wine" means a person licensed by  
 28 the commission to sell wine **or mixed spirit drink, or both** that has  
 29 not been manufactured in this state to a wholesaler in this state

1 in accordance with rules promulgated by the commission and to sell  
2 sacramental wine as provided in section 301. **An outstate seller of**  
3 **wine is subject to rules applicable to spirits manufacturing and**  
4 **labeling for mixed spirit drink that the outstate seller of wine**  
5 **manufacturers.**

6       Sec. 111. (1) "Person" means an individual, firm, partnership,  
7 limited partnership, association, limited liability company, or  
8 corporation.

9       (2) "Primary source of supply" means, ~~in the case of~~ **for**  
10 domestic spirits, the distiller, producer, owner of the commodity  
11 at the time it becomes a marketable product, or bottler, or the  
12 exclusive agent of the distiller, producer, owner of the commodity  
13 at the time it becomes a marketable product, or bottler, and, for  
14 spirits imported into the United States, either the foreign  
15 distiller, producer, owner, or bottler, or the prime importer for,  
16 or the exclusive agent in the United States of, the foreign  
17 distiller, producer, owner, or bottler.

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

22       (4) "Residence" means the premises in which a person resides  
23 permanently.

24       (5) "Restaurant" means a food service establishment defined  
25 and licensed under the food law, 2000 PA 92, MCL 289.1101 to  
26 289.8111. A restaurant that does not hold a license issued by the  
27 commission under this act shall not manufacture, market, deliver,  
28 or sell alcoholic liquor in this state.

29       (6) "Retailer" means a person licensed by the commission that

1 sells to the consumer in accordance with rules promulgated by the  
2 commission. Retailer includes a brewpub but does not include a  
3 manufacturer or supplier, as defined in section 603, that is  
4 allowed as a condition of its license to sell to consumers in this  
5 state.

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

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

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

23 (10) "Shiner" means an unlabeled, sealed container of wine,  
24 including a keg, that is sold by a wine maker, small wine maker, or  
25 out-of-state entity that is the substantial equivalent of a wine  
26 maker or small wine maker to another wine maker, small wine maker,  
27 or out-of-state entity that is the substantial equivalent of a wine  
28 maker or small wine maker. The purchasing wine maker or small wine  
29 maker must attach a label to the container using equipment owned or

1 leased by the purchasing wine maker or small wine maker, register  
 2 the wine label with the commission, and sell it as provided for in  
 3 this act.

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

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

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

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

25 (15) "Specially designated merchant" means a person to whom  
 26 the commission grants a license to sell beer, ~~or wine, or both,~~  
 27 **mixed spirit drink or any combination of beer, wine, or mixed**  
 28 **spirit drink** at retail for consumption off the licensed premises.

29 (16) "Spirits" means a beverage that contains alcohol obtained

1 by distillation, mixed with potable water or other substances, or  
2 both, in solution, and includes wine containing an alcoholic  
3 content of more than 21% by volume, except sacramental wine and  
4 mixed spirit drink.

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

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

- 13 (a) Brewer.
- 14 (b) Outstate seller of beer.
- 15 (c) Master distributor.
- 16 (d) Wine maker.
- 17 (e) Outstate seller of wine.

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

20 Sec. 113. (1) "Tasting room" means any of the following  
21 locations:

22 (a) A location on the manufacturing premises of a brewer or  
23 micro brewer where the brewer or micro brewer may provide samples  
24 of or sell at retail for consumption on or off the premises, or  
25 both, beer it manufactures.

26 (b) A location on or off the manufacturing premises of a wine  
27 maker or small wine maker where the wine maker or small wine maker  
28 may provide samples of or sell at retail for consumption on or off  
29 the premises, or both, shiners, wine it manufactured, or, for a

1 small wine maker only, wine it bottled.

2 (c) A location on or off the manufacturing premises of a  
3 distiller or small distiller where the distiller or small distiller  
4 may provide samples of or sell at retail for consumption on or off  
5 the premises, or both, spirits it manufactured.

6 ~~(d) A location on the manufacturing premises of a mixed spirit~~  
7 ~~drink manufacturer where the mixed spirit drink manufacturer may~~  
8 ~~provide samples of or sell at retail for consumption on or off the~~  
9 ~~premises, or both, mixed spirit drinks it manufactured.~~

10 (d) ~~(e)~~ A location on or off the manufacturing premises of a  
11 brandy manufacturer where the brandy manufacturer may provide  
12 samples of or sell at retail for consumption on or off the  
13 premises, or both, brandy it manufactured.

14 (2) "Tavern" means any place licensed to sell at retail beer  
15 and wine for consumption on the premises only.

16 (3) "Vehicle" means any means of transportation by land, by  
17 water, or by air.

18 (4) "Vendor" means a person licensed by the commission to sell  
19 alcoholic liquor.

20 (5) "Vendor of spirits" means a person selling spirits to the  
21 commission.

22 (6) "Warehouse" means a premises or place primarily  
23 constructed, used, or provided with facilities for the storage in  
24 transit or other temporary storage of perishable goods or for the  
25 conduct of a warehousing business, or for both.

26 (7) "Warehouser" means a licensee authorized by the commission  
27 to store alcoholic beverages, but prohibited from making sales or  
28 deliveries to retailers unless the licensee is also the holder of a  
29 wholesaler or manufacturer license issued by the commission.

1           (8) "Wholesaler" means a person who is licensed by the  
2 commission and sells beer, wine, or mixed spirit drink only to  
3 retailers or other licensees, and who sells sacramental wine as  
4 provided in section 301. A wholesaler includes a person who may  
5 also act as a master distributor unless prohibited from doing so by  
6 its supplier or manufacturer in a written agreement required by  
7 either section 305(3)(i) or 403(3)(i) and, by mutual agreement with  
8 an outstate seller of beer or wine, can be authorized by the  
9 outstate seller of beer or wine to do, in the manner prescribed by  
10 the commission, either or both of the following:

11           (a) Register with this state the labels of the outstate seller  
12 of beer or wine.

13           (b) On behalf of the outstate seller of beer or wine, collect  
14 excise taxes levied by this state and remit the taxes to the  
15 commission.

16           (9) "Wine" means **mixed spirit drink or** the product made by the  
17 normal alcoholic fermentation of the juice of sound, ripe grapes,  
18 or any other fruit with the usual cellar treatment, and containing  
19 not more than 21% of alcohol by volume, including cider made from  
20 apples or pears, or both, ~~which~~**that** contains at least 1/2 of 1% of  
21 alcohol by volume, or mead or honey wine made from honey, fermented  
22 fruit juices other than grapes, and mixed wine drinks.

23           (10) "Wine maker" means any person licensed by the commission  
24 to manufacture wine and to sell that wine to a wholesaler, to a  
25 consumer by direct shipment, at retail on the licensed winery  
26 premises, ~~to sell that wine to a retailer,~~ and as provided for in  
27 section 537. **A wine maker may manufacture mixed spirit drink and**  
28 **sell mixed spirit drink to a wholesaler, at retail on the licensed**  
29 **winery premises, and as provided in section 537.**



1           Sec. 113a. (1) "Tasting room" means any of the following  
2 locations:

3           (a) A location on the manufacturing premises of a brewer or  
4 micro brewer where the brewer or micro brewer may provide samples  
5 of or sell at retail for consumption on or off the premises, or  
6 both, beer it manufactures.

7           (b) A location on or off the manufacturing premises of a wine  
8 maker or small wine maker where the wine maker or small wine maker  
9 may provide samples of or sell at retail for consumption on or off  
10 the premises, or both, shiners, wine it manufactured, or, for a  
11 small wine maker only, wine it bottled.

12           (c) A location on or off the manufacturing premises of a  
13 distiller or small distiller where the distiller or small distiller  
14 may provide samples of or sell at retail for consumption on or off  
15 the premises, or both, spirits it manufactured.

16           ~~(d) A location on the manufacturing premises of a mixed spirit~~  
17 ~~drink manufacturer where the mixed spirit drink manufacturer may~~  
18 ~~provide samples of or sell at retail for consumption on or off the~~  
19 ~~premises, or both, mixed spirit drinks it manufactured.~~

20           (d) ~~(e)~~A location on or off the manufacturing premises of a  
21 brandy manufacturer where the brandy manufacturer may provide  
22 samples of or sell at retail for consumption on or off the  
23 premises, or both, brandy it manufactured.

24           (2) "Tavern" means any place licensed to sell at retail beer  
25 and wine for consumption on the premises only.

26           (3) "Vehicle" means any means of transportation by land, by  
27 water, or by air.

28           (4) "Vendor" means a person licensed by the commission to sell  
29 alcoholic liquor.

1 (5) "Vendor of spirits" means a person selling spirits to the  
2 commission.

3 (6) "Warehouse" means a premises or place primarily  
4 constructed, used, or provided with facilities for the storage in  
5 transit or other temporary storage of perishable goods or for the  
6 conduct of a warehousing business, or for both.

7 (7) "Warehouser" means a licensee authorized by the commission  
8 to store alcoholic liquor, but prohibited from making sales or  
9 deliveries to retailers unless the licensee is also the holder of a  
10 wholesaler license issued by the commission.

11 (8) "Wholesaler" means a person who is licensed by the  
12 commission and sells beer, wine, or mixed spirit drink only to  
13 retailers or other licensees, and who sells sacramental wine as  
14 provided in section 301. A wholesaler includes a person who may  
15 also act as a master distributor unless prohibited from doing so by  
16 its supplier or manufacturer in a written agreement required by  
17 either section 305(3)(i) or 403(3)(i) and, by mutual agreement with  
18 an outstate seller of beer or wine, can be authorized by the  
19 outstate seller of beer or wine to do, in the manner provided by  
20 the commission, either or both of the following:

21 (a) Register with this state the labels of the outstate seller  
22 of beer or wine.

23 (b) On behalf of the outstate seller of beer or wine, collect  
24 excise taxes levied by this state and remit the taxes to the  
25 commission.

26 (9) "Wine" means **mixed spirit drink or** the product made by the  
27 normal alcoholic fermentation of the juice of sound, ripe grapes,  
28 or any other fruit with the usual cellar treatment, and containing  
29 not more than 21% of alcohol by volume, including cider made from

1 apples or pears, or both, ~~which~~**that** contains at least 1/2 of 1%  
 2 alcohol by volume, or mead or honey wine made from honey, fermented  
 3 fruit juices other than grapes, and mixed wine drinks.

4 (10) "Wine maker" means any person licensed by the commission  
 5 to manufacture wine, to sell that wine to a wholesaler, ~~to sell~~  
 6 ~~that wine~~ by direct shipment to a consumer, at retail on the  
 7 licensed winery premises, and as provided for in section 537 but  
 8 not to sell wine to a retailer. **A wine maker may manufacture mixed**  
 9 **spirit drink and sell mixed spirit drink to a wholesaler, at retail**  
 10 **on the licensed winery premises, and as provided in section 537.**

11 Sec. 204. (1) Except for an individual who brings, transports,  
 12 ships, or imports alcoholic liquor into this state under section  
 13 203(8) or (9), as applicable, for a retailer, or for sacramental  
 14 wines imported under section 301, a person shall not sell, deliver,  
 15 or import beer ~~, or wine, or mixed spirit drink~~ in this state  
 16 unless the person is 1 of the following:

- 17 (a) A supplier as that term is defined in section 603.
- 18 (b) A licensed direct shipper described in section 203(10).
- 19 (c) A wholesaler.

20 (2) Except for an individual who brings, transports, ships, or  
 21 imports alcoholic liquor into this state under section 203(8) or  
 22 (9), as applicable, for a retailer, or for sacramental wines  
 23 imported under section 301, a person described in subsection (1)  
 24 may only sell, deliver, or import beer ~~, or wine, or mixed spirit~~  
 25 ~~drink~~ in this state in 1 of the following ways:

26 (a) A licensed direct shipper may sell to a consumer under  
 27 section 203.

28 (b) An outstate seller of beer ~~, or~~ outstate seller of wine ~~,~~  
 29 ~~or outstate seller of mixed spirit drink,~~ may deliver the beer ~~, or~~

1 wine ~~, or mixed spirit drink~~ to the licensed premises of the  
 2 wholesalers designated to sell and deliver the beer ~~, or~~ wine ~~, or~~  
 3 ~~mixed spirit drink~~ to the individual licensed location of the  
 4 retailer in the wholesaler's sales territory under section 305 or  
 5 403, as applicable.

6 (c) A wholesaler that picks up the beer ~~, or~~ wine ~~, or mixed~~  
 7 ~~spirit drink~~ from the premises of an outstate seller of beer ~~, or~~  
 8 outstate seller of wine ~~, or outstate seller of mixed spirit drink,~~  
 9 may deliver the beer ~~, or~~ wine ~~, or mixed spirit drink~~ to the  
 10 licensed premises of the wholesaler designated to sell and deliver  
 11 the beer ~~, or~~ wine ~~, or mixed spirit drink~~ to the individual  
 12 licensed location of the retailer in the wholesaler's sales  
 13 territory under section 305 or 403, as applicable.

14 (d) An outstate seller of beer ~~, or~~ outstate seller of wine ~~, or~~  
 15 ~~or outstate seller of mixed spirit drink~~ may deliver the beer ~~, or~~  
 16 wine ~~, or mixed spirit drink~~ to its licensed premises in this  
 17 state. However, the beer ~~, or~~ wine ~~, or mixed spirit drink~~ must be  
 18 delivered to the licensed premises of the wholesaler designated to  
 19 sell and deliver the beer ~~, or~~ wine ~~, or mixed spirit drink~~ to the  
 20 individual licensed location of the retailer in the wholesaler's  
 21 sales territory under section 305 or 403, as applicable.

22 (e) A brewer ~~, or~~ wine maker ~~, or mixed spirit drink~~  
 23 ~~manufacturer~~ that has a manufacturing plant located outside of this  
 24 state may deliver the beer ~~, or~~ wine ~~, or mixed spirit drink~~  
 25 ~~manufactured~~ in the manufacturing plant to its licensed premises in  
 26 this state. However, the beer ~~, or~~ wine ~~, or mixed spirit drink~~  
 27 must be delivered to the licensed premises of the wholesaler  
 28 designated to sell and deliver the beer ~~, or~~ wine ~~, or mixed spirit~~  
 29 ~~drink~~ to the individual licensed location of the retailer in the

1 wholesaler's sales territory under section 305 or 403, as  
2 applicable.

3 (f) Except as otherwise provided in this act, a brewer ~~or~~  
4 wine maker ~~or mixed spirit drink manufacturer~~ may deliver the  
5 beer ~~or~~ wine ~~or mixed spirit drink~~ to the licensed premises of  
6 the wholesaler designated to sell and deliver the beer ~~or~~ wine ~~or~~  
7 ~~or mixed spirit drink~~ to the individual licensed location of the  
8 retailer in the wholesaler's sales territory under section 305 or  
9 403, as applicable.

10 (3) Except as otherwise provided in subsection (4), both of  
11 the following apply to beer ~~or~~ wine ~~or mixed spirit drink~~ that  
12 is delivered to a wholesaler under this act:

13 (a) The wholesaler shall maintain the beer ~~or~~ wine ~~or~~  
14 ~~mixed spirit drink~~ on the wholesaler's licensed premises.

15 (b) The wholesaler shall make the beer ~~or~~ wine ~~or mixed~~  
16 ~~spirit drink~~ maintained on the wholesaler's licensed premises as  
17 required under subdivision (a) available for inspection by the  
18 commission for at least 24 hours before the wholesaler delivers the  
19 beer ~~or~~ wine ~~or mixed spirit drink~~ to a retailer.

20 (4) For beer ~~or~~ wine ~~or mixed spirit drink~~ that has been  
21 delivered to a wholesaler under this act, subsection (3) does not  
22 apply and the wholesaler may deliver beer ~~or~~ wine ~~or mixed~~  
23 ~~spirit drink~~ to a retailer if all of the following apply:

24 (a) Either of the following applies:

25 (i) The wholesaler cannot fulfill the retailer's order for the  
26 beer ~~or~~ wine ~~or mixed spirit drink~~ from the inventory currently  
27 available on the wholesaler's licensed premises.

28 (ii) The wholesaler intends to deliver the beer ~~or~~ wine ~~or~~  
29 ~~mixed spirit drink~~ to a special licensee, including as provided

1 under section 526, before the 24-hour period under subsection  
2 (3) (b) has expired.

3 (b) Either of the following applies:

4 (i) The beer ~~, or~~ wine ~~, or mixed spirit drink~~ has been  
5 delivered to the address of the wholesaler's licensed premises.

6 (ii) The wholesaler picked up the beer ~~, or~~ wine ~~, or mixed~~  
7 ~~spirit drink~~ from the licensed premises of any of the following:

8 (A) A brewer.

9 (B) A wine maker.

10 ~~(C) A mixed spirit manufacturer.~~

11 **(C)** ~~(D)~~ An outstate seller of beer.

12 **(D)** ~~(E)~~ An outstate seller of wine.

13 ~~(F) An outstate seller of mixed spirit drink.~~

14 **(E)** ~~(G)~~ A wholesaler.

15 (c) The wholesaler maintains the invoice of the delivery and  
16 attaches documentation to the invoice that details each product and  
17 the amount of each product that was not placed on the wholesaler's  
18 floor.

19 (5) This section does not prohibit a brewer, micro brewer,  
20 wine maker, small wine maker, or retailer from selling alcoholic  
21 liquor or nonalcoholic beverages as provided in this act.

22 Sec. 301. (1) The commission shall levy and collect on all  
23 wine containing 16% or less of alcohol by volume sold in this state  
24 a tax at the rate of 13.5 cents per liter if sold in bulk and in a  
25 like ratio if sold in smaller quantities.

26 (2) The commission shall levy and collect on all wine  
27 containing more than 16% of alcohol by volume sold in this state a  
28 tax at the rate of 20 cents per liter if sold in bulk and in a like  
29 ratio if sold in smaller quantities.

1           (3) Sacramental wine is nontaxable when used by churches. A  
2 person may import sacramental wines. The commission shall not  
3 impose restrictions on importations of wine for sacramental  
4 purposes but may promulgate rules to prevent any abuses that result  
5 from the importations. A wholesaler or an outstate seller of wine  
6 may sell sacramental wine directly to a church for sacramental  
7 purposes.

8           ~~(4) The commission shall levy and collect on all mixed spirit~~  
9 ~~drink sold in this state a tax at the rate of 48 cents per liter if~~  
10 ~~sold in bulk or a like ratio if sold in smaller quantities.~~

11           (4) ~~(5) Beginning on and after February 1,~~ **After January 31,**  
12 2015, if the wine is manufactured in this state the tax must be  
13 paid by the wine maker who manufactured the wine or if the wine is  
14 manufactured outside this state the tax must be paid by the  
15 wholesaler assigned to distribute that wine.

16           ~~(6) Beginning on and after February 1, 2015, if the mixed~~  
17 ~~spirit drink is manufactured in this state the tax must be paid by~~  
18 ~~the manufacturer of the mixed spirit drink or if the mixed spirit~~  
19 ~~drink is manufactured outside this state the tax must be paid by~~  
20 ~~the wholesaler assigned to distribute that mixed spirit drink.~~

21           (5) ~~(7)~~ On approval by the commission, the department of  
22 licensing and regulatory affairs shall incorporate a limited number  
23 of farm mutual cooperative wineries as the commission determines to  
24 be beneficial to the Michigan grape and fruit industry. These  
25 wineries must be licensed under this act and the payment of 1  
26 license fee annually by the corporation authorizes wine making on  
27 the premises of the corporation and also on the premises of the  
28 grape and fruit growing farmers who are members of or stockholders  
29 in the corporation. Upon incorporation of a farmers' cooperative

1 corporation as provided for in this section, the members of or the  
 2 stockholders in the corporation are certified to be Michigan grape  
 3 and fruit growing farmers. Wine making by cooperative corporations  
 4 on farm premises is allowed, but all sales of the wine must be made  
 5 by the corporation and from the corporation premises.

6 (6) ~~(8)~~—A wine maker ~~or manufacturer of a mixed spirit drink~~  
 7 may designate a wholesaler to pay the tax on behalf of the wine  
 8 maker or manufacturer, respectively. If a wine maker or  
 9 manufacturer designates a wholesaler to pay the tax on its behalf,  
 10 that wine maker or manufacturer shall notify the commission of the  
 11 designation and provide the commission with a copy of its report of  
 12 wine premises operations that it filed with the Alcohol and Tobacco  
 13 Tax and Trade Bureau of the United States Department of Treasury  
 14 for each calendar year. A wholesaler that is responsible for the  
 15 payment of the tax under this section or that is designated to pay  
 16 the tax under this section on behalf of the wine maker ~~or~~  
 17 ~~manufacturer of the mixed spirit drink~~ is only required to pay the  
 18 tax on the number of liters actually sold by the wholesaler to  
 19 licensed retailers.

20 (7) ~~(9)~~—The commission shall establish by rule a method for  
 21 the collection of the tax levied in this section and reporting  
 22 requirements for wholesalers, wine makers, ~~outstate sellers of~~  
 23 ~~mixed spirit drink~~, and outstate sellers of wine to verify the  
 24 remission of taxes to this state. Except as otherwise provided in  
 25 this subsection, the commission shall not require that the tax be  
 26 paid in less than monthly intervals. Beginning March 15, 2020, the  
 27 commission shall not require that the tax be paid in less than  
 28 quarterly intervals. The rules under this subsection must be  
 29 promulgated pursuant to the administrative procedures act of 1969,



1 1969 PA 306, MCL 24.201 to 24.328.

2 Sec. 303. (1) The grape and wine industry council created  
 3 under Executive Reorganization Order No. 2014-2, MCL 333.26253,  
 4 shall be housed within the department of agriculture and rural  
 5 development. Beginning on ~~the effective date of the 2018 amendatory~~  
 6 ~~act that amended this section, **October 1, 2018,**~~ the council shall  
 7 be known as the Michigan craft beverage council and shall consist  
 8 of the following members:

9 (a) As a nonvoting member, the director of the department of  
 10 agriculture and rural development or his or her designee.

11 (b) Subject to subsection (2), the following voting members,  
 12 appointed by the governor:

13 (i) A representative of retail food establishments that hold a  
 14 specially designated merchant license and sell Michigan wines or  
 15 beer.

16 (ii) A representative of restaurants that hold a class C  
 17 license and serve Michigan wines, beer, or spirits.

18 (iii) Two representatives of wine makers.

19 (iv) A representative of wine makers that primarily manufacture  
 20 cider.

21 (v) A representative of large brewers.

22 (vi) One of the following:

23 (A) A representative of micro brewers.

24 (B) A representative of brewpub license holders.

25 (vii) A representative of small distillers.

26 (viii) A representative of distillers that manufacture more than  
 27 60,000 gallons of spirits per year.

28 (2) The following apply to a member of the council appointed  
 29 under subsection (1) (b):

1 (a) The member's principal place of business must be located  
2 in this state.

3 (b) The member must not be a lobbyist or a lobbyist agent as  
4 those terms are defined in section 5 of 1978 PA 472, MCL 4.415.

5 (3) Voting members of the council appointed by the governor  
6 under subsection (1) shall serve for terms of 3 years or until a  
7 successor is appointed, whichever is later, except that of the  
8 voting members first appointed, 3 shall serve for 1 year, 3 shall  
9 serve for 2 years, and 3 shall serve for 3 years. A voting member  
10 shall not serve more than 2 consecutive terms. A vacancy on the  
11 board shall be filled in the same manner as the original  
12 appointment. The director of the department of agriculture and  
13 rural development is the chairperson of the council.

14 (4) The council may employ personnel and incur expenses that  
15 are necessary to carry out the responsibilities of the council  
16 under this act. A member of the council or an employee or agent of  
17 the council is not personally liable on the contracts of the  
18 council.

19 (5) A nongovernmental member of the council may receive \$50.00  
20 per day for each day spent in actual attendance at meetings of the  
21 council and traveling expenses while on council business in  
22 accordance with standard travel regulations of the department of  
23 technology, management, and budget.

24 (6) The council shall maintain accurate books and records, and  
25 all money received by the council shall be used to implement and  
26 enforce this section. The council may accept money from any source  
27 for the purpose of carrying out this section. All money received by  
28 the council shall be forwarded to the state treasurer for deposit  
29 into the Michigan craft beverage council fund created in section

1 303a.

2 (7) Subject to an appropriation, the council shall direct the  
3 department of agriculture and rural development to award grants for  
4 the following:

5 (a) Research into both of the following:

6 (i) Fruits used in winemaking and wines, including, but not  
7 limited to, methods of planting, growing, controlling insects and  
8 diseases, charting microclimates and locations for growing  
9 desirable varieties of fruits used in winemaking and wines,  
10 marketing, processing, distribution, advertising, sales production,  
11 and product development.

12 (ii) Hops, barley, beer, and spirits, including, but not  
13 limited to, methods of planting, growing, controlling insects and  
14 diseases, marketing, processing, distribution, advertising, sales  
15 production, and product development.

16 (b) Projects that do 1 or more of the following:

17 (i) Provide the wine industry, including growers, wineries,  
18 distributors, and retailers, with information relative to proper  
19 methods of handling and selling fruits used in winemaking and  
20 wines.

21 (ii) Provide the brewing and distilling industries, including  
22 growers, brewers, distillers, distributors, and retailers, with  
23 information relative to proper methods of handling and selling  
24 hops, barley, beer, **and** spirits. ~~, and mixed spirit drinks.~~

25 (iii) Provide for market surveys and analyses for purposes of  
26 expanding existing markets and creating new and larger markets for  
27 Michigan agricultural products such as fruits, hops, and barley,  
28 that are used in the production of wine, cider, beer, **and** spirits.  
29 ~~, and mixed spirit drinks.~~

1 (iv) Provide for the promotion of the sale of Michigan  
2 agricultural products such as fruits, hops, and barley, that are  
3 used in the production of wine, cider, beer, **and** spirits ~~and~~  
4 ~~mixed spirit drinks~~ for the purpose of maintaining or expanding  
5 present markets and creating new and larger domestic and foreign  
6 markets.

7 (v) Develop and administer financial aid programs to growers  
8 of fruits used in winemaking to encourage the increased planting in  
9 this state of desirable fruit varieties in microclimates determined  
10 to provide the best conditions for producing quality wines.

11 (vi) Develop and administer financial aid programs to hops  
12 growers to encourage increased planting in this state of desirable  
13 hops varieties in microclimates determined to provide the best  
14 conditions for producing quality beer.

15 (vii) Develop and administer financial aid programs to barley  
16 growers to encourage increased planting in this state of desirable  
17 barley varieties in microclimates determined to provide the best  
18 conditions for producing quality beer.

19 (viii) Establish educational partnerships to benefit the beer,  
20 wine, cider, **and** spirits. ~~and mixed spirit drink industries.~~

21 (8) The department of agriculture and rural development shall  
22 administer the grants awarded under subsection (7).

23 (9) The council shall do all of the following:

24 (a) Apply for and accept grants or contributions from the  
25 federal government or any of its agencies, the state, or other  
26 public or private agencies to be used for any of the purposes of  
27 this section and to do any and all things within its express or  
28 implied powers necessary or desirable to secure that financial or  
29 other aid or cooperation in the carrying out of any of the purposes

1 of this section.

2 (b) Invite the chief executive officer of the Michigan  
3 economic development corporation or his or her designee to attend  
4 at least 1 council meeting annually to inform the council about  
5 partnership activities and opportunities related to the marketing  
6 and promotion of Michigan agricultural products such as fruits,  
7 hops, and barley ~~that are used in the production of wine, cider,~~  
8 beer, **and** spirits. ~~and mixed spirit drinks.~~

9 (c) Invite the director of the department of licensing and  
10 regulatory affairs to attend at least 1 council meeting annually to  
11 inform the council about funding activities affecting the council.

12 (d) Prepare and adopt an annual budget.

13 (10) Based on the information provided to the council under  
14 subsection (9) (b) and (c), the council may do either or both of the  
15 following:

16 (a) Take actions that will enhance the marketing and promotion  
17 of Michigan agricultural products, such as fruits, hops, and barley  
18 ~~that are used in the production of wine, cider, beer, and~~  
19 spirits. ~~and mixed spirit drinks.~~

20 (b) Annually review and adopt strategies for marketing and  
21 promotion of Michigan agricultural products, such as fruits, hops,  
22 and barley ~~that are used in the production of wine, cider, beer,~~  
23 **and** spirits. ~~and mixed spirit drinks.~~

24 (11) The council may promulgate rules pursuant to the  
25 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
26 24.328, for the purposes of implementing and enforcing this  
27 section. However, the council shall not promulgate a rule that  
28 conflicts with a rule promulgated by the commission under section  
29 215.

1           (12) Except as otherwise provided in this subsection, the  
2 council shall not engage in lobbying. This subsection does not  
3 prohibit the council or a council member or council employee from  
4 providing technical information to the legislature or to the  
5 department of agriculture and rural development, regardless of  
6 whether the council, council member, or council employee is  
7 appearing before an officially convened legislative committee or  
8 department of agriculture and rural development hearing panel, if  
9 the technical information is related to the council's duties under  
10 this section.

11           (13) This section does not prevent the council from  
12 establishing a commodity committee under the agriculture  
13 commodities marketing act, 1965 PA 232, MCL 290.651 to 290.674.

14           (14) As used in this section:

15           (a) "Cider" means an alcoholic beverage made from the  
16 fermentation of juice from primarily apples or pears, or both,  
17 ~~which~~**that** contains not less than 1/2 of 1% and not more than 8.5%  
18 of alcohol by volume. Cider may be still or carbonated and may  
19 contain other fruits, spices, botanicals, or other flavors.

20           (b) "Council" means the Michigan craft beverage council  
21 described in subsection (1).

22           (c) "Large brewer" means a brewer that produces in total at  
23 least 60,000 barrels of beer and not more than 1,000,000 barrels of  
24 beer per year. In determining the barrel threshold under this  
25 subdivision, all brands and labels of a brewer, whether brewed in  
26 this state or outside this state, must be combined and all  
27 facilities for the production of beer that are owned or controlled  
28 by the same person are treated as a single facility.

29           (d) "Lobbying" means that term as defined in section 5 of 1978

1 PA 472, MCL 4.415.

2 (e) "Technical information" means that term as defined in  
3 section 5 of 1978 PA 472, MCL 4.415.

4 Sec. 307. (1) A manufacturer, an outstate seller of wine, and  
5 a master distributor shall grant to each of its wholesalers a sales  
6 territory within which the wholesaler is a distributor of the  
7 specified brand or brands of the manufacturer, outstate seller of  
8 wine, or master distributor under an agreement as required under  
9 this act. The territory is the territory agreed on between the  
10 wholesaler and manufacturer, outstate seller of wine, or master  
11 distributor. Except as provided for in subsection (9) and beginning  
12 June 1, 2010, a manufacturer, outstate seller of wine, or master  
13 distributor shall not grant the right to sell a specified brand or  
14 brands of wine in a sales territory to more than 1 wine wholesaler.  
15 A master distributor shall not itself distribute a specified brand  
16 or brands of wine in the same sales territory where that master  
17 distributor has granted the right to distribute that specified  
18 brand or brands of wine in that sales territory to another wine  
19 wholesaler.

20 (2) Notwithstanding subsection (1), a brand extension is not a  
21 new or different brand. A manufacturer or outstate seller of wine  
22 shall assign a brand extension to the wholesaler that was granted  
23 the sales territory for the brand from which the brand extension  
24 resulted.

25 (3) Subsection (2) does not apply if, before January 1, 1994,  
26 a manufacturer or outstate seller of wine had assigned a brand  
27 extension to a wholesaler that was not the appointed wholesaler for  
28 the brand from which the brand extension was made.

29 (4) Subsection (2) does not apply if, before October 1, 2019,

1 a successor manufacturer or successor outstate seller of wine had  
 2 assigned a brand extension to a wholesaler that was not the  
 3 appointed wholesaler for the brand from which the extension was  
 4 made.

5 (5) A manufacturer of a mixed wine drink ~~, mixed spirit drink~~  
 6 ~~manufacturer, and~~ outstate seller of a mixed wine drink ~~, or~~  
 7 ~~outstate seller of mixed spirit drink~~ shall grant to each of its  
 8 wholesalers an exclusive sales territory in which the wholesaler is  
 9 a distributor of the specified brand or brands of the manufacturer  
 10 or outstate seller. The territory is the territory agreed on  
 11 between the wholesaler and the manufacturer of a mixed wine drink ~~,~~  
 12 ~~mixed spirit drink manufacturer, or~~ outstate seller of mixed wine  
 13 drinks. ~~, or outstate seller of mixed spirit drink.~~

14 (6) Notwithstanding subsection (5), a brand extension is not a  
 15 new or different brand. A manufacturer of a mixed wine drink ~~,~~  
 16 ~~mixed spirit drink manufacturer, or~~ outstate seller of a mixed wine  
 17 drink ~~, or outstate seller of mixed spirit drink~~ shall assign a  
 18 brand extension to the wholesaler that was granted the exclusive  
 19 sales territory for the brand from which the brand extension  
 20 resulted.

21 (7) Subsection (6) does not apply if, before January 1, 1994,  
 22 a manufacturer of a mixed wine drink ~~, mixed spirit drink~~  
 23 ~~manufacturer, or~~ outstate seller of a mixed wine drink ~~, or~~  
 24 ~~outstate seller of mixed spirit drink~~ had assigned a brand  
 25 extension to a wholesaler that was not the appointed wholesaler for  
 26 the brand from which the brand extension was made.

27 (8) Subsection (6) does not apply if, before October 1, 2019,  
 28 a successor manufacturer or successor outstate seller of mixed wine  
 29 drink ~~or mixed spirit drink~~ had assigned a brand extension to a



1 wholesaler that was not the appointed wholesaler for the brand from  
2 which the brand extension was made.

3 (9) Subsection (1) does not prohibit any of the following:

4 (a) A manufacturer of wine, an outstate seller of wine, or a  
5 master distributor from continuing or renewing an agreement under  
6 this act with a wholesaler for a specified brand or brands for any  
7 county or part of a county where more than 1 wholesaler has an  
8 agreement with the manufacturer of wine, outstate seller of wine,  
9 or master distributor in effect on June 1, 2010 if the wholesaler  
10 had an agreement to distribute that specified brand or brands in  
11 that county or that part of a county and was a master distributor  
12 or was actively selling that brand or brands of wine to a retailer  
13 in that county or that part of a county on June 1, 2010.

14 (b) A wholesaler from selling or transferring the wholesaler's  
15 distribution rights or a manufacturer of wine, outstate seller of  
16 wine, or master distributor from approving the sale or transfer of  
17 a wholesaler's distribution rights to a specified brand or brands  
18 of wine for any county or part of a county to another wholesaler if  
19 the selling or transferring wholesaler, or any of its predecessors,  
20 had the right to distribute that brand or brands of wine in that  
21 county or part of that county and was actively selling that brand  
22 or brands to a retailer in that county or that part of a county on  
23 June 1, 2010 or was acting as a master distributor for that county  
24 or part of that county on June 1, 2010.

25 (10) As used in this section, "master distributor" means,  
26 notwithstanding section 109(4), a wholesaler that acts in the same  
27 or similar capacity as a wine maker, wine manufacturer, or outstate  
28 seller of wine for a brand or brands of wine to other wholesalers  
29 on a regular basis in the normal course of business.

1           Sec. 502. (1) Subject to subsection (3), the commission shall  
2 issue a salesperson license to an individual who is a designated  
3 employee of any of the following persons:

4           (a) A manufacturer of beer.

5           (b) A manufacturer of wine.

6           ~~(c) A manufacturer of mixed spirit drink.~~

7           **(c)** ~~(d)~~—An outstate seller of beer.

8           **(d)** ~~(e)~~—An outstate seller of wine.

9           ~~(f) An outstate seller of mixed spirit drink.~~

10          **(e)** ~~(g)~~—A wholesaler.

11          **(f)** ~~(h)~~—A broker that represents 1 or more persons described  
12 in subdivisions (a) to ~~(g)~~ **(e)**.

13          **(g)** ~~(i)~~—A broker described in subdivision ~~(h)~~ **(f)** that also  
14 represents 1 or more of the following persons:

15           (i) A vendor of spirits.

16           (ii) A manufacturer of spirits.

17          **(h)** ~~(j)~~—A vendor of spirits.

18          **(i)** ~~(k)~~—A manufacturer of spirits.

19          **(j)** ~~(l)~~—A broker that represents only 1 or more of the  
20 following:

21           (i) A vendor of spirits.

22           (ii) A manufacturer of spirits.

23          (2) A salesperson license issued under this section after  
24 April 15, 2018 but before April 30, 2020 expires on April 30, 2020.

25 A salesperson license issued under this section is renewable every  
26 3 years with the first triennial renewal cycle beginning May 1,  
27 2020. The commission may charge a reasonable initial license fee  
28 and triennial renewal fee. The commission shall establish a fee  
29 under this section by written order. The nonrefundable inspection

1 fee under section 529(4) is not required for an application for a  
 2 new salesperson license or transfer of a salesperson license. A  
 3 salesperson license issued or renewed under R 436.1853 of the  
 4 Michigan Administrative Code expires on the earlier of the  
 5 following dates:

6 (a) Three years after the date of the issuance or renewal.

7 (b) April 30, 2020.

8 (3) The commission shall not impose any other requirement or  
 9 consider any other factor beyond the accreditation required in this  
 10 section for issuance or renewal of a salesperson license. Except as  
 11 otherwise provided in this subsection, the commission shall not  
 12 issue a salesperson license under this section unless the applicant  
 13 submits with his or her application written documentation that the  
 14 applicant has successfully completed a salesperson accreditation  
 15 program. Except as otherwise provided in this subsection, the  
 16 commission shall not renew a salesperson license issued under this  
 17 section or under R 436.1853 of the Michigan Administrative Code  
 18 unless the licensee submits with his or her application proof  
 19 acceptable to the commission that the licensee has successfully  
 20 completed a salesperson accreditation program no more than 120 days  
 21 before the date the licensee submits his or her renewal  
 22 application. An applicant's completion of a salesperson  
 23 accreditation program is not a condition for issuance or renewal of  
 24 a salesperson license for any of the following applicants:

25 (a) A designated employee of a manufacturer of spirits.

26 (b) A designated employee of a vendor of spirits.

27 (c) A designated employee of a broker described in subsection  
 28 ~~(1) (l)~~. (1) (j) .

29 (4) Except as provided in subsection (5), an individual shall

1 not sell, deliver, promote, or otherwise assist in the sale of  
2 alcoholic liquor in any manner to a retailer in this state unless  
3 licensed under this section or under R 436.1853 of the Michigan  
4 Administrative Code. An individual licensed as a salesperson under  
5 R 436.1853 of the Michigan Administrative Code before April 15,  
6 2018 shall comply with the requirements of this section on renewal  
7 of his or her salesperson license, application for a subsequent  
8 salesperson license under a different employer, or a request to  
9 transfer his or her salesperson license to a different employer.

10 (5) This section does not require an individual who is at  
11 least 18 years of age and who only does any of the following to be  
12 licensed as a salesperson:

13 (a) Builds a display of those brands that are represented or  
14 sold by the individual's employer for an off-premises retailer.

15 (b) Marks the price on those brands that are represented or  
16 sold by the individual's employer for an off-premises retailer.

17 (c) Rotates brands that are represented or sold by the  
18 individual's employer for an off-premises retailer.

19 (d) Places brands that are represented or sold by the  
20 individual's employer on shelves for an off-premises retailer.

21 (e) For an individual who holds a Michigan commercial driver  
22 license or chauffeur's license, transports, in a vehicle licensed  
23 by the commission under section 525, and delivers alcoholic liquor  
24 to a retailer.

25 (6) The commission shall approve a salesperson ~~license~~  
26 accreditation program designed for salesperson licensees if the  
27 commission determines that the program's curriculum includes an  
28 understanding of all of the following:

29 (a) Section 609.

1 (b) Section 609a.

2 (c) Section 609b.

3 (d) Section 610d.

4 (e) The provisions of section 1013 that require the sale or  
5 purchase of alcoholic liquor by a licensee for cash only.

6 (f) R 436.1315 of the Michigan Administrative Code.

7 (g) R 436.1726 of the Michigan Administrative Code.

8 (h) The commission's order for on-premises brand promotions  
9 issued October 27, 1999.

10 (i) Product adjustments as provided for in this act.

11 (7) A person described in subsection (1) (a) to ~~(g)~~ **(e)** or a  
12 qualified trade association may apply to the commission for  
13 qualification as an administrator for the offering of a salesperson  
14 accreditation program.

15 (8) On approval of a salesperson accreditation program under  
16 subsection (6), the commission shall appoint the person or  
17 qualified trade association sponsoring the salesperson  
18 accreditation program as administrator of that program.

19 (9) As used in this section:

20 (a) "Administrator" means a person described in subsection  
21 (1) (a) to ~~(g)~~ **(e)** or a qualified trade association authorized by  
22 the commission to offer salesperson accreditation programs.

23 (b) "Broker" means that term as defined in R 436.1001 of the  
24 Michigan Administrative Code.

25 (c) "Designated employee" means an individual who sells,  
26 delivers, promotes, or otherwise assists in the sale of alcoholic  
27 liquor.

28 (d) "Qualified trade association" means a trade association  
29 that represents a person described in subsection (1) (a) to ~~(g)~~ **(e)**

1 that employs individuals to act as salespersons.

2 (e) "Salesperson accreditation program" means a program that  
3 the commission approves under subsection (6) and that is offered by  
4 an administrator.

5 Sec. 504. (1) The commission may issue a limited production  
6 manufacturer license to a person that purchases beer from another  
7 brewer, micro brewer, or out-of-state equivalent of a brewer or  
8 micro brewer for purposes of taking ownership of the beer and  
9 performing any of the manufacturing process as described in section  
10 109(1).

11 (2) The commission shall charge an initial and renewal license  
12 fee for a license under this section of \$1,000.00.

13 (3) Notwithstanding section 204, a brewer, micro brewer, or  
14 out-of-state equivalent of a brewer or micro brewer may sell beer  
15 to a limited production manufacturer and a limited production  
16 manufacturer may buy beer from a brewer, micro brewer, or an out-  
17 of-state equivalent of a brewer or micro brewer if all of the  
18 following conditions are met:

19 (a) The brewer, micro brewer, or out-of-state equivalent of a  
20 brewer or micro brewer relinquishes ownership of the beer to the  
21 purchasing limited production manufacturer.

22 (b) The limited production manufacturer modifies the beer by  
23 performing all or part of the manufacturing process as described in  
24 section 109(1).

25 (c) The brewer, micro brewer, or out-of-state equivalent of a  
26 brewer or micro brewer notifies the commission in writing of the  
27 sale and the amount of beer being sold to a purchasing limited  
28 production manufacturer before each sale. The notification must be  
29 in the form required by the commission.

1 (d) The brewer, micro brewer, or out-of-state equivalent of a  
2 brewer or micro brewer and the limited production manufacturer  
3 maintain records of the sale, in the manner required by the  
4 commission, for 3 years.

5 (4) A limited production manufacturer may only sell beer to a  
6 wholesaler or a person located outside of this state regardless of  
7 whether the person is licensed under this act. Notwithstanding  
8 section ~~109(10)~~**109(9)** or R 436.1609(2) of the Michigan  
9 Administrative Code, beer sold by a limited production manufacturer  
10 to a person located outside of this state that holds an outstate  
11 seller of beer license may be sold to a wholesaler in this state by  
12 the outstate seller of beer.

13 (5) A limited production manufacturer must not be licensed as  
14 or hold a financial interest in another licensed supplier except  
15 for purposes of purchasing beer in the manner allowed in this  
16 section.

17 (6) A limited production manufacturer shall not hold a license  
18 in the wholesaler tier or retailer tier as provided in section  
19 603(13).

20 (7) Except as otherwise provided in this section, a limited  
21 production manufacturer shall comply with all provisions of this  
22 act that apply to the activities of a brewer, including, but not  
23 limited to, sections 401, 403, 409, 603, and 609.

24 (8) A limited production manufacturer shall not self-  
25 distribute.

26 (9) Before selling beer in this state to a wholesaler, a  
27 limited production manufacturer shall register the beer and receive  
28 a registration number of approval under R 436.1611 of the Michigan  
29 Administrative Code.

1 (10) A limited production manufacturer must be the holder of a  
2 federal brewer's notice issued by the United States Department of  
3 Treasury, Alcohol and Tobacco Tax and Trade Bureau in accordance  
4 with 27 CFR 25.61 to 25.85.

5 (11) As used in this section:

6 (a) "Limited production manufacturer" means a person licensed  
7 under this section.

8 (b) "Supplier" means that term as defined in section 603.

9 Sec. 518. ~~(1) As used in this section:~~

10 ~~(a) "Motorsports entertainment complex" means a closed-course~~  
11 ~~motorsports facility and its ancillary grounds that comply with all~~  
12 ~~of the following:~~

13 ~~(i) Has at least 1,500 fixed seats for race patrons.~~

14 ~~(ii) Has at least 7 scheduled days of motorsports events each~~  
15 ~~calendar year.~~

16 ~~(iii) Serves food and beverages at the facility during~~  
17 ~~sanctioned motorsports events each calendar year through concession~~  
18 ~~outlets, which may be staffed by individuals who represent or are~~  
19 ~~members of 1 or more nonprofit civic or charitable organizations~~  
20 ~~that directly financially benefit from the concession outlets'~~  
21 ~~sales.~~

22 ~~(iv) Engages in tourism promotion.~~

23 ~~(b) "Motorsports event" means a motorsports race and its~~  
24 ~~ancillary activities that have been sanctioned by a sanctioning~~  
25 ~~body.~~

26 ~~(c) "Owner" means a person who owns and operates a motorsports~~  
27 ~~entertainment complex.~~

28 ~~(d) "Sanctioning body" means the American motorcycle~~  
29 ~~association (AMA); auto racing club of America (ARCA); championship~~



1 ~~auto racing teams (CART); grand American road racing association~~  
 2 ~~(GRAND AM); Indy racing league (IRL); national association for~~  
 3 ~~stock car auto racing (NASCAR); nation hot rod association (NHRA);~~  
 4 ~~professional sportscar racing (PSR); sports car club of America~~  
 5 ~~(SCCA); United States auto club (USAC); Michigan state promoters~~  
 6 ~~association; or any successor organization or any other nationally~~  
 7 ~~or internationally recognized governing body of motorsports that~~  
 8 ~~establishes an annual schedule of motorsports events and grants~~  
 9 ~~rights to conduct the events, that has established and administers~~  
 10 ~~rules and regulations governing all participants involved in the~~  
 11 ~~events and all persons conducting the events, and that requires~~  
 12 ~~certain liability assurances, including insurance.~~

13       (1) ~~(2)~~ Notwithstanding the quota provisions of section 531,  
 14 the commission may issue motorsports event licenses for the sale of  
 15 beer and wine or beer, wine, ~~mixed spirit drink,~~ and spirits for  
 16 consumption on the premises to the owner of a motorsports  
 17 entertainment complex for use during sanctioned motorsports events  
 18 only. The sale of beer, wine, ~~mixed spirit drink,~~ and spirits at  
 19 concession outlets or additional locations within the motorsports  
 20 entertainment complex during motorsports sanctioned events ~~shall~~  
 21 **are** not ~~be~~ considered additional bars for the purpose of  
 22 determining a license fee ~~pursuant to~~ **under** section 525(1)(e).  
 23 **525(1)(n)**. An applicant for a license under this section that  
 24 elects to sell beer and wine only shall pay to the commission a  
 25 license fee of \$250.00. An applicant for a license under this  
 26 section that elects to sell beer, wine, ~~mixed spirit drink,~~ and  
 27 spirits shall pay to the commission a license fee of \$600.00.

28       (2) ~~(3)~~ For a period of time not to exceed 7 consecutive days  
 29 during which public access is permitted to a motorsports

1 entertainment complex in connection with a motorsports event,  
 2 members of the general public at least 21 years or older may bring  
 3 beer and wine not purchased at the licensed motorsports  
 4 entertainment complex into the motorsports entertainment complex  
 5 and possess and consume that beer and wine. Possession and  
 6 consumption of beer and wine under this section are allowed only in  
 7 portions of the motorsports entertainment complex open to the  
 8 general public that are also part of the licensed premises of a  
 9 retail licensee under both of the following circumstances:

10 (a) The licensed premises are located within the motorsports  
 11 entertainment complex.

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

14 **(3)** ~~(4)~~—A person holding a license for the sale of alcoholic  
 15 liquor for consumption on the premises at a motorsports  
 16 entertainment complex is subject to the civil liability provisions  
 17 of section 801 if the civil action is brought by or on behalf of an  
 18 individual who suffers damage or is personally injured by a minor  
 19 or visibly intoxicated person by reason of the unlawful consumption  
 20 of alcoholic liquor on the licensed premises by that minor or  
 21 visibly intoxicated person if the unlawful consumption is proven to  
 22 be a proximate cause of the damage, injury, or death of the  
 23 individual, whether the alcoholic liquor was sold or furnished by  
 24 the licensee or was brought onto the licensed premises under  
 25 subsection ~~(3)~~ **(2)**.

26 **(4) As used in this section:**

27 **(a) "Motorsports entertainment complex" means a closed-course**  
 28 **motorsports facility and its ancillary grounds that comply with all**  
 29 **of the following:**

1 (i) Has at least 1,500 fixed seats for race patrons.

2 (ii) Has at least 7 scheduled days of motorsports events each  
3 calendar year.

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

10 (iv) Engages in tourism promotion.

11 (b) "Motorsports event" means a motorsports race and its  
12 ancillary activities that have been sanctioned by a sanctioning  
13 body.

14 (c) "Owner" means a person who owns and operates a motorsports  
15 entertainment complex.

16 (d) "Sanctioning body" means the American Motorcycle  
17 Association (AMA); Auto Racing Club of America (ARCA); Championship  
18 Auto Racing Teams (CART); Grand American Road Racing Association  
19 (GRAND AM); Indy Racing League (IRL); National Association for  
20 Stock Car Auto Racing (NASCAR); National Hot Rod Association  
21 (NHRA); Professional Sportscar Racing (PSR); Sports Car Club of  
22 America (SCCA); United States Auto Club (USAC); Michigan State  
23 Promoters Association; or any successor organization or any other  
24 nationally or internationally recognized governing body of  
25 motorsports that establishes an annual schedule of motorsports  
26 events and grants rights to conduct the events, that has  
27 established and administers rules and regulations governing all  
28 participants involved in the events and all persons conducting the  
29 events, and that requires certain liability assurances, including

**1 insurance.**

2           Sec. 525. (1) Except as otherwise provided in this section,  
3 the following license fees must be paid at the time of filing  
4 applications or as otherwise provided in this act and are subject  
5 to allocation under section 543:

6           (a) Manufacturers of spirits, not including makers, blenders,  
7 and rectifiers of wines containing 21% or less alcohol by volume,  
8 \$1,000.00.

9           (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or  
10 fraction of a barrel, production annually with a maximum fee of  
11 \$1,000.00, and in addition \$50.00 for each motor vehicle used in  
12 delivery to retail licensees. A fee increase does not apply to a  
13 manufacturer of less than 15,000 barrels production per year.

14           (c) Outstate seller of beer, delivering or selling beer in  
15 this state, \$1,000.00.

16           (d) Wine makers, blenders, and rectifiers of wine, including  
17 makers, blenders, and rectifiers of wines containing 21% or less  
18 alcohol by volume, \$100.00. The small wine maker license fee is  
19 \$25.00.

20           (e) Outstate seller of wine, delivering or selling wine in  
21 this state, \$300.00.

22           ~~(f) Outstate seller of mixed spirit drink, delivering or~~  
23 ~~selling mixed spirit drink in this state, \$300.00.~~

24           **(f)** ~~(g)~~ Dining cars or other railroad or Pullman cars selling  
25 alcoholic liquor, \$100.00 per train.

26           **(g)** ~~(h)~~ Wholesale vendors other than manufacturers of beer,  
27 \$300.00 for the first motor vehicle used in delivery to retail  
28 licensees and \$50.00 for each additional motor vehicle used in  
29 delivery to retail licensees.

1           **(h)** ~~(i)~~—Watercraft, licensed to carry passengers, selling  
 2 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of  
 3 \$500.00 per year computed on the basis of \$1.00 per person per  
 4 passenger capacity.

5           **(i)** ~~(j)~~—Specially designated merchants, for selling beer or  
 6 wine for consumption off the premises only but not at wholesale,  
 7 \$100.00 for each location regardless of whether the location is  
 8 part of a system or chain of merchandising.

9           **(j)** ~~(k)~~—Specially designated distributors licensed by the  
 10 commission to distribute spirits ~~and mixed spirit drink~~ in the  
 11 original package for the commission for consumption off the  
 12 premises, \$150.00 per year, and an additional fee of \$3.00 for each  
 13 \$1,000.00 or major fraction of that amount in excess of \$25,000.00  
 14 of the total retail value of merchandise purchased under each  
 15 license from the commission during the previous calendar year.

16           **(k)** ~~(l)~~—Hotels of class A selling beer and wine, a minimum fee  
 17 of \$250.00 and \$1.00 for each bedroom in excess of 20, but not more  
 18 than \$500.00 total.

19           **(l)** ~~(m)~~—Hotels of class B selling beer, wine, ~~mixed spirit~~  
 20 ~~drink,~~ and spirits, a minimum fee of \$600.00 and \$3.00 for each  
 21 bedroom in excess of 20. If a hotel of class B sells beer, wine,  
 22 mixed spirit drink, and spirits in more than 1 public bar, a fee of  
 23 \$350.00 must be paid for each additional public bar, other than a  
 24 bedroom.

25           **(m)** ~~(n)~~—Taverns, selling beer and wine, \$250.00.

26           **(n)** ~~(o)~~—Class C license selling beer, wine, ~~mixed spirit~~  
 27 ~~drink,~~ and spirits, \$600.00. Subject to section ~~518(2),~~ **518(1)**, if  
 28 a class C licensee sells beer, wine, ~~mixed spirit drink,~~ and  
 29 spirits in more than 1 bar, a fee of \$350.00 must be paid for each

1 additional bar. In municipally owned or supported facilities in  
 2 which nonprofit organizations operate concession stands, a fee of  
 3 \$100.00 must be paid for each additional bar.

4       **(o)** ~~(p)~~ Clubs selling beer, wine, ~~mixed spirit drink,~~ and  
 5 spirits, \$300.00 for clubs having 150 or fewer accredited members  
 6 and \$1.00 for each member in excess of 150. Clubs shall submit a  
 7 list of members by an affidavit 30 days before the closing of the  
 8 license year. The affidavit must be used only for determining the  
 9 license fees to be paid under this subdivision. This subdivision  
 10 does not prevent the commission from checking a membership list and  
 11 making its own determination from the list or otherwise. The list  
 12 of members and additional members is not required of a club paying  
 13 the maximum fee. The maximum fee must not exceed \$750.00 for any 1  
 14 club.

15       **(p)** ~~(q)~~ Warehouseurs, to be fixed by the commission with a  
 16 minimum fee for each warehouse of \$50.00.

17       **(q)** ~~(r)~~ Special licenses, a fee of \$50.00 per day, except that  
 18 the fee for the license or permit issued to a bona fide nonprofit  
 19 association, organized and in continuous existence for 1 year  
 20 before the filing of its application, is \$25.00. The commission  
 21 shall not grant more than 12 special licenses to any organization,  
 22 including an auxiliary of the organization, in a calendar year.

23       **(r)** ~~(s)~~ Airlines licensed to carry passengers in this state  
 24 that sell, offer for sale, provide, or transport alcoholic liquor,  
 25 \$600.00.

26       **(s)** ~~(t)~~ Brandy manufacturer, \$100.00.

27       ~~(u) Mixed spirit drink manufacturer, \$100.00.~~

28       **(t)** ~~(v)~~ Brewpub, \$100.00.

29       **(u)** ~~(w)~~ Class G-1, \$1,000.00.

1           (v) ~~(x)~~—Class G-2, \$500.00.

2           (w) ~~(y)~~—Motorsports event license, the amount as described and  
3 determined under section ~~518(2)~~ **518(1)**.

4           (x) ~~(z)~~—Small distiller, \$100.00.

5           (y) ~~(aa)~~—Wine auction license, \$50,000.00.

6           (z) ~~(bb)~~—Nonpublic continuing care retirement center license,  
7 \$600.00.

8           (aa) ~~(cc)~~—Conditional license approved under subsection (6)  
9 and issued under subsection (7), \$300.00.

10           (2) The fees provided in this act for the various types of  
11 licenses must not be prorated for a portion of the effective period  
12 of the license. Notwithstanding subsection (1), the initial license  
13 fee for a license issued under section 531(3) or (4) is \$20,000.00.  
14 The renewal license fee is the amount described in subsection (1).  
15 However, the commission shall not impose the \$20,000.00 initial  
16 license fee for applicants whose license eligibility was already  
17 approved on July 20, 2005.

18           (3) If the commission requires an applicant to submit  
19 fingerprints, the applicant shall have the fingerprints taken by a  
20 local law enforcement agency, the department of state police, or  
21 any other person qualified to take fingerprints as determined by  
22 the department of state police. The applicant shall submit the  
23 fingerprints and the appropriate state and federal fees, which  
24 shall be borne by the applicant, to the department of state police  
25 and the Federal Bureau of Investigation for a criminal history  
26 check. After conducting the criminal history check, the department  
27 of state police shall provide the commission with a report of the  
28 criminal history check. The report must include criminal history  
29 record information concerning the person who is the subject of the

1 criminal history check that is maintained by the department of  
2 state police. If a criminal arrest fingerprint card is subsequently  
3 submitted to the department of state police and matches against a  
4 fingerprint that was submitted under this act and stored in its  
5 automated fingerprint identification system (AFIS) database, the  
6 department of state police shall notify the commission.

7 (4) Except for a resort or resort economic development license  
8 issued under section 531(2), (3), (4), or (5) or a license issued  
9 under section 521a, the commission shall issue an initial or  
10 renewal license not later than 90 days after the applicant files a  
11 completed application. The application is considered to be received  
12 the date the application is received by an agency or department of  
13 this state. If the commission determines that an application is  
14 incomplete, the commission shall notify the applicant in writing,  
15 or make the information electronically available, within 30 days  
16 after receipt of the incomplete application, describing the  
17 deficiency and requesting the additional information. The  
18 determination of the completeness of an application is not an  
19 approval of the application for the license and does not confer  
20 eligibility on an applicant determined otherwise ineligible for  
21 issuance of a license. The 90-day period is tolled for the  
22 following periods under any of the following circumstances:

23 (a) If notice is sent by the commission of a deficiency in the  
24 application, until the date all of the requested information is  
25 received by the commission.

26 (b) For the time required to complete actions required by a  
27 person, other than the applicant or the commission, including, but  
28 not limited to, completion of construction or renovation of the  
29 licensed premises; mandated inspections by the commission or by any



1 state, local, or federal agency; approval by the legislative body  
2 of a local unit of government; criminal history or criminal record  
3 checks; financial or court record checks; or other actions mandated  
4 by this act or rule or as otherwise mandated by law or local  
5 ordinance.

6 (5) If the commission fails to issue or deny a license within  
7 the time required by this section, the commission shall return the  
8 license fee and shall reduce the license fee for the applicant's  
9 next renewal application, if any, by 15%. The failure to issue a  
10 license within the time required under this section does not allow  
11 the commission to otherwise delay the processing of the  
12 application, and the application, on completion, must be placed in  
13 sequence with other completed applications received at that same  
14 time. The commission shall not discriminate against an applicant in  
15 the processing of the application because the license fee was  
16 refunded or discounted under this subsection.

17 (6) If, in addition to a completed application under this  
18 section, an applicant submits a separate form requesting a  
19 conditional license with an acceptable proof of financial  
20 responsibility form under section 803, an executed property  
21 document, and, for an application to transfer the location of an  
22 existing retailer license other than specially designated  
23 distributor license, a church or school proximity affidavit on a  
24 form prescribed by the commission attesting that the proposed  
25 location is not within 500 feet of a church or school building  
26 using the method of measurement required under section 503, the  
27 commission shall, after considering the arrest and conviction  
28 records or previous violation history in the management, operation,  
29 or ownership of a licensed business, approve or deny a conditional

1 license. A conditional license issued under subsection (7) must  
2 only include any existing permits and approvals held in connection  
3 with the license, other than permits or approvals for which the  
4 conditional applicant does not meet the requirements in this act or  
5 rules promulgated under this act, or permits or approvals that the  
6 conditional applicant has requested to cancel as part of the  
7 application that serves as the basis for the conditional license.  
8 The commission shall not issue a new permit with a conditional  
9 license issued under subsection (7). The following applicants may  
10 request a conditional license:

11 (a) An applicant seeking to transfer ownership of an existing  
12 retailer license at the same location to sell alcoholic liquor for  
13 consumption on or off the premises.

14 (b) An applicant seeking to transfer the ownership and  
15 location of an existing retailer license, other than a specially  
16 designated distributor license, to sell alcoholic liquor for  
17 consumption on or off the premises.

18 (c) An applicant seeking a new specially designated merchant  
19 license, other than a specially designated merchant license issued  
20 under section 533(6), not to be held in conjunction with a license  
21 for the sale of alcoholic liquor for consumption on the premises.

22 (7) The commission shall issue a conditional license to  
23 applicants approved under subsection (6) within 20 business days  
24 after receipt of a completed application and a completed  
25 conditional license request form and documentation for a  
26 conditional license at a single location. The commission may take  
27 up to 30 business days to issue conditional licenses to approved  
28 applicants seeking conditional licenses at multiple locations.  
29 However, for an applicant described under this subsection that is

1 seeking a specially designated merchant license under section  
2 533(7), the commission may take up to 45 business days to issue a  
3 conditional license. Notwithstanding the applicant's submission of  
4 a church or school proximity affidavit under subsection (6), if the  
5 commission determines that a conditional license in conjunction  
6 with an application to transfer the location of an existing  
7 retailer license has been issued under this subsection at a  
8 proposed location that is within 500 feet of a church or school  
9 building, the commission shall suspend the conditional license and  
10 notify the church or school of the proposed location under the  
11 rules promulgated under this act. If the commission issues a  
12 conditional license under this subsection based on a church or  
13 school proximity affidavit under subsection (6) without knowledge  
14 that the representations included in the affidavit are incorrect,  
15 this state is not liable to any person for the commission's  
16 issuance of the conditional license. The commission may assume  
17 without inquiry the existence of the facts contained in the  
18 affidavit.

19 (8) A conditional license approved under subsection (6) and  
20 issued under subsection (7) is nontransferable and nonrenewable. A  
21 conditional licensee is required to comply with the server training  
22 requirements in section 501(1) beginning on the date a conditional  
23 license is issued under subsection (7) regardless of whether the  
24 conditional licensee is actively operating under the conditional  
25 license.

26 (9) A conditional license approved under subsection (6) and  
27 issued under subsection (7) expires when the first of the following  
28 occurs:

29 (a) The commission issues an order of denial of the license

1 application that serves as the basis for the conditional license  
2 and all administrative remedies before the commission have been  
3 exhausted.

4 (b) The commission issues the license under subsection (4) for  
5 which the applicant submitted the license application that serves  
6 as the basis for the conditional license.

7 (c) The licensee or conditional licensee notifies the  
8 commission in writing that the initial or conditional application  
9 should be canceled.

10 (d) One year passes after the date the conditional license was  
11 issued, notwithstanding any suspension of the conditional license  
12 by the commission.

13 (10) If a conditional licensee fails to maintain acceptable  
14 proof of its financial responsibility as required under section  
15 803, the commission shall summarily suspend the conditional license  
16 under section 92(2) of the administrative procedures act of 1969,  
17 1969 PA 306, MCL 24.292, until the conditional licensee files an  
18 acceptable proof of financial responsibility form under section  
19 803. If a conditional license is revoked, the conditional licensee  
20 shall not recover from this state or a unit of local government any  
21 compensation for property, future income, or future economic loss  
22 because of the revocation.

23 (11) On issuing a conditional license under subsection (7),  
24 the commission shall, until the conditional license expires under  
25 subsection (9), place the existing license under subsection (4) for  
26 which the applicant submitted the application that serves as the  
27 basis for the conditional license in escrow in compliance with R  
28 436.1107 of the Michigan Administrative Code. If the conditional  
29 license expires under subsection (9), an existing licensee may do 1

1 of the following:

2 (a) Request that the commission release the license from  
3 escrow.

4 (b) Keep the license in escrow. The escrow date for compliance  
5 with R 436.1107 of the Michigan Administrative Code is the date the  
6 conditional license expires.

7 (12) The chair of the commission shall submit a report by  
8 December 1 of each year to the standing committees and  
9 appropriations subcommittees of the senate and house of  
10 representatives concerned with liquor license issues. The chair of  
11 the commission shall include all of the following information in  
12 the report concerning the preceding fiscal year:

13 (a) The number of initial and renewal applications the  
14 commission received and completed within the 90-day time period  
15 described in subsection (4).

16 (b) The number of applications denied.

17 (c) The number of applicants not issued a license within the  
18 90-day time period and the amount of money returned to licensees  
19 under subsection (5).

20 (13) As used in this section, "completed application" means an  
21 application complete on its face and submitted with any applicable  
22 licensing fees as well as any other information, records, approval,  
23 security, or similar item required by law or rule from a local unit  
24 of government, a federal agency, or a private entity but not from  
25 another department or agency of this state.

26 Sec. 532. (1) A club license allows the licensee to sell, for  
27 consumption on the licensed premises, beer, wine, ~~mixed-spirit~~  
28 ~~drink,~~ and spirits only to bona fide members of the club who have  
29 attained the age of 21 years. As used in this subsection, "bona

1    bona fide member" means an individual admitted as a charter member or  
2    admitted in accordance with the bylaws of the club, who maintains  
3    current membership by the payment of annual dues, whose name and  
4    address is entered on the list of members, and who has voting  
5    rights to regularly elect the board of directors, officers,  
6    executive committee, or similar body that conducts the affairs and  
7    management of the club. For an incorporated or unincorporated  
8    nonprofit veterans' organization that is a branch or chapter of a  
9    national organization or an organization chartered by the United  
10   States Congress, a bona fide member includes a member of another  
11   branch or chapter who possesses an identification card indicating  
12   current membership in the same national or congressionally  
13   chartered veterans' organization. For a branch, chapter, lodge,  
14   aerie, or other local unit of a national fraternal nonprofit  
15   association that is exempt from federal income taxes under section  
16   501(c)(8) or 501(c)(10) of the internal revenue code **of 1986**, 26  
17   USC 501, a bona fide member includes a member of another branch,  
18   chapter, lodge, aerie, or local unit who possesses an  
19   identification card indicating current membership in the same  
20   national fraternal nonprofit association.

21       (2) Except as otherwise provided in subsection (3), the  
22   commission shall not issue a license to a club unless the club has  
23   been in existence for ~~a period of not less than 2~~ **or more** years  
24   before the application for the license.

25       (3) A club shall give public notice of the intent of the  
26   commission to issue the club a club license by publication in a  
27   newspaper published or in general circulation within the local  
28   governmental unit at least 10 days before the commission issues the  
29   license. A club that is a chapter of a national organization that

1 has had a license for 10 or more years may apply for a license  
2 without a waiting period. Public notice of the commission's intent  
3 to renew the club license is not required.

4 (4) Except for a club paying a maximum fee, within 10 days  
5 after February 1 of each year the club shall file with the  
6 commission a list of names and residences of its members and make a  
7 similar filing of the name and residence with the commission within  
8 10 days after the election of an additional member. The annual  
9 filing must also include a statement that the club's annual  
10 aggregate membership fees or dues and other income, exclusive of  
11 the proceeds from the sale of alcoholic liquor, are sufficient to  
12 defray the annual rental of its leased or rented premises or, if  
13 the premises are owned by the club, are sufficient to meet the  
14 taxes, insurance, repairs, and interest on a mortgage on the  
15 premises.

16 (5) The affairs and management of the club must be conducted  
17 by a board of directors, executive committee, or similar body  
18 chosen by the members. A member, officer, agent, or employee of the  
19 club must not be paid, or directly or indirectly receive in the  
20 form of salary or other compensation, profits from the disposition  
21 of alcoholic liquor to the club or to the members of the club,  
22 beyond the amount of salary fixed and voted at meetings by the  
23 members or by its directors or other governing body and as reported  
24 by the club to the commission, within 3 months after the meeting.

25 Sec. 536. (1) Except as provided in section 105(13), the  
26 commission shall allow a person to be licensed as more than 1 type  
27 of manufacturer in this state.

28 (2) A person that holds more than 1 type of manufacturing  
29 license in this state shall meet all applicable provisions of this

1 act for each type of manufacturing license the person holds.

2 (3) Subject to the requirements of this section and section  
3 537, the commission may approve a licensed manufacturer to operate  
4 1 or more tasting rooms.

5 (4) Brewers and micro brewers shall not have more approved  
6 tasting rooms than allowed in section 411.

7 (5) A tasting room may be jointly operated by 2 or more  
8 manufacturers if either of the following conditions is met:

9 (a) The manufacturers are owned by the same person and their  
10 manufacturing premises share the same address.

11 (b) The manufacturers are not owned by the same person and  
12 their manufacturing premises do not share the same address.

13 (6) A tasting room is treated as licensed premises for  
14 purposes of this act.

15 (7) An approved tasting room located on the manufacturing  
16 premises of 1 or more manufacturers that are owned by the same  
17 person and whose manufacturing premises share the same address must  
18 comply with all of the following:

19 (a) The commission must approve and issue an on-premises  
20 tasting room permit to the manufacturer or manufacturers.

21 (b) The manufacturer or manufacturers must pay the \$100.00  
22 initial permit fee, which is renewable annually.

23 (c) The manufacturer or manufacturers must be approved for the  
24 on-premises tasting room permit by the local legislative body in  
25 which the proposed licensed premises will be located, except in a  
26 city having a population of 600,000 or more or as provided in  
27 subsection (17).

28 (d) The manufacturer or manufacturers must comply with the  
29 server training requirements of section 906.



1 (e) The manufacturer or manufacturers must file with the  
2 commission proof of financial responsibility providing security for  
3 liability under section 801(2) of not less than \$50,000.00 as  
4 provided in section 803.

5 (f) A separate on-premises tasting room permit is not required  
6 for each license type for a person licensed by the commission under  
7 any combination of brewer, micro brewer, wine maker, small wine  
8 maker, distiller, small distiller, brandy manufacturer, or ~~mixed~~  
9 ~~spirit drink~~ manufacturer licenses issued to that person at the  
10 same manufacturing premises.

11 (g) The commission shall not issue to a manufacturer or  
12 manufacturers a Sunday sales permit, catering permit, dance permit,  
13 entertainment permit, specific purpose permit, extended hours  
14 permit, or authorization for outdoor service unless the commission  
15 has issued an on-premises tasting room permit to the manufacturer  
16 or manufacturers. A Sunday sales permit, catering permit, dance  
17 permit, entertainment permit, specific purpose permit, extended  
18 hours permit, or authorization for outdoor service may be issued  
19 concurrently with the issuance of an on-premises tasting room  
20 permit.

21 (h) A brewer, micro brewer, wine maker, small wine maker,  
22 distiller, small distiller, **or** brandy manufacturer ~~, or mixed~~  
23 ~~spirit drink manufacturer~~ may own and operate a restaurant or allow  
24 another person to operate a restaurant as part of the on-premises  
25 tasting room on the manufacturing premises. If the brewer, micro  
26 brewer, wine maker, small wine maker, distiller, small distiller,  
27 **or** brandy manufacturer ~~, or mixed spirit drink manufacturer~~ allows  
28 another person to operate a restaurant on the manufacturing  
29 premises, the brewer, micro brewer, wine maker, small wine maker,

1 distiller, small distiller, **or** brandy manufacturer, ~~or mixed~~  
2 ~~spirit drink manufacturer~~ must hold a participation permit naming  
3 as a participant the other person. The other person must meet the  
4 requirements for a participant in R 436.1041(3) of the Michigan  
5 Administrative Code.

6 (8) Subject to subsection (10), an approved tasting room  
7 located off the manufacturing premises of 1 or more manufacturers,  
8 other than a brewer, **or** micro brewer, ~~or mixed spirit drink~~  
9 ~~manufacturer~~, that are owned by the same person and whose  
10 manufacturing premises share the same address must comply with all  
11 of the following:

12 (a) The commission must approve and issue an off-premises  
13 tasting room license to the manufacturer or manufacturers.

14 (b) The manufacturer or manufacturers must pay the \$100.00  
15 initial license fee, which is renewable annually.

16 (c) The manufacturer or manufacturers must be approved for the  
17 off-premises tasting room license by the local legislative body in  
18 which the proposed licensed premises will be located, except in a  
19 city having a population of 600,000 or more or as provided in  
20 subsection (17).

21 (d) The manufacturer or manufacturers must comply with the  
22 server training requirements of section 906 at the off-premises  
23 tasting room.

24 (e) The manufacturer or manufacturers must file with the  
25 commission proof of financial responsibility providing security for  
26 liability under section 801(2) of not less than \$50,000.00 as  
27 provided in section 803 for the off-premises tasting room.

28 (f) A separate off-premises tasting room license is not  
29 required for each license type for a person licensed by the

1 commission under any combination of wine maker, small wine maker,  
2 distiller, small distiller, or brandy manufacturer licenses issued  
3 to that person at the same manufacturing premises.

4 (g) The commission shall not issue to a manufacturer or  
5 manufacturers a Sunday sales permit, catering permit, dance permit,  
6 entertainment permit, specific purpose permit, extended hours  
7 permit, authorization for outdoor service, or permission to  
8 maintain a direct connection to unlicensed premises unless the  
9 commission has issued an off-premises tasting room license to the  
10 manufacturer or manufacturers. A Sunday sales permit, catering  
11 permit, dance permit, entertainment permit, specific purpose  
12 permit, extended hours permit, authorization for outdoor service,  
13 or permission to maintain a direct connection to unlicensed  
14 premises may be issued concurrently with the issuance of an off-  
15 premises tasting room license.

16 (9) Subject to subsection (10), an approved jointly operated  
17 tasting room located off the manufacturing premises of 2 or more  
18 manufacturers, other than a brewer, **or** micro brewer ~~, or mixed~~  
19 ~~spirit drink manufacturer,~~ that are not owned by the same person  
20 and whose manufacturing premises do not share the same address must  
21 comply with all of the following:

22 (a) The commission must approve and issue a joint off-premises  
23 tasting room license to each of the manufacturers.

24 (b) Each manufacturer must pay the \$100.00 initial license  
25 fee, which is renewable annually.

26 (c) Each manufacturer must be approved for a joint off-  
27 premises tasting room license by the local legislative body in  
28 which the proposed licensed premises will be located, except in a  
29 city having a population of 600,000 or more or as provided in

1 subsection (17).

2 (d) Each manufacturer must comply with the server training  
3 requirements of section 906 at the jointly operated off-premises  
4 tasting room.

5 (e) Each manufacturer must file with the commission proof of  
6 financial responsibility providing security for liability under  
7 section 801(2) of not less than \$50,000.00 as provided in section  
8 803 for the jointly operated off-premises tasting room.

9 (f) Any management agreements with an unlicensed manager of  
10 the jointly operated off-premises tasting room must comply with the  
11 requirements of R 436.1041 of the Michigan Administrative Code and  
12 all the manufacturers must hold a participation permit naming as a  
13 participant the unlicensed manager. The unlicensed manager must  
14 meet the requirements for a participant in R 436.1041(3) of the  
15 Michigan Administrative Code.

16 (g) A Sunday sales permit, dance permit, entertainment permit,  
17 specific purpose permit, extended hours permit, authorization for  
18 outdoor service, or permission to maintain a direct connection to  
19 unlicensed premises may be issued in conjunction with a jointly  
20 operated off-premises tasting room. All manufacturers licensed at  
21 the jointly operated off-premises tasting room location must hold  
22 the same permits, permissions, and authorizations at the location.

23 (h) A violation of this act or the administrative rules by any  
24 manufacturer on the premises of the jointly operated off-premises  
25 tasting room is a violation by all the manufacturers licensed at  
26 the jointly operated off-premises tasting room.

27 (10) Approved off-premises tasting rooms or jointly operated  
28 off-premises tasting rooms described in subsections (8) and (9)  
29 must comply with all of the following:

1           (a) A wine maker, small wine maker, distiller, small  
2 distiller, or brandy manufacturer may have 1 of the following:

3           (i) No more than 5 off-premises tasting room licenses issued  
4 under subsection (8) under which alcoholic liquor manufactured by  
5 the wine maker, small wine maker, distiller, small distiller, or  
6 brandy manufacturer may be sold by the glass for consumption on the  
7 premises or samples may be sold or given away for consumption on  
8 the premises as provided in subsection (14)(b) and (c).

9           (ii) No more than 5 joint off-premises tasting room licenses  
10 issued under subsection (9) under which alcoholic liquor  
11 manufactured by the wine maker, small wine maker, distiller, small  
12 distiller, or brandy manufacturer may be sold by the glass for  
13 consumption on the premises or samples may be sold or given away  
14 for consumption on the premises as provided in subsection (14)(b)  
15 and (c).

16           (iii) A combination of no more than 5 off-premises tasting room  
17 licenses issued under subsection (8) and joint off-premises tasting  
18 room licenses issued under subsection (9) under which alcoholic  
19 liquor manufactured by the wine maker, small wine maker, distiller,  
20 small distiller, or brandy manufacturer may be sold by the glass  
21 for consumption on the premises or samples may be sold or given  
22 away for consumption on the premises as provided in subsection  
23 (14)(b) and (c).

24           (iv) No more than the equivalent number of off-premises tasting  
25 room licenses issued under subsection (8), joint off-premises  
26 tasting room licenses issued under subsection (9), or a combination  
27 of off-premises tasting room licenses issued under subsection (8)  
28 and joint off-premises tasting room licenses issued under  
29 subsection (9) that were issued before October 1, 2018 under which

1 alcoholic liquor manufactured by the wine maker, small wine maker,  
2 distiller, small distiller, or brandy manufacturer may be sold by  
3 the glass for consumption on the premises or samples may be sold or  
4 given away for consumption on the premises as provided in  
5 subsection (14) (b) and (c).

6 (b) Notwithstanding the limitation in subdivision (a), a wine  
7 maker, small wine maker, distiller, small distiller, or brandy  
8 manufacturer may have any number of off-premises tasting room  
9 licenses or joint off-premises tasting room licenses under which  
10 alcoholic liquor manufactured by the wine maker, small wine maker,  
11 distiller, small distiller, or brandy manufacturer may only be sold  
12 or given away as samples for consumption on the premises as  
13 provided in subsection (14) (d).

14 (c) A wine maker, small wine maker, distiller, small  
15 distiller, or brandy manufacturer must designate at the time of  
16 application whether the tasting room location for which the off-  
17 premises tasting room license or the joint off-premises tasting  
18 room license application is being made will sell by the glass as  
19 provided in subdivision (a) or provide only samples as provided in  
20 subdivision (b). The designation made for the off-premises tasting  
21 room license or the joint off-premises tasting room license must  
22 not be changed after the license has been issued.

23 (d) All wine makers, small wine makers, distillers, small  
24 distillers, or brandy manufacturers licensed at the same approved  
25 jointly operated off-premises tasting room must have an identical  
26 designation under subdivision (c).

27 (e) A wine maker, small wine maker, distiller, small  
28 distiller, or brandy manufacturer that has an off-premises tasting  
29 room or jointly operated off-premises tasting room location that

1 was approved by the commission before December 19, 2018 must submit  
2 to the commission in writing a designation as required under  
3 subdivision (c) by April 1, 2019.

4 (11) A wine maker, small wine maker, brewer, micro brewer,  
5 distiller, small distiller, **or** brandy manufacturer ~~, or mixed~~  
6 ~~spirit drink manufacturer~~ may add a nonalcoholic mixing ingredient  
7 or an alcoholic mixing ingredient manufactured by the wine maker,  
8 small wine maker, brewer, micro brewer, distiller, small distiller,  
9 **or** brandy manufacturer ~~, or mixed spirit drink manufacturer~~ to  
10 sampled or purchased alcoholic liquor if the sampled or purchased  
11 alcoholic liquor is consumed on the premises of the approved  
12 tasting room.

13 (12) A manufacturer is not a retailer under this act merely  
14 because the manufacturer has a tasting room.

15 (13) A manufacturer with an approved tasting room may sample  
16 and sell alcoholic liquor only as specifically allowed in this act.

17 (14) A manufacturer may do all of the following:

18 (a) Sell alcoholic liquor it manufactured for consumption off  
19 the premises in an approved tasting room under subsections (7) to  
20 (9).

21 (b) Subject to subsection (10)(a), sell alcoholic liquor it  
22 manufactured by the glass for consumption on the premises of an  
23 approved tasting room under subsections (7) to (9).

24 (c) Subject to subsection (10)(a), sell or give away samples  
25 of any size of alcoholic liquor it manufactured for consumption on  
26 the premises of an approved tasting room under subsections (7) to  
27 (9).

28 (d) Subject to subsection (10)(b), sell or give away samples  
29 of alcoholic liquor it manufactured for consumption on the premises

1 of an approved tasting room under subsections (8) and (9) under all  
2 of the following conditions:

3 (i) A wine maker or small wine maker may offer samples of wine  
4 that do not exceed 3 ounces per sample.

5 (ii) A brandy manufacturer may offer samples of brandy that do  
6 not exceed 1/2 ounce per sample.

7 (iii) A distiller or small distiller may offer samples of  
8 spirits or mixed drinks that do not exceed 1/2 ounce per sample.

9 (15) A manufacturer issued a license before December 19, 2018  
10 that intends to sell for consumption off its licensed premises or  
11 sell, serve, and allow consumption on its licensed premises of  
12 alcoholic liquor as allowed under this section and section 537 must  
13 comply with this section by April 1, 2019.

14 (16) The revenue received from subsection (7) must be  
15 deposited into the liquor control enforcement and license  
16 investigation revolving fund under section 543(9).

17 (17) Local approval under subsection (7)(c), (8)(c), or (9)(c)  
18 is not required for a tasting room that was in existence before  
19 December 19, 2018.

20 ~~(18) A small distiller or distiller that also holds a mixed  
21 spirit drink manufacturer license may do all of the following:~~

22 ~~(a) Sell mixed spirit drink it manufactured for consumption  
23 off the licensed premises of an approved tasting room under  
24 subsections (8) and (9).~~

25 ~~(b) Subject to subsection (10)(a), sell mixed spirit drink it  
26 manufactured for consumption on the premises of an approved tasting  
27 room under subsections (8) and (9).~~

28 ~~(c) Subject to subsection (10)(a), sell or give away samples  
29 of any size of mixed spirit drink it manufactured for consumption~~



1 ~~on the premises of an approved tasting room under subsections (8)~~  
2 ~~and (9).~~

3 ~~(d) Subject to subsection (10)(b), sell or give away samples~~  
4 ~~that do not exceed 3 ounces per sample of mixed spirit drink it~~  
5 ~~manufactured for consumption on the premises of an approved tasting~~  
6 ~~room under subsections (8) and (9).~~

7 Sec. 537. (1) The following classes of vendors may sell  
8 alcoholic liquor at retail as provided in this section:

9 (a) Taverns, where beer and wine may be sold for consumption  
10 on the premises only.

11 (b) Class C licensee, where beer, wine, ~~mixed spirit drink,~~  
12 and spirits may be sold for consumption on the premises.

13 (c) Clubs, where beer, wine, ~~mixed spirit drink,~~ and spirits  
14 may be sold for consumption on the premises only to bona fide  
15 members if consumption is limited to these members and their bona  
16 fide guests, who are 21 years of age or older.

17 (d) Direct shippers, where wine **other than mixed spirit drink**  
18 may be sold and shipped directly to the consumer.

19 (e) Hotels of class A, where beer and wine may be sold for  
20 consumption on the premises and in the rooms of bona fide  
21 registered guests. Hotels of class B where beer, wine, ~~mixed spirit~~  
22 ~~drink,~~ and spirits may be sold for consumption on the premises and  
23 in the rooms of bona fide registered guests.

24 (f) Specially designated merchants, where beer and wine may be  
25 sold for consumption off the premises only.

26 (g) Specially designated distributors, where spirits ~~and mixed~~  
27 ~~spirit drink~~ may be sold for consumption off the premises only.

28 (h) Special licensee, where beer and wine or beer, wine, ~~mixed~~  
29 ~~spirit drink,~~ and spirits may be sold for consumption on the

1 premises only.

2 (i) Dining cars or other railroad or Pullman cars, watercraft,  
3 or aircraft, where alcoholic liquor may be sold for consumption on  
4 the premises only, subject to rules promulgated by the commission.

5 (j) Brewpubs, where beer manufactured on the premises by the  
6 licensee may be sold for consumption on or off the premises by any  
7 of the following licensees:

8 (i) Class C.

9 (ii) Tavern.

10 (iii) Class A hotel.

11 (iv) Class B hotel.

12 (k) Micro brewers and brewers, where beer manufactured by the  
13 micro brewer or brewer may be sold in an approved tasting room  
14 under section 536 to a consumer for consumption on or off the  
15 manufacturing premises.

16 (l) Class G-1 licensee, where beer, wine, ~~mixed spirit drink,~~  
17 and spirits may be sold for consumption on the premises only to  
18 members required to pay an annual membership fee and consumption is  
19 limited to these members and their bona fide guests.

20 (m) Class G-2 licensee, where beer and wine may be sold for  
21 consumption on the premises only to members required to pay an  
22 annual membership fee and consumption is limited to these members  
23 and their bona fide guests.

24 (n) Motorsports event licensee, where beer and wine may be  
25 sold for consumption on the premises during sanctioned motorsports  
26 events only.

27 (o) Wine maker or small wine maker, where wine **other than**  
28 **mixed spirit drink** manufactured by the wine maker or small wine  
29 maker may be sold by direct shipment as provided in section 203, at

1 retail for consumption on or off the premises in an approved  
2 tasting room under section 536, or as otherwise provided for in  
3 this act.

4 (p) Small wine maker, where wine **other than mixed spirit drink**  
5 bottled by the small wine maker may be sold by direct shipment as  
6 provided in section 203, at retail for consumption on or off the  
7 premises in an approved tasting room under section 536, or as  
8 otherwise provided for in this act.

9 (q) Wine maker or small wine maker, where shiners, **except for**  
10 **shiners containing mixed spirit drink**, may be sold by direct  
11 shipment as provided in section 203, at retail for consumption on  
12 or off the premises in an approved tasting room under section 536,  
13 or as otherwise provided for in this act.

14 (r) Distiller or small distiller, where spirits manufactured  
15 by the distiller or small distiller may be sold to the consumer at  
16 retail for consumption on or off the premises in an approved  
17 tasting room under section 536.

18 (s) Nonpublic continuing care retirement center license, where  
19 beer, wine, ~~mixed spirit drink~~, mixed wine drink, and spirits may  
20 be sold at retail and served on the licensed premises to residents  
21 and bona fide guests accompanying the resident for consumption only  
22 on the licensed premises.

23 (t) A small wine maker or an out-of-state entity that is the  
24 substantial equivalent of a small wine maker, that holds a farmer's  
25 market permit, where wine manufactured or bottled by the small wine  
26 maker and shiners may be sampled and sold at a farmers' market for  
27 consumption off the licensed premises.

28 (u) A brandy manufacturer where brandy manufactured by the  
29 brandy manufacturer may be sold at retail for consumption on or off

1 the premises in an approved tasting room under section 536 located  
2 on the manufacturing premises of the brandy manufacturer.

3 ~~(v) A mixed spirit drink manufacturer where mixed spirit drink~~  
4 ~~manufactured by the mixed spirit drink manufacturer may be sold at~~  
5 ~~retail for consumption on or off the premises in an approved~~  
6 ~~tasting room under section 536.~~

7 (2) Notwithstanding section 1025(1), an outstate seller of  
8 beer, an outstate seller of wine, a wine maker, a brewer, a micro  
9 brewer, or a specially designated merchant, or an agent of any of  
10 those persons, that does not hold a license allowing the  
11 consumption of alcoholic liquor on the premises at the same  
12 licensed address, may conduct beer and wine tastings on the  
13 licensed premises of a specially designated merchant under the  
14 following conditions:

15 (a) A customer is not charged for the tasting of beer or wine.

16 (b) The tasting samples provided to a customer do not exceed 3  
17 servings at up to 3 ounces per serving of beer or 3 servings at up  
18 to 2 ounces of wine. A customer shall not be provided more than a  
19 total of 3 samples of beer or wine within a 24-hour period per  
20 licensed premises.

21 (c) The specially designated merchant, outstate seller of  
22 beer, outstate seller of wine, wine maker, micro brewer, or brewer  
23 has first obtained an annual beer and wine tasting permit approved  
24 by the commission.

25 (d) The commission is notified, in writing, a minimum of 10  
26 working days before the event, regarding the date, time, and  
27 location of the event.

28 (3) While a beer or wine tasting is conducted under subsection  
29 (2), a specially designated merchant, outstate seller of beer,

1 outstate seller of wine, wine maker, micro brewer, or brewer, or  
2 its agent or employee who has successfully completed a server  
3 training program as provided for in section 906, shall devote full  
4 time to the beer and wine tasting activity and shall not perform  
5 other duties, including the sale of alcoholic liquor for  
6 consumption off the licensed premises. Beer and wine used for the  
7 tasting must come from the specially designated merchant's  
8 inventory, and all open bottles must be removed from the premises  
9 on the same business day or resealed and stored in a locked,  
10 separate storage compartment on the licensed premises when not  
11 being used for the activities allowed by the permit.

12 (4) A wholesaler shall not conduct or participate in beer and  
13 wine tastings allowed under a permit issued under subsection (2).

14 (5) A beer and wine tasting under subsection (2) may only be  
15 conducted during the legal hours for the sale of alcoholic liquor  
16 by the licensee.

17 (6) An eligible merchant may fill and sell growlers with beer  
18 for consumption off the premises under the following conditions:

19 (a) The premises where the filling of growlers takes place  
20 comply with the requirements for food service establishments under  
21 the food law, 2000 PA 92, MCL 289.1101 to 289.8111.

22 (b) The growler is sealed and has a label affixed to it that  
23 includes at least the brand name of the beer, the class of the  
24 beer, the net contents of the container, and the name of the  
25 retailer filling the growler. The label conditions described in  
26 this subdivision do not apply to either of the following:

27 (i) A brewpub described in subsection (1)(j), but only as to  
28 beer that the brewpub produces.

29 (ii) A micro brewer or brewer described in subsection (1)(k).

1 (c) The eligible merchant or his or her agent or employee  
2 ~~shall~~**does** not fill a growler in advance of the sale.

3 (d) The eligible merchant or his or her agent or employee  
4 ~~shall~~ only use containers that have a capacity of 5 gallons or more  
5 to fill a growler.

6 (e) The beer to be dispensed has received a registration  
7 number from the commission and has been approved for sale by the  
8 commission. The registration condition described in this  
9 subdivision does not apply to either of the following:

10 (i) A brewpub described in subsection (1)(j), but only as to  
11 beer that the brewpub produces.

12 (ii) A micro brewer or brewer described in subsection (1)(k).

13 (f) The eligible merchant complies with all applicable rules  
14 promulgated by the commission.

15 (7) A wine maker, brandy manufacturer, small distiller, micro  
16 brewer, brewer, or brewpub shall provide water, and may, in the  
17 sole discretion of the wine maker, brandy manufacturer, small  
18 distiller, micro brewer, brewer, or brewpub, sell or provide other  
19 nonalcoholic beverages, for consumption on or off the premises  
20 where the wine maker, brandy manufacturer, small distiller, micro  
21 brewer, brewer, or brewpub is licensed.

22 (8) As used in this section:

23 (a) "Eligible merchant" means a person that holds a specially  
24 designated merchant license.

25 (b) "Growler" means any clean, refillable, resealable  
26 container that is exclusively intended, and used only, for the sale  
27 of beer for consumption off the premises and that has a liquid  
28 capacity that does not exceed 1 gallon.

29 Sec. 545. ~~(1) As used in this act, "nonpublic continuing care~~

1 ~~retirement center" means a residential community that, as~~  
 2 ~~determined by the commission, meets both of the following~~  
 3 ~~conditions:~~

4 ~~(a) Provides full-time residential housing predominantly for~~  
 5 ~~individuals over the age of 62.~~

6 ~~(b) Meets 1 of the following conditions:~~

7 ~~(i) Is registered as a facility under former 1976 PA 440 or the~~  
 8 ~~continuing care community disclosure act, 2014 PA 448, MCL 554.901~~  
 9 ~~to 554.993.~~

10 ~~(ii) Is a home for the aged licensed under part 213 of the~~  
 11 ~~public health code, 1978 PA 368, MCL 333.21301 to 333.21335.~~

12 ~~(1) (2)~~The commission, on submission of a completed  
 13 application, shall grant a nonpublic continuing care retirement  
 14 center license to an applicant complying with this section. Subject  
 15 to subsection ~~(4), (3)~~, the commission shall not issue more than 25  
 16 licenses under this section. If the holder of a license issued  
 17 under this section goes out of business, the license must be  
 18 surrendered to the commission. The commission may allow the  
 19 transfer of a surrendered license to a new business owner on  
 20 transfer of the owner's interest in the business if the new  
 21 business owner meets the same condition under subsection ~~(1) (b)~~  
 22 **(4) (b)** as the previous business owner.

23 ~~(2) (3)~~The holder of a nonpublic continuing care retirement  
 24 center license may sell at retail and serve on the licensed  
 25 premises beer, wine, ~~mixed spirit drink, mixed wine drink,~~ and  
 26 spirits, for consumption by a resident or the bona fide guests  
 27 accompanying the resident, only on the licensed premises.

28 ~~(3) (4)~~The commission shall not issue more than 20 licenses  
 29 under this section to facilities described in subsection ~~(1) (b) (i)~~.

1 **(4) (b) (i)** . The commission shall not issue more than 5 licenses under  
 2 this section to homes for the aged described in subsection  
 3 ~~(1) (b) (ii)~~ . **(4) (b) (ii)** .

4 **(4) As used in this section, "nonpublic continuing care**  
 5 **retirement center" means a residential community that, as**  
 6 **determined by the commission, meets both of the following**  
 7 **conditions:**

8 **(a) Provides full-time residential housing predominantly for**  
 9 **individuals over the age of 62.**

10 **(b) Meets 1 of the following conditions:**

11 **(i) Is registered as a facility under former 1976 PA 440 or the**  
 12 **continuing care community disclosure act, 2014 PA 448, MCL 554.901**  
 13 **to 554.993.**

14 **(ii) Is a home for the aged licensed under part 213 of the**  
 15 **public health code, 1978 PA 368, MCL 333.21301 to 333.21335.**

16 Sec. 601. (1) Pursuant to section 2 of Amendment XXI of the  
 17 Constitution of the United States, this state has an interest in  
 18 ensuring the safety of beer, wine, ~~mixed spirit drink,~~ and mixed  
 19 wine drink that is intended to be sold or is sold by wholesalers to  
 20 retailers for purposes of human consumption. In order to protect  
 21 the public health and safety, the commission must be able to  
 22 inspect and seize beer, wine, ~~mixed spirit drink,~~ and mixed wine  
 23 drink that is in the possession of a wholesaler being offered for  
 24 sale in this state. The purpose of the inspection described in this  
 25 subsection is to ensure that the beer, wine, ~~mixed spirit drink,~~ or  
 26 mixed wine drink meets all of the following conditions:

27 **(a) The beer, wine, ~~mixed spirit drink,~~ or mixed wine drink**  
 28 **has been registered for sale with the commission.**

29 **(b) The beer, wine, ~~mixed spirit drink,~~ or mixed wine drink is**



1 not subject to a government mandated or supplier initiated recall.

2 (c) The beer, wine, ~~mixed spirit drink,~~ or mixed wine drink is  
3 not counterfeit.

4 (d) The beer, wine, ~~mixed spirit drink,~~ or mixed wine drink is  
5 labeled in conformance with applicable laws, rules, and  
6 regulations.

7 (e) The beer, wine, ~~mixed spirit drink,~~ or mixed wine drink  
8 can be tested by the commission or an agent assigned by the  
9 commission.

10 (f) The beer, wine, ~~mixed spirit drink,~~ or mixed wine drink is  
11 not prohibited by this state.

12 (2) The commission may seize or destroy beer, wine, ~~mixed~~  
13 ~~spirit drink,~~ and mixed wine drink that does not meet the  
14 conditions of subsection (1).

15 (3) To enable the commission to carry out the functions  
16 described in subsections (1) and (2) and to randomly inspect  
17 records required to be maintained by a wholesaler under section 217  
18 and R 436.1641 of the Michigan Administrative Code, a wholesaler or  
19 an applicant for a wholesaler license must have a warehouse located  
20 in this state and licensed by the commission for the storage, sale,  
21 and distribution of beer, wine, ~~mixed spirit drink,~~ and mixed wine  
22 drink before operating as a wholesaler in this state. This  
23 subsection does not require a wholesaler to hold a warehouse  
24 license for the wholesaler's licensed premises.

25 (4) To ensure that all beer, wine, ~~mixed spirit drink,~~ and  
26 mixed wine drink sold in this state is subject to this section, the  
27 importation, sale, transportation, and delivery of all beer, ~~wine,~~  
28 ~~mixed spirit drink,~~ and mixed wine drink offered for sale by a  
29 wholesaler must meet the requirements of section 204.

1           Sec. 603. (1) Except as provided in subsections (6) to (14)  
2 and section 605, a supplier, warehouser, or wholesaler shall not  
3 have any direct or indirect financial interest in the  
4 establishment, maintenance, operation, or promotion of the business  
5 of any other vendor.

6           (2) Except as provided in subsections (6) to (14) and section  
7 605, a supplier, warehouser, or wholesaler or a stockholder of a  
8 supplier, warehouser, or wholesaler shall not have any direct or  
9 indirect interest by ownership in fee, leasehold, mortgage, or  
10 otherwise in the establishment, maintenance, operation, or  
11 promotion of the business of any other vendor.

12           (3) Except as provided in subsections (6) to (14) and section  
13 605, a supplier, warehouser, or wholesaler shall not have any  
14 direct or indirect interest by interlocking directors in a  
15 corporation or by interlocking stock ownership in a corporation in  
16 the establishment, maintenance, operation, or promotion of the  
17 business of any other vendor.

18           (4) Except as provided in subsections (6) to (14) and section  
19 605, a person shall not buy the stocks of a supplier, warehouser,  
20 or wholesaler and place the stock in any portfolio under an  
21 arrangement, written trust agreement, or form of investment trust  
22 agreement, issue participating shares based upon the portfolio,  
23 trust agreement, or investment trust agreement, and sell the  
24 participating shares within this state.

25           (5) The commission may approve a brandy manufacturer or small  
26 distiller to sell brandy and spirits made by that brandy  
27 manufacturer or small distiller in a restaurant for consumption on  
28 or off the premises if the restaurant is owned by the brandy  
29 manufacturer or small distiller or operated by another person under

1 an agreement approved by the commission and is located on premises  
 2 where the brandy manufacturer or small distiller is licensed.  
 3 Brandy and spirits sold for consumption off the premises under this  
 4 subsection must be sold at the uniform price established by the  
 5 commission.

6 (6) The commission shall allow a small distiller to sell  
 7 brands of spirits it manufactures for consumption on the licensed  
 8 premises at that distillery.

9 (7) A brewpub may have an interest in up to 5 other brewpubs  
 10 if the combined production of all the locations in which the  
 11 brewpub has an interest does not exceed 18,000 barrels of beer per  
 12 calendar year.

13 (8) This section does not prohibit a supplier from having any  
 14 direct or indirect interest in any other supplier.

15 (9) The commission may approve the following under R  
 16 436.1023(3) of the Michigan Administrative Code, subject to the  
 17 written approval of the United States Department of Treasury  
 18 Alcohol and Tobacco Tax and Trade Bureau:

19 (a) A wine maker participating with 1 or more wine makers in  
 20 an alternating proprietor operation in accordance with 27 CFR  
 21 24.136.

22 (b) A brewer participating with 1 or more brewers in an  
 23 alternating proprietor operation in accordance with 27 CFR 25.52.

24 (10) A manufacturer shall not have any direct or indirect  
 25 interest in a wholesaler.

26 (11) A wine maker shall not collectively deliver wine, with  
 27 any other wine maker, to retail licensees.

28 (12) Except for a licensed warehouse, all licensees in this  
 29 state ~~shall~~ **must** be separated into 3 distinct and independent tiers

1 composed of the following:

2 (a) Supplier tier, comprising suppliers.

3 (b) Wholesaler tier, comprising wholesalers.

4 (c) Retailer tier, comprising retailers.

5 (13) Except as otherwise provided in subsection (14),  
6 beginning April 30, 2011, the commission shall not allow any of the  
7 following:

8 (a) A retailer to hold, directly or indirectly, a license in  
9 the wholesaler or supplier tier.

10 (b) A wholesaler to hold, directly or indirectly, a license in  
11 the retailer or supplier tier.

12 (c) A supplier to hold, directly or indirectly, a license in  
13 the wholesaler or retailer tier.

14 (14) Subsection (13) does not prohibit a class C, tavern,  
15 class A hotel, or class B hotel licensee from receiving a brewpub  
16 license or a micro brewer or brewer from having an on-site  
17 restaurant.

18 (15) As used in this section:

19 (a) "Manufacturer" means, notwithstanding section 109(2), a  
20 wine maker, small wine maker, brewer, micro brewer, manufacturer of  
21 spirits, distiller, small distiller, brandy manufacturer, ~~mixed~~  
22 ~~spirit drink manufacturer,~~ direct shipper, or a person licensed by  
23 the commission to perform substantially similar functions.

24 (b) "Supplier" means a manufacturer, ~~mixed spirit drink~~  
25 ~~manufacturer,~~ outstate seller of beer, outstate seller of wine,  
26 ~~outstate seller of mixed spirit drink,~~ and vendor of spirits or a  
27 person licensed by the commission to perform substantially similar  
28 functions but does not include a master distributor.

29 Sec. 605. (1) A brewer, wine maker, distiller, brandy

1 manufacturer, or the parent company, a subsidiary or an affiliate  
2 of a brewer, wine maker, distiller, or brandy manufacturer which  
3 parent company, subsidiary, or affiliate is located in this state  
4 may acquire, develop, sell, lease, finance, maintain, operate, or  
5 promote real property occupied or to be occupied by another vendor,  
6 except a wholesaler, if all of the following exist:

7 (a) The brewer, wine maker, distiller, or brandy manufacturer  
8 has received written approval of the commission before entering  
9 into any arrangement or contract between the parties regarding the  
10 real property.

11 (b) The legislative body of the city, village, or township  
12 where the property is located certifies to the commission that the  
13 real property is in an urban, commercial, or community  
14 redevelopment area.

15 (c) Any arrangement or contract entered into between the  
16 brewer, wine maker, distiller, brandy manufacturer, its parent  
17 company, subsidiary, or affiliate and another vendor ~~shall~~**does** not  
18 directly or indirectly influence or control the brand of alcoholic  
19 liquor sold or to be sold by the vendor and ~~shall~~**is** only ~~be~~  
20 concerned with real property.

21 (d) The brewer, wine maker, distiller, brandy manufacturer,  
22 its parent company, subsidiary, or affiliate has not acquired,  
23 developed, sold, leased, financed, or maintained, operated, or  
24 promoted more than 7 real properties that are occupied or to be  
25 occupied by another vendor, except a wholesaler.

26 (2) The commission may deny or approve an arrangement or  
27 contract to be entered into under this section. In denying or  
28 approving an arrangement or contract, the commission shall consider  
29 all of the following:

1 (a) That the arrangement or contract to be entered into is  
2 concerned only with real property.

3 (b) That the certification required under subsection (1)(b)  
4 has been received by the commission.

5 (c) That the arrangement or contract does not violate this act  
6 or the rules promulgated under this act.

7 (3) The commission may review any arrangement or contract  
8 under this section at the time that 1 of the parties to the  
9 arrangement or contract applies for or renews a license. The  
10 commission may deny, revoke, or suspend the license of a party to  
11 the arrangement or contract if the commission finds that the party  
12 to the arrangement or contract has violated this act or the rules  
13 promulgated under this act.

14 (4) Except as otherwise provided in subsection (5), a  
15 wholesaler shall not be a party to, directly or indirectly, an  
16 arrangement or contract under this section.

17 (5) ~~A-Subject to subsection (6), a manufacturer, mixed spirit~~  
18 ~~drink manufacturer, warehouse, wholesaler, authorized distribution~~  
19 ~~agent, outstate seller of beer, outstate seller of wine, outstate~~  
20 ~~seller of mixed spirit drink, or vendor of spirits may acquire,~~  
21 ~~develop, sell, lease, finance, maintain, operate, or promote a~~  
22 ~~condominium project or own a condominium unit as its sole property,~~  
23 ~~under the condominium act, 1978 PA 59, MCL 559.101 to 559.276, if~~  
24 ~~that condominium unit is not the licensed premises owned separately~~  
25 ~~by a retailer and if all of the following apply:~~

26 (a) Condominium assessments in the condominium project are  
27 based on the proportional area each condominium unit has to the  
28 total area.

29 (b) A condominium unit operating as a licensed premises

1 operates under a separate name from the condominium project except  
2 that cooperative advertising ~~shall be~~ **is** permitted among owners of  
3 condominium units for the purpose of promoting the condominium  
4 project if the name of a brand or brands of an alcoholic liquor is  
5 not mentioned in the advertising.

6 (c) Ownership of a condominium unit and participation in a  
7 condominium association under this section is not considered a  
8 financial interest, interest by ownership, or interest by  
9 interlocking directors on stock ownership prohibited by section  
10 603.

11 (d) A retailer separately owning a separate condominium unit  
12 as sole property does not directly purchase alcoholic liquor from  
13 the manufacturer, warehouser, wholesaler, ~~outstate seller of mixed~~  
14 ~~spirit drink,~~ or vendor of spirits who owns, leases, maintains,  
15 finances, or operates the condominium project.

16 (e) A wholesaler that has a direct or indirect interest in a  
17 condominium unit in which a retailer is located does not sell  
18 alcoholic liquor to any licensed retail business in which that  
19 retailer, or any person having an ownership interest in that  
20 retailer, has an ownership interest; and, a retail licensed  
21 business in which that retailer, or any person having an ownership  
22 interest in that retailer, has an ownership interest does not  
23 purchase alcoholic liquor from a wholesaler that has a direct or  
24 indirect interest in a condominium or condominium unit in which  
25 that retailer is located.

26 (f) A retailer acquiring a separate condominium unit as sole  
27 property pays the fair market value for the unit.

28 (6) Subsection (5) does not apply to a manufacturer, ~~mixed~~  
29 ~~spirit drink manufacturer,~~ warehouser, wholesaler, authorized

1 distribution agent, outstate seller of beer, outstate seller of  
2 wine, ~~outstate seller of mixed spirit drink,~~ or vendor of spirits  
3 with a direct or indirect interest in a license under the Michigan  
4 ~~gaming control and revenue act,~~ **Gaming Control and Revenue Act,**  
5 1996 IL 1, MCL 432.201 to 432.226. Subsection (5) does not prohibit  
6 a direct physical connection between a condominium unit that is the  
7 licensed premises and a condominium unit that is not the licensed  
8 premises.

9       Sec. 607. (1) Except as provided in section 536(7)(h), a  
10 warehouse, ~~mixed spirit drink manufacturer,~~ wholesaler, outstate  
11 seller of beer, outstate seller of wine, ~~outstate seller of mixed~~  
12 ~~spirit drink,~~ or vendor of spirits ~~shall~~ **must** not be licensed as a  
13 specially designated merchant or a specially designated  
14 distributor. A person licensed as a small distiller is not  
15 considered to be a specially designated distributor. Beginning  
16 December 23, 2007 and in addition to the persons described in this  
17 subsection, a wine maker and a small wine maker ~~shall~~ **must** also not  
18 be licensed as a specially designated merchant or a specially  
19 designated distributor. Any wine maker or small wine maker holding  
20 a specially designated merchant or specially designated distributor  
21 license on December 23, 2007 may continue to hold a specially  
22 designated merchant or specially designated distributor license.

23       (2) A specially designated distributor or specially designated  
24 merchant or any other retailer shall not hold a ~~mixed spirit drink~~  
25 ~~manufacturer,~~ wholesale, warehouse, outstate seller of beer,  
26 ~~outstate seller of mixed spirit drink,~~ or outstate seller of wine  
27 license. Beginning December 23, 2007, a specially designated  
28 distributor or specially designated merchant shall not hold a wine  
29 maker or small wine maker license in addition to being prohibited



1 from holding any other license described in this subsection. Any  
2 specially designated distributor or specially designated merchant  
3 holding a wine maker or small wine maker license on December 23,  
4 2007 may continue to hold a wine maker or small wine maker license.

5 (3) A brewer, warehouser, or wholesaler ~~shall~~**must** not be  
6 licensed as a specially designated merchant. This subsection does  
7 not affect the operation of a brewery hospitality room.

8 (4) A wholesaler may sell or deliver beer and alcoholic liquor  
9 to hospitals, military establishments, governments of federal  
10 Indian reservations, and churches requiring sacramental wines and  
11 may sell to the wholesaler's own employees ~~to~~ a limit of 2 cases of  
12 24 12-ounce units or its equivalent of malt beverage per week, or 1  
13 case of 12 1-liter units or its equivalent of wine ~~or mixed spirit~~  
14 ~~drink~~ per week.

15 Sec. 608. (1) The purpose of this section is to exercise this  
16 state's authority under section 2 of Amendment XXI of the  
17 Constitution of the United States to ensure an orderly market for  
18 the distribution and sale of alcoholic beverages.

19 (2) It is the intent of this state to provide access to this  
20 state's alcoholic beverage market to all licensed manufacturers of  
21 alcoholic beverages by ensuring the independence of wholesalers to  
22 distribute the brands of beer, wine, ~~mixed spirit drinks,~~ and mixed  
23 wine drinks of multiple manufacturers free from the interference or  
24 control of any 1 manufacturer.

25 (3) A manufacturer shall not do any of the following:

26 (a) Subject to subsection (5), require a wholesaler to provide  
27 financial records directly or indirectly related to any of the  
28 following:

29 (i) The wholesaler's distribution of the brands manufactured or

1 sold to the wholesaler by another manufacturer.

2 (ii) The compensation of a wholesaler's employees.

3 (iii) The wholesaler's business operations not directly related  
4 to the distribution of the brands manufactured or sold to the  
5 wholesaler by the manufacturer.

6 (b) Request a wholesaler to submit any of the wholesaler's  
7 financial records as a requirement for renewing or retaining an  
8 agreement.

9 (c) Require a wholesaler to spend a set amount of resources  
10 marketing or promoting the brands manufactured or sold by the  
11 manufacturer to the wholesaler that is based on the sales revenue  
12 derived by the wholesaler's distribution of the brands manufactured  
13 or sold to the wholesaler by the manufacturer.

14 (d) Intentionally ship beer, wine, ~~mixed spirit drink,~~ or  
15 mixed wine drink to a wholesaler that exceeds the order placed by  
16 the wholesaler or the forecast submitted by the wholesaler. For  
17 purposes of this subdivision, a manufacturer is considered to have  
18 intentionally taken an action described in this subdivision if the  
19 manufacturer has invoiced or initiated an electronic funds transfer  
20 for the amount shipped in excess.

21 (e) Prohibit a wholesaler from distributing the brands the  
22 manufacturer manufactured or sold to the wholesaler in licensed  
23 vehicles that have markings or logos of brands manufactured or sold  
24 to the wholesaler by other manufacturers.

25 (f) Prohibit a wholesaler from distributing the brands  
26 manufactured or sold to the wholesaler by another manufacturer on a  
27 licensed vehicle that has the marking or logos of brands  
28 manufactured or sold to the wholesaler by the manufacturer.

29 (g) Require a distributor to pay for the development,

1 installation, or use of reporting software owned or mandated by the  
2 manufacturer. This subdivision does not prohibit a manufacturer  
3 from requiring a distributor to maintain electronic information  
4 systems that are compatible with systems and standards adopted by  
5 the manufacturer.

6 (h) Require a wholesaler to pay a fee or penalty, of any  
7 description, for noncompliance with a manufacturer requirement.  
8 This subdivision does not prohibit a wholesaler from paying damages  
9 to a supplier as provided in section 305 or 403.

10 (i) Set or attempt to set the rates of compensation for  
11 wholesaler employees, including incentives.

12 (j) Prohibit a wholesaler from utilizing any wholesaler-owned,  
13 leased, or controlled property or equipment to market, promote,  
14 deliver, or distribute the brands manufactured or sold by another  
15 manufacturer to the wholesaler.

16 (4) A manufacturer that violates this section may be ordered  
17 to pay a civil fine as follows:

18 (a) For a first violation, a civil fine of not more than  
19 \$1,000.00.

20 (b) For a second violation, a civil fine of not more than  
21 \$2,000.00.

22 (c) For a third or subsequent violation, a civil fine of not  
23 more than \$5,000.00.

24 (5) A manufacturer may request and a wholesaler may provide  
25 financial records if any of the following circumstances apply:

26 (a) The wholesaler is attempting to purchase the  
27 manufacturer's brands from another wholesaler.

28 (b) The wholesaler and manufacturer are entering into an  
29 initial distribution agreement.

1 (c) The financial records are solely related to the brands  
2 sold by the manufacturer to the wholesaler.

3 (6) As used in this section, "manufacturer" includes a brewer,  
4 micro brewer, wine maker, small wine maker, mixed ~~spirit drink~~  
5 ~~manufacturer~~, outstate seller of beer, **or** outstate seller of wine.  
6 ~~, or outstate seller of mixed spirit drink.~~

7 Sec. 610. (1) Notwithstanding section 609, a wholesaler,  
8 manufacturer, outstate seller of beer, outstate seller of wine,  
9 ~~outstate seller of mixed spirit drink~~, vendor of spirits, broker,  
10 or retailer may use unpaid social media to advertise any of the  
11 following in accordance with all applicable laws and regulations:

12 (a) An on-premises brand promotion.

13 (b) Beer, wine, or spirits tastings under section 537.

14 (c) A product location communication.

15 **(2) Notwithstanding section 609, and subject to subsection**  
16 **(3), a supplier may take any of the following actions to assist a**  
17 **consumer seeking to have an alcoholic beverage sold by the supplier**  
18 **delivered or direct shipped to the consumer's home or designated**  
19 **location by a retailer as allowed under section 203:**

20 (a) Advertise the name and location of all retailers that  
21 deliver or direct ship to a consumer the alcoholic beverages sold  
22 by the supplier.

23 (b) Provide a link to the website of each retailer that  
24 delivers or direct ships to a consumer the alcoholic beverages sold  
25 by the supplier.

26 (c) Transmit the consumer's order and payment information to  
27 the retailer that the consumer chooses to fulfill the customer's  
28 purchase and perform the delivery or direct shipment.

29 **(3) A supplier shall not take any action described in**

1 subsection (2) unless both of the following conditions are met:

2 (a) The supplier and retailer do not provide or receive any  
3 other valuable thing in consideration for any action described in  
4 subsection (2) taken by the supplier. As used in this subdivision,  
5 "other valuable thing" means that term as defined in section 609.

6 (b) The supplier provides the consumer a list of retailers,  
7 from which the consumer selects, that will sell, deliver, or direct  
8 ship the alcoholic beverage to the consumer. The supplier may  
9 satisfy the condition under this subdivision by providing the  
10 consumer with a list of retailers located in the zip code or  
11 nearest zip codes to the consumer's location.

12 (4) ~~(2)~~—As used in this section:

13 (a) "Broker" means that term as defined in section 609.

14 (b) "Consumer" means that term as defined in section 203.

15 (c) ~~(b)~~—"On-premises brand promotion" means a promotion in the  
16 manner provided by the order of the commission issued on October  
17 27, 1999. That order's prohibition against advertising an on-  
18 premises promotion by a party off the licensed premises does not  
19 apply to this section.

20 (d) ~~(e)~~—"Product location communication" means a listing or  
21 program that allows an individual to determine the availability of  
22 a specific product at licensed retailers in a certain geographic  
23 area.

24 (e) ~~(d)~~—"Social media" means a service, platform, or website  
25 where users communicate with one another and share media, such as  
26 pictures, videos, music, and blogs, with other users free of  
27 charge. Social media includes the website of a wholesaler,  
28 manufacturer, outstate seller of beer, outstate seller of wine,  
29 ~~outstate seller of mixed spirit drink,~~ vendor of spirits, broker,

1 or retailer.

2 (f) "Supplier" means that term as defined in section 603.

3 Sec. 610a. (1) Subject to subsection (2), a manufacturer,  
4 ~~mixed spirit drink manufacturer,~~ warehouse, wholesaler, outstate  
5 seller of beer, ~~outstate seller of mixed spirit drink,~~ or vendor of  
6 spirits may provide to a retailer signs that promote the brands and  
7 prices of alcoholic liquor, including special event pricing.

8 (2) All of the following apply to a sign allowed under  
9 subsection (1):

10 (a) The sign must not be illuminated.

11 (b) The sign must not have any use beyond the actual  
12 advertising of brands, prices, and events related to the alcoholic  
13 liquor.

14 (c) The sign must not include the name of the retailer.

15 (d) For a sign that is located inside the retailer's licensed  
16 premises, the sign must not be more than 3,500 square inches in  
17 dimension.

18 (3) A retailer may use an illuminated sign to promote the  
19 brand but not the price of alcoholic liquor. A manufacturer, ~~mixed~~  
20 ~~spirit drink manufacturer,~~ warehouse, wholesaler, outstate seller  
21 of beer, outstate seller of wine, ~~outstate seller of mixed spirit~~  
22 ~~drink,~~ or vendor of spirits shall not provide to a retailer a sign  
23 described in this subsection.

24 (4) The signs allowed under this section are in addition to  
25 the advertising items that a manufacturer, ~~mixed spirit drink~~  
26 ~~manufacturer,~~ warehouse, wholesaler, outstate seller of beer,  
27 outstate seller of wine, ~~outstate seller of mixed spirit drink,~~ or  
28 vendor of spirits may provide another licensee under section  
29 609(2).

1           Sec. 611. (1) A refund or credit of the tax on wine ~~or mixed~~  
2 ~~spirit drink~~ paid under section 301 and of the tax on beer paid  
3 under section 409 ~~shall~~ **must** be made by the commission to a brewer,  
4 wine maker, outstate seller of beer, outstate seller of wine,  
5 ~~outstate seller of mixed spirit drink, manufacturer of mixed spirit~~  
6 ~~drink, wholesaler, or retail licensee~~ ~~who~~ **that** paid the tax if the  
7 wine, ~~or beer, or mixed spirit drink~~ was sold to a military  
8 installation or Indian reservation in this state or, subject to  
9 subsection (2), if the wine, ~~or beer, or mixed spirit drink~~ is  
10 lost, made unmarketable, or condemned by order of the commission as  
11 the result of a fire, flood, casualty, or other occurrence. A  
12 refund or credit ~~shall~~ **must** not be made as the result of theft.

13           (2) A refund or credit of taxes as provided in subsection (1)  
14 ~~shall~~ **must** be made for damaged wine, **or** beer, ~~or mixed spirit~~  
15 ~~drink~~ only if all of the following circumstances exist:

16           (a) At the time of the fire, flood, casualty, or other  
17 occurrence, the wine, ~~or beer, or mixed spirit drink~~ was being  
18 held for sale by the vendor claiming the refund or credit.

19           (b) The refund or credit of the amount claimed or any part of  
20 the amount claimed has not been and will not be claimed for the  
21 same wine, ~~or beer, or mixed spirit drink~~ under any other law or  
22 rule.

23           (c) The vendor claiming the refund or credit is not  
24 indemnifiable by any valid claim of insurance or otherwise for the  
25 tax on the wine, ~~or beer, or mixed spirit drink~~ covered by the  
26 claim.

27           (d) The amount claimed for a refund or credit is more than  
28 \$250.00 or the refund or credit is claimed for defective wine, ~~or~~  
29 beer, ~~or mixed spirit drink~~ for which the commission has

1 authorized a manufacturer, outstate seller of beer, outstate seller  
 2 of wine, ~~outstate seller of mixed spirit drink, manufacturer of~~  
 3 ~~mixed spirit drink,~~ or wholesaler to make an exchange, have  
 4 replaced, or be reimbursed.

5 (e) The occurrence was not caused by an intentional act of the  
 6 vendor claiming the refund or credit or an agent of that vendor.

7 (3) A claim for a refund or credit of the tax as provided in  
 8 subsection (1) ~~shall~~**must** be made not later than 3 months after  
 9 either of the following:

10 (a) The date ~~upon~~**on** which the damage occurred or was first  
 11 discovered.

12 (b) The date of the sale to a military installation or Indian  
 13 reservation in this state.

14 (4) A claim for a refund or credit of the tax as provided in  
 15 subsection (1) ~~shall~~**must** be submitted to the commission on a form  
 16 approved by the commission. The claim ~~shall~~**must** contain the  
 17 following information, as applicable:

18 (a) The name and business address of the vendor claiming the  
 19 refund or credit.

20 (b) The address where the wine ~~,~~**or** beer ~~,~~~~or mixed spirit~~  
 21 ~~drink~~ was lost, made unmarketable, or condemned, if different from  
 22 the business address.

23 (c) The address of the military installation or Indian  
 24 reservation to which the wine ~~,~~**or** beer ~~,~~~~or mixed spirit drink~~ was  
 25 sold.

26 (d) The kind of wine ~~,~~**or** beer. ~~,~~~~or mixed spirit drink.~~

27 (e) The size of bottles or containers.

28 (f) The number of bottles or containers.

29 (g) The total amount of wine ~~,~~**or** beer ~~,~~~~or mixed spirit drink~~



1 that was sold or damaged. The amount ~~shall~~**must** be stated in liters  
2 or portions of liters for wine ~~and mixed spirit drink~~ and barrels  
3 or portions of barrels for beer.

4 (h) A statement that other claims for a refund or credit of  
5 the amount claimed or for any part of the amount claimed have not  
6 been and will not be made.

7 (i) A statement that the vendor has not been indemnified by a  
8 valid claim of insurance or otherwise for the tax on the wine ~~,~~**or**  
9 beer ~~,~~ ~~or mixed spirit drink~~ covered by the claim.

10 (j) Evidence that the tax on the wine ~~,~~**or** beer ~~,~~ ~~or mixed~~  
11 ~~spirit drink~~ has been paid.

12 (k) Evidence that the wine ~~,~~**or** beer ~~,~~ ~~or mixed spirit drink~~  
13 was lost, made unmarketable, or condemned by reason of damage  
14 sustained as the result of a fire, flood, casualty, or other  
15 occurrence.

16 (l) A statement as to the type and date of the occurrence.

17 (m) A statement that the occurrence was not caused by an  
18 intentional act of the vendor claiming the refund or credit or an  
19 agent of that vendor.

20 (5) The vendor claiming the refund or credit for damaged wine  
21 ~~,~~**or** beer ~~,~~ ~~or mixed spirit drink~~ shall support a claim with any  
22 evidence, such as an inventory, statement, invoice, bill, record,  
23 or label, relating to the quantity of wine ~~,~~**or** beer ~~,~~ ~~or mixed~~  
24 ~~spirit drink~~ on hand at the time of the fire, flood, casualty, or  
25 other disaster and alleged to have been lost, made unmarketable, or  
26 condemned as a result of the damage.

27 (6) Before or after a tax refund or credit has been made for  
28 damaged wine ~~,~~**or** beer ~~,~~ ~~or mixed spirit drink~~, the wine ~~,~~**or** beer  
29 ~~,~~ ~~or mixed spirit drink~~ upon ~~on~~ which the refund or credit is based

1 ~~shall~~**must** be removed from this state or destroyed under the  
2 supervision of the commission.

3 (7) In addition to the provisions of this section, the tax  
4 paid on wine ~~or mixed spirit drink~~ pursuant to ~~to~~**under** section 301  
5 ~~shall~~**must** be rebated to the person who paid the tax ~~upon~~**on** the  
6 presentation of satisfactory proof to the commission that the wine  
7 ~~or mixed spirit drink~~ was shipped outside of this state for sale  
8 and consumption outside of this state.

9 Sec. 914b. (1) Except as otherwise provided in subsection (2),  
10 a person shall not use or offer for use, possess, sell, or offer  
11 for sale marihuana-infused beer, wine, mixed wine drink, ~~mixed~~  
12 ~~spirit drink,~~ or spirits. A person that violates this section is  
13 guilty of a misdemeanor punishable as provided in section 909.

14 (2) This section does not apply to a hospital that operates  
15 primarily for the purpose of conducting scientific research, a  
16 state institution conducting bona fide research, a private college  
17 or university conducting bona fide research, or a pharmaceutical  
18 company or biotechnology company conducting bona fide research.

19 (3) As used in this section:

20 (a) "Marihuana" means that term as defined in section 7106 of  
21 the public health code, 1978 PA 368, MCL 333.7106.

22 (b) "Marihuana-infused beer, wine, mixed wine drink, ~~mixed~~  
23 ~~spirit drink,~~ or spirits" means beer, wine, mixed wine drink, ~~mixed~~  
24 ~~spirit drink,~~ or spirits that contain any amount of marihuana.

25 Sec. 1019. (1) Alcoholic liquor may be served by any hotel  
26 licensed individually under this act in the room of a bona fide  
27 guest.

28 (2) A person shall not consume or offer for consumption  
29 spirits ~~or mixed spirit drink~~ in any place licensed under this act

1 to sell beer or wine and not licensed to sell spirits. ~~or mixed~~  
2 ~~spirit drink.~~

3 Sec. 1025. (1) Except as otherwise provided in subsection (3),  
4 and subject to subsection (2), a vendor shall not give away any  
5 alcoholic liquor of any kind or description at any time in  
6 connection with his or her business, except a vendor that is a  
7 manufacturer for consumption on the premises only.

8 (2) Subsection (1) does not prevent any of the following:

9 (a) A vendor of spirits, brewer, ~~mixed spirit drink~~  
10 ~~manufacturer,~~ wine maker, small wine maker, outstate seller of  
11 beer, **or** outstate seller of wine, ~~or outstate seller of mixed~~  
12 ~~spirit drink,~~ or a bona fide market research organization retained  
13 by 1 of the persons named in this subdivision, from conducting  
14 samplings or tastings of an alcoholic liquor product before it is  
15 approved for sale in this state, if the sampling or tasting is  
16 conducted pursuant to prior written approval of the commission.

17 (b) A person from conducting any sampling or tasting  
18 authorized by rule of the commission.

19 (c) The holder of a farmer's market permit from conducting a  
20 tasting authorized under section 415.

21 (d) A person from conducting any sampling or tasting  
22 authorized under section 537.

23 (e) A retailer licensed for consumption on the premises from  
24 conducting a sampling authorized under section 1027(2).

25 (f) A person from conducting a sampling at a consumer sampling  
26 event authorized under section 1027(4) and (5).

27 (g) A class A or B hotel designed to attract and accommodate  
28 tourists and visitors in a resort area from giving away alcoholic  
29 liquor to an invitee or guest in connection with a business event

1 or as a part of a room special or promotion for overnight  
2 accommodations.

3 (3) A wholesaler or manufacturer may give samples of beer or  
4 wine to an employee of the wholesaler if all of the following  
5 conditions are met:

6 (a) The sampling is for the purpose of educating the employee  
7 regarding the beer or wine.

8 (b) The employee is at least 21 years of age.

9 (c) The sampling takes place on the licensed premises of the  
10 wholesaler.

11 (4) A vendor shall not sell an alcoholic liquor to an  
12 individual in an intoxicated condition.

13 (5) Evidence of any breathalyzer or blood alcohol test results  
14 obtained in a licensed establishment, or on property adjacent to  
15 the licensed premises and under the control or ownership of the  
16 licensee, is not admissible to prove a violation of this section,  
17 section 707(1), (2), (3), or (4), or section 801(1). To establish a  
18 violation of this section, section 707(1), (2), (3), or (4), or  
19 section 801(1), the individual's intoxicated condition at the time  
20 of the sale or consumption of alcohol must be proven by direct  
21 observation by law enforcement or commission enforcement personnel  
22 or through other admissible witness statements or corroborating  
23 evidence obtained as part of the standard investigation other than  
24 breathalyzer or blood alcohol test results.

25 Sec. 1027. (1) Unless otherwise provided by rule of the  
26 commission, a person shall not conduct samplings or tastings of any  
27 alcoholic liquor for a commercial purpose except at premises that  
28 are licensed by the commission for the sale and consumption of  
29 alcoholic liquor on the premises.

1           (2) Notwithstanding section 1025(1) or (2), a retailer  
2 licensed by the commission for consumption on the premises may  
3 allow customers to sample beer, wine, and spirits if the retailer  
4 does not charge for the samples provided to customers. Sample  
5 serving sizes must not exceed 3 ounces for beer, 2 ounces for wine,  
6 and 1/2 ounce for spirits. A customer must not be provided more  
7 than 2 samples within a 24-hour period per licensed premises.

8           (3) This section does not prohibit any of the following:

9           (a) A vendor of spirits, brewer, wine maker, ~~mixed spirit~~  
10 ~~drink manufacturer~~, small wine maker, outstate seller of beer, **or**  
11 outstate seller of wine, ~~or outstate seller of mixed spirit drink~~,  
12 or a bona fide market research organization retained by 1 of the  
13 persons named in this subsection, from conducting samplings or  
14 tastings of an alcoholic liquor product before it is approved for  
15 sale in this state if the sampling or tasting is conducted under  
16 prior written approval of the commission.

17           (b) An on-premises licensee from giving a sampling or tasting  
18 of alcoholic liquor to an employee of the licensee during the legal  
19 hours for consumption for the purpose of educating the employee  
20 regarding 1 or more types of alcoholic liquor if the employee is at  
21 least 21 years of age.

22           (c) A small distiller licensee from giving a sampling or  
23 tasting of brands it manufactures on the licensed premises or an  
24 off-site tasting facility operated by that small distiller.

25           (d) A micro brewer, brewpub, or on-premises licensee from  
26 allowing the sampling and consumption on the licensed premises of  
27 beer, wine, mead, honey-based beer, or cider produced by 1 or more  
28 home brewers at a meeting of home brewers, or a club composed  
29 primarily of home brewers, under the following circumstances:

1 (i) The sampling or consumption is for the purpose of  
2 exhibitions or competitions involving home brewers.

3 (ii) The beer, honey-based beer, or cider is served in portions  
4 that do not exceed 3 ounces. The wine or mead is served in portions  
5 that do not exceed 2 ounces.

6 (iii) The beer, wine, mead, honey-based beer, or cider produced  
7 by the home brewer is only consumed by the home brewer, the home  
8 brewer's family, a club member, a judge, or a guest speaker and is  
9 not sold to members of the general public.

10 (iv) The participants in the sampling or consumption otherwise  
11 comply with applicable state and federal law and applicable  
12 regulatory provisions of this act and rules adopted by the  
13 commission under this act.

14 (v) The participants in the sampling or consumption are not  
15 charged for the sampling or consumption of the beer, wine, mead,  
16 honey-based beer, or cider.

17 (4) A vendor of spirits or a manufacturer may conduct a  
18 consumer sampling event on the premises of a holder of a specially  
19 designated distributor license upon submission of a completed  
20 application to the commission.

21 (5) The holder of a consumer sampling event license shall  
22 comply with the following:

23 (a) The commission must be notified in writing a minimum of 10  
24 working days before the event with the date, time, and location of  
25 the event.

26 (b) The consumer sampling event is limited to 3 events per  
27 vendor of spirits or manufacturer per specially designated  
28 distributor license per month.

29 (c) The vendor of spirits or manufacturer conducting the

1 consumer sampling event must have a licensed representative present  
2 at the specially designated distributor's establishment.

3 (d) Licensed representatives or an authorized representative  
4 may distribute merchandise, not to exceed \$100.00 in value, to  
5 consumers 21 years of age or older during the event.

6 (e) Participating specially designated distributor licensees  
7 do not receive any fee or other valuable consideration for  
8 participating in the event.

9 (f) Each consumer is limited to 3 samples, which total no more  
10 than 1/3 ounce of spirits per serving.

11 (g) The consumer is not charged for and does not purchase any  
12 sample.

13 (h) The alcoholic liquor used in the consumer sampling event  
14 is provided by the vendor of spirits or manufacturer, and purchased  
15 at the minimum retail selling price fixed by the commission from  
16 the specially designated distributor on whose premises the event is  
17 located. The vendor of spirits or manufacturer shall remove any  
18 unfinished product from the premises at which the event is held  
19 upon completion of the event.

20 (i) The consumer sampling event is not allowed if the sale of  
21 alcoholic liquor is otherwise prohibited on the premises at which  
22 the event is conducted.

23 (j) Samples are not offered to, or allowed to be consumed by,  
24 any person under the legal age for consuming alcoholic liquor.

25 (k) A consumer sampling event may be advertised in any type of  
26 media and the advertisements may include the date, time, location,  
27 and other information regarding the event.

28 (l) The participating vendor of spirits or manufacturer and  
29 specially designated distributor licensees ~~complies~~**comply** with

1 this act and commission rules.

2 (m) The vendor of spirits or manufacturer demonstrates that  
3 the individual actually conducting the sampling has successfully  
4 completed the server training program in the manner provided for in  
5 section 906 and rules promulgated by the commission.

6 (6) Violation of this section subjects the vendor of spirits  
7 or manufacturer to the sanctions and penalties as provided for  
8 under this act.

9 (7) The commission, by rule or issuance of an order, may  
10 further define eligibility for licensure and processes for  
11 conducting consumer sampling events.

12 (8) A sampling or tasting of any alcoholic liquor in a home or  
13 domicile for other than a commercial purpose is not subject to this  
14 section.

15 (9) Before a micro brewer, brewpub, or on-premises licensee  
16 allows an event to be held under subsection (3)(d), the micro  
17 brewer, brewpub, or on-premises licensee shall enter into a written  
18 agreement with the home brewers or home brewers club stating all of  
19 the following:

20 (a) The date and time the event will be held.

21 (b) The location of the event.

22 (c) Either of the following:

23 (i) A statement that the micro brewer, brewpub, or on-premises  
24 licensee acknowledges that it is not in control of an unregulated  
25 alcoholic beverage at its establishment and agrees to assume  
26 liability under section 801(2) for the event.

27 (ii) Proof that the home brewers or home brewers club has  
28 obtained a bond or liability insurance equal to that required under  
29 section 803(1).



1 (10) As used in this section:

2 (a) "Commercial purpose" means a purpose for which monetary  
3 gain or other remuneration could reasonably be expected.

4 (b) "Home brewer" means an individual who manufactures beer,  
5 wine, mead, honey-based beer, or cider at his or her dwelling.

6 Sec. 1101. (1) Spirits ~~and mixed spirit drink~~ for consumption  
7 on the premises, in addition to beer and wine, may be sold by  
8 restaurants, hotels, and establishments approved by the commission  
9 under this act in the following cities, villages, or townships, if  
10 the legislative body of the city, village, or township by  
11 resolution of a majority vote of the members elect, votes in favor  
12 of allowing that sale. A petition may be filed with the city,  
13 village, or township clerk requesting the submission of the  
14 question of sale of spirits ~~and mixed spirit drink~~ for consumption  
15 on the premises, in addition to beer and wine. ~~In the case of~~ **For** a  
16 city or township, the petition ~~shall~~ **must** be signed by a number of  
17 the registered and qualified electors ~~which shall be~~ **that is** not  
18 less than 35% of the total number of votes cast for all candidates  
19 for the office of secretary of state in that city or township at  
20 the last general election held for that purpose. ~~In the case of~~ **For**  
21 a village, the petition ~~shall~~ **must** be signed by a number of the  
22 registered and qualified electors that is not less than 35% of the  
23 total number of votes cast for all candidates for the office of  
24 president of the village at the last village election held for that  
25 purpose. The question ~~shall~~ **must** not be submitted to the electors  
26 of a city, village, or township more often than once in every 2  
27 years. The city, village, or township clerk shall, within 10 days  
28 after the petition is filed with the clerk, give notice of the  
29 filing by publication of notice setting forth the essential facts

1 of the petition in a newspaper published or in general circulation  
 2 in the city, village, or township. The city, village, or township  
 3 clerk shall submit the question at the next regular state election  
 4 held in the city, village, or township if the petitions are filed  
 5 at least 60 days before the election. Class C licensees in a newly  
 6 incorporated city or village ~~shall~~ continue to be licensed by the  
 7 commission until the question of the sale of spirits ~~and mixed~~  
 8 ~~spirit drink~~ for consumption on the premises, in addition to beer  
 9 and wine, is submitted to the electors of the city or village as  
 10 provided in this section. The question of the sale of spirits ~~and~~  
 11 ~~mixed spirit drink~~ for consumption on the premises, in addition to  
 12 beer and wine, ~~shall~~ **must** be submitted by ballot in substantially  
 13 the following form:

14 "Shall the sale of spirits ~~and mixed spirit drink~~ in addition  
 15 to beer and wine be permitted for consumption on the premises  
 16 within the city, village, or township of ..... under the  
 17 provisions of the law governing same?

18 Yes .....

19 No .....".

20 (2) All votes on the question submitted by ballot under  
 21 subsection (1) ~~shall~~ **must** be taken, counted, and canvassed in the  
 22 same manner as votes cast in city, village, or township elections,  
 23 as applicable, are taken, counted, and canvassed. Ballots ~~shall~~  
 24 **must** be furnished by the election commission or similar body of the  
 25 respective city, village, or township. If a majority of the  
 26 electors voting at an election conducted under this section ~~shall~~  
 27 ~~vote~~ **votes** in favor of the question submitted by ballot under  
 28 subsection (1), spirits ~~and mixed spirit drink~~ may be sold under  
 29 this act in that city, village, or township for consumption on the

1 premises, in addition to beer and wine.

2 (3) ~~At any time within~~ **Within** 18 months after an election  
 3 conducted under this section has resulted in a tie vote, the  
 4 question ~~shall~~ **must** be resubmitted to the electors ~~upon~~ **on** the  
 5 filing of a petition with the legislative body of the city,  
 6 village, or township. The petition ~~shall~~ **must** be signed by a number  
 7 of electors not less than that required under subsection (1) for  
 8 the calling of an election on an original petition. The question  
 9 ~~shall~~ **must** be resubmitted to the electors by the city, village, or  
 10 township clerk at the next regular election if that election occurs  
 11 not less than 30 days and not more than 60 days after the filing of  
 12 the petition or at a special election called for that purpose and  
 13 to be held within not less than 30 days and not more than 60 days  
 14 after the filing of the petition.

15 (4) ~~This section shall not be used by the~~ **The** legislative body  
 16 of a city, village, or township **shall not use this section** to  
 17 nullify the results of a referendum vote of the electors of the  
 18 city, village, or township.

19 Sec. 1103. (1) If spirits ~~and mixed spirit drink~~ for  
 20 consumption on the premises, in addition to beer and wine, may be  
 21 sold by restaurants, hotels, and establishments approved by the  
 22 commission in a city, village, or township and all or a part of  
 23 that city, village, or township becomes annexed to and a part of a  
 24 city or village that does not, at the time of annexation, permit  
 25 those sales, class C licensees in that annexed area shall continue  
 26 to be licensed by the commission until the next regular, city, or  
 27 village election, at which election, without the need to file a  
 28 petition, the question of the sale of spirits ~~and mixed spirit~~  
 29 ~~drink~~ for consumption on the premises, in addition to beer and

1 wine, ~~shall~~**must** be submitted to the electors of the city or  
2 village to which the territory has been annexed.

3 (2) The form of the ballot, the voting and canvassing of  
4 votes, and the effect of the votes ~~shall~~**must** be as provided in  
5 section 1101.

6 (3) The fact that a vote has been taken upon that question  
7 either in the annexing municipality or in the annexed area, or in  
8 both, within 4 years before the annexation is not a bar to the  
9 submission of the question as provided in this section.

10 Sec. 1105. (1) When the question of the sale of spirits ~~and~~  
11 ~~mixed spirit drink~~ for consumption on the premises is submitted to  
12 and approved by the electors of a city, village, or township, and  
13 immediately after certification of the results of the election, all  
14 currently approved licensed establishments for consumption of beer  
15 and wine on the premises in the city, village, or township ~~shall~~  
16 **must** be licensed to serve spirits ~~and mixed spirit drink~~ in  
17 addition to beer and wine for consumption on the premises ~~upon~~**on**  
18 application to and approval by the commission and payment of the  
19 applicable license fee as specified in section 525.

20 (2) A township having incorporated villages within its  
21 boundaries may submit to the voters in the unincorporated portion  
22 of the township the question of sale of spirits ~~and mixed spirit~~  
23 ~~drink~~ for consumption on the premises and the will of the electors  
24 outside of the incorporated villages shall decide the question for  
25 the unincorporated portion of the township.

26 Sec. 1113. (1) Except as provided in subsection (2), (3), or  
27 (5) and subject to subsection (6), a licensee enumerated under  
28 section 525 may sell at retail, and a person may buy, spirits ~~or~~  
29 ~~mixed spirit drink~~ between the hours of 7 a.m. on Sunday and 2 a.m.

1 on Monday.

2 (2) Unless the legislative body of a county has prohibited the  
3 sale of spirits ~~and mixed spirit drink~~ for consumption on the  
4 premises between the hours of 7 a.m. and 12 noon on Sunday or  
5 between the hours of 7 a.m. on Sunday and 2 a.m. on Monday, by  
6 resolution approved by a majority of the legislative body voting on  
7 that resolution, spirits ~~and mixed spirit drink~~ may be sold after 7  
8 a.m. on Sunday, in an establishment licensed under this act in  
9 which the gross receipts derived from the sale of food and other  
10 goods and services exceed 50% of the total gross receipts. With  
11 respect to an action taken by the legislative body or if the  
12 legislative body fails to act, a petition may be filed with the  
13 county clerk requesting the submission of the question regarding  
14 the prohibition of the sale of spirits ~~and mixed spirit drink~~ for  
15 consumption on the premises between the hours of 7 a.m. and 12 noon  
16 on Sunday or between the hours of 7 a.m. on Sunday and 2 a.m. on  
17 Monday. The petition ~~shall~~**must** be signed by a number of the  
18 registered and qualified electors of the county that is not less  
19 than 8% of the total number of votes cast for all candidates for  
20 the office of secretary of state in the county at the last general  
21 election held for that purpose. The question ~~shall~~**must** not be  
22 submitted to the electors of a county more than once every 4 years.  
23 The county clerk shall submit the question at the next regular  
24 state election held in the county if the petitions are filed not  
25 less than 60 days before the election. The question regarding the  
26 prohibition of the sale of spirits and mixed spirit drink for  
27 consumption on the premises ~~shall~~**must** be submitted by ballot in  
28 substantially the following forms:

29 (a) For the sale between the hours of 7 a.m. and 12 noon on

1 Sunday:

2 "Shall the sale of spirits ~~and mixed spirit drink~~ for  
3 consumption on the premises be prohibited between the hours of 7  
4 a.m. and 12 noon on Sunday within the county of ..... under  
5 the provisions of the law governing the sale of spirits ~~and mixed~~  
6 ~~spirit drink~~ for consumption?

7 Yes .....

8 No ..... "

9 (b) For the sale between the hours of 7 a.m. on Sunday and 2  
10 a.m. on Monday:

11 "Shall the sale of spirits ~~and mixed spirit drink~~ for  
12 consumption on the premises be prohibited between the hours of 7  
13 a.m. on Sunday and 2 a.m. on Monday within the county of .....  
14 under the provisions of the law governing the sale of spirits ~~and~~  
15 ~~mixed spirit drink~~ for consumption?

16 Yes .....

17 No ..... "

18 (3) Unless the legislative body of a county has prohibited the  
19 sale of spirits ~~and mixed spirit drink~~ for consumption off the  
20 premises between the hours of 7 a.m. and 12 noon on Sunday or  
21 between the hours of 7 a.m. on Sunday and 2 a.m. on Monday by  
22 resolution approved by a majority of the legislative body voting on  
23 the resolution, spirits ~~and mixed spirit drink~~ may be sold after 7  
24 a.m., in a retail establishment licensed under this act. With  
25 respect to an action taken by the legislative body or if the  
26 legislative body fails to act, a petition may be filed with the  
27 county clerk requesting the submission of the question regarding  
28 the prohibition of the sale of spirits ~~and mixed spirit drink~~ for  
29 consumption off the premises, in addition to beer and wine, in a

1 retail establishment licensed under this act between the hours of 7  
 2 a.m. and 12 noon on Sunday or between the hours of 7 a.m. on Sunday  
 3 and 2 a.m. on Monday. The petition ~~shall~~**must** be signed by a number  
 4 of the registered and qualified electors of the county that is not  
 5 less than 8% of the total number of votes cast for all candidates  
 6 for the office of secretary of state in the county at the last  
 7 general election held for that purpose. The question ~~shall~~**must** not  
 8 be submitted to the electors of a county more than once every 4  
 9 years. The county clerk shall submit the question at the next  
 10 regular state election held in the county if the petitions are  
 11 filed not less than 60 days before the election. The question  
 12 regarding the prohibition of the sale of spirits ~~and mixed spirit~~  
 13 ~~drink~~ for consumption off the premises, in addition to beer and  
 14 wine, in a retail establishment licensed under this act ~~shall~~**must**  
 15 be submitted by ballot in substantially the following forms:

16 (a) For the sale between the hours of 7 a.m. and 12 noon on  
 17 Sunday:

18 "Shall the sale of spirits ~~and mixed spirit drink~~ for  
 19 consumption off the premises be prohibited between the hours of 7  
 20 a.m. and 12 noon on Sunday in a retail establishment licensed under  
 21 the Michigan liquor control code of 1998 within the county of  
 22 ..... under the provisions of the law governing the sale of  
 23 spirits ~~and mixed spirit drink~~ for consumption?

24 Yes .....

25 No .....".

26 (b) For the sale between the hours of 7 a.m. on Sunday and 2  
 27 a.m. on Monday:

28 "Shall the sale of spirits ~~and mixed spirit drink~~ for  
 29 consumption off the premises be prohibited between the hours of 7

1 a.m. on Sunday and 2 a.m. on Monday in a retail establishment  
2 licensed under the Michigan liquor control code of 1998 within the  
3 county of ..... under the provisions of the law governing the  
4 sale of spirits ~~and mixed spirit drink~~ for consumption?

5 Yes .....

6 No ....."

7 (4) Votes on a question submitted to the electors under this  
8 section ~~shall~~**must** be taken, counted, and canvassed in the same  
9 manner as votes cast in county elections are taken, counted, and  
10 canvassed. A ballot ~~shall~~**must** be furnished by the election  
11 commission or similar body of the county. If a majority of the  
12 electors voting at an election vote in favor of the proposal, the  
13 sale of spirits ~~and mixed spirit drink~~ may be prohibited in the  
14 county under this act for consumption on the premises or by a  
15 retail establishment for consumption off the premises, in addition  
16 to beer and wine, between the hours of 7 a.m. and 12 noon on Sunday  
17 or between the hours of 7 a.m. on Sunday and 2 a.m. on Monday. The  
18 sale of spirits ~~and mixed spirit drink~~ ~~shall~~**must** not be permitted  
19 in a city, village, or township in which the sale of spirits ~~and~~  
20 ~~mixed spirit drink~~ is prohibited under this act. A violation of  
21 this section is a misdemeanor. This section does not apply to  
22 spirits ~~and mixed spirit drink~~ served to a bona fide guest in the  
23 residence of a person or sold or furnished for medicinal purposes  
24 as provided for in this act.

25 (5) A licensee enumerated under section 525 or any other  
26 person shall not sell at retail, and a person shall not knowingly  
27 and willfully buy, alcoholic liquor between the hours of 11:59 p.m.  
28 on December 24 and 12 noon on December 25. The legislative body of  
29 a city, village, or township, by resolution or ordinance, may



1 prohibit the sale of alcoholic liquor on a legal holiday, primary  
2 election day, general election day, municipal election day, between  
3 the hours of 7 a.m. and 12 noon on Sunday, or between the hours of  
4 7 a.m. on Sunday and 2 a.m. on Monday.

5 (6) The sale of spirits ~~or mixed spirit drink~~ in any county  
6 between the hours of 7 a.m. and 12 noon on Sunday or between the  
7 hours of 7 a.m. on Sunday and 2 a.m. on Monday ~~shall~~ **must** not be  
8 prohibited under ~~the provisions of~~ subsections (1) ~~through to~~ (5)  
9 as applied to a motorsports entertainment complex located in more  
10 than 1 county if a resolution or referendum under this section  
11 results in the question's failing to pass in 1 county but passing  
12 in another. Under those circumstances, the commission shall  
13 determine the issue of the sale of spirits ~~and mixed spirit drink~~  
14 in the motorsports entertainment complex in those counties between  
15 the hours of 7 a.m. and 12 noon on Sunday or between the hours of 7  
16 a.m. on Sunday and 2 a.m. on Monday. As used in this section,  
17 "motorsports entertainment complex" means a closed-course  
18 motorsports facility, and its ancillary grounds and facilities,  
19 that satisfies all of the following:

20 (a) Has at least 70,000 fixed seats for race patrons.

21 (b) Has at least 4 scheduled days of motorsports events each  
22 calendar year.

23 (c) Serves food and beverages at the motorsports entertainment  
24 complex during motorsports events each calendar year through  
25 concession outlets ~~, which~~ **that** are staffed by individuals who  
26 represent or are members of 1 or more nonprofit civic or charitable  
27 organizations that directly benefit from the concession outlets'  
28 sales.

29 (d) Engages in tourism promotion.

1 (e) Has permanent exhibitions of motorsports history, events,  
2 or vehicles within the motorsports entertainment complex.

3 (7) Any prohibitions on the sale of alcoholic liquor between  
4 the hours of 7 a.m. and 12 noon on Sunday or between the hours of 7  
5 a.m. on Sunday and 2 a.m. on Monday adopted by a county, city,  
6 village, or township before ~~the effective date of the amendatory~~  
7 ~~act that added this subsection shall~~ **May 16, 2011** remain in effect.

8 Sec. 1114. (1) Notwithstanding R 436.1403 and R 436.1503 of  
9 the Michigan ~~administrative code~~ **Administrative Code** and except as  
10 otherwise provided under this act or rule of the commission, an on-  
11 premises and an off-premises licensee shall not sell, give away, or  
12 furnish alcoholic liquor between the hours of 2 a.m. and 7 a.m. on  
13 any day.

14 (2) Subsection (1) does not prevent any local governmental  
15 unit from prohibiting the sale of beer and wine between the hours  
16 of 7 a.m. and 12 noon on Sunday or between the hours of 7 a.m. on  
17 Sunday and 2 a.m. on Monday under section 1111 and does not prevent  
18 any local governmental unit from prohibiting the sale of spirits  
19 ~~and mixed spirit drink~~ between the hours of 7 a.m. and 12 noon on  
20 Sunday or between the hours of 7 a.m. on Sunday and 2 a.m. on  
21 Monday under section 1113. A licensee selling alcoholic liquor  
22 between 7 a.m. and 12 noon on Sunday shall obtain a permit and pay  
23 to the commission an annual fee of \$160.00.

24 (3) A reference to the time of day under this act or a rule of  
25 the commission includes daylight savings time, when observed.

26 Sec. 1115. (1) A licensee ~~who~~ **that** elects to sell spirits ~~or~~  
27 ~~mixed spirit drink~~ between the hours of 12 noon on Sunday and 2  
28 a.m. on Monday under section 1113 shall not do so until ~~he or she~~  
29 **the licensee** first obtains a permit and pays to the commission an

1 additional fee in the amount of 15% of the fee charged for the  
2 issuance of his or her license.

3 (2) The revenue received from subsection (1) for the sale of  
4 spirits ~~or mixed spirit drink~~ between 12 noon on Sunday and 2 a.m.  
5 on Monday ~~shall~~**must** be deposited with the state treasurer in a  
6 special fund to be used only by the department of ~~public health~~ **and**  
7 **human services** in programs for the treatment of alcoholics. Any  
8 other revenue resulting from the additional \$160.00 license fee as  
9 described in section 1114 for sales of alcoholic liquor permitted  
10 under sections 1111 and 1113 ~~shall~~**must** be deposited into the  
11 general fund.

12 Enacting section 1. This amendatory act does not take effect  
13 unless both of the following bills of the 100th Legislature are  
14 enacted into law:

15 (a) Senate Bill No. 1138.

16

17 (b) Senate Bill No. 1140.

18