

**STATE OF MICHIGAN  
101ST LEGISLATURE  
REGULAR SESSION OF 2021**

Introduced by Senator Nesbitt

## ENROLLED SENATE BILL No. 559

AN ACT to amend 1998 PA 58, entitled “An act to create a commission for the control of the alcoholic beverage traffic within this state, and to prescribe its powers, duties, and limitations; to provide for powers and duties for certain state departments and agencies; to impose certain taxes for certain purposes; to provide for the control of the alcoholic liquor traffic within this state and to provide for the power to establish state liquor stores; to prohibit the use of certain devices for the dispensing of alcoholic vapor; to provide for the care and treatment of alcoholics; to provide for the incorporation of farmer cooperative wineries and the granting of certain rights and privileges to those cooperatives; to provide for the licensing and taxation of activities regulated under this act and the disposition of the money received under this act; to prescribe liability for retail licensees under certain circumstances and to require security for that liability; to provide procedures, defenses, and remedies regarding violations of this act; to provide for the enforcement and to prescribe penalties for violations of this act; to provide for allocation of certain funds for certain purposes; to provide for the confiscation and disposition of property seized under this act; to provide referenda under certain circumstances; and to repeal acts and parts of acts,” by amending sections 518, 537a, and 551 (MCL 436.1518, 436.1537a, and 436.1551), section 518 as amended by 2021 PA 29, section 537a as added by 2020 PA 125, and section 551 as added by 2020 PA 124.

*The People of the State of Michigan enact:*

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

(a) “Motorsports entertainment complex” means a closed-course motorsports facility and its ancillary grounds that comply with all of the following:

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

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

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

(iv) Engages in tourism promotion.

(b) “Motorsports event” means a motorsports race and its ancillary activities that have been sanctioned by a sanctioning body.

(c) “Owner” means a person that owns and operates a motorsports entertainment complex.

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

(2) Notwithstanding the quota provisions of section 531, the commission may issue motorsports event licenses for the sale of beer and wine or beer, wine, mixed spirit drink, and spirits for consumption on the premises to the owner of a motorsports entertainment complex for use during sanctioned motorsports events only. The sale of beer, wine, mixed spirit drink, and spirits at concession outlets or additional locations within the motorsports entertainment complex during motorsports sanctioned events are not considered additional bars for the purpose of determining a license fee under section 525(1)(o). An applicant for a license under this section that elects to sell beer and wine only shall pay to the commission a license fee of \$250.00. An applicant for a license under this section that elects to sell beer, wine, mixed spirit drink, and spirits shall pay to the commission a license fee of \$600.00.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) This section does not apply after January 1, 2026.

(5) As used in this section:

(a) “Consumer” means that term as defined in section 203.

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

(c) “Qualified licensee” means any of the following:

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

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

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

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

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

(a) “Local road agency” means a county road commission or designated county road agency or city or village that is responsible for the construction or maintenance of public roads within this state.

(b) “Road authority” means a local road agency or the state transportation department.

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

(a) The holder of the social district permit sells and serves alcoholic liquor only on the holder’s licensed premises.

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

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

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

(iii) The container is not glass.

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

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

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

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

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

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

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

(7) This section does not apply after January 1, 2025.

(8) As used in this section:

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

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

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

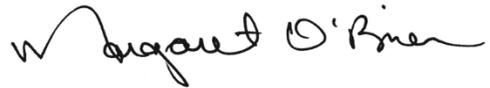
(i) A retailer that holds a license, other than a special license, to sell alcoholic liquor for consumption on the licensed premises.

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

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

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

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved \_\_\_\_\_

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Governor