

**SUBSTITUTE FOR
HOUSE BILL NO. 5353**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 537 (MCL 436.1537), as amended by 2018 PA 560.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 537. (1) The following classes of vendors may sell
2 alcoholic liquor at retail as provided in this section:
3 (a) Taverns, where beer and wine may be sold for consumption
4 on the premises only.
5 (b) Class C licensee, where beer, wine, mixed spirit drink,
6 and spirits may be sold for consumption on the premises.
7 (c) Clubs, where beer, wine, mixed spirit drink, and spirits
8 may be sold for consumption on the premises only to bona fide
9 members if consumption is limited to these members and their bona



1 fide guests, who are 21 years of age or older.

2 (d) Direct shippers, where wine may be sold and shipped
3 directly to the consumer.

4 (e) Hotels of class A, where beer and wine may be sold for
5 consumption on the premises and in the rooms of bona fide
6 registered guests. Hotels of class B where beer, wine, mixed spirit
7 drink, and spirits may be sold for consumption on the premises and
8 in the rooms of bona fide registered guests.

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

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

13 (h) Special licensee, where beer and wine or beer, wine, mixed
14 spirit drink, and spirits may be sold for consumption on the
15 premises only.

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

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

22 (i) Class C.

23 (ii) Tavern.

24 (iii) Class A hotel.

25 (iv) Class B hotel.

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



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

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

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

12 (o) Wine maker or small wine maker, where wine manufactured by
13 the wine maker or small wine maker may be sold by direct shipment
14 as provided in section 203, at retail for consumption on or off the
15 premises in an approved tasting room under section 536, or as
16 otherwise provided for in this act.

17 (p) Small wine maker, where wine bottled by the small wine
18 maker may be sold by direct shipment as provided in section 203, at
19 retail for consumption on or off the premises in an approved
20 tasting room under section 536, or as otherwise provided for in
21 this act.

22 (q) Wine maker or small wine maker, where ~~winers as that term~~
23 ~~is defined in section 111~~ may be sold by direct shipment as
24 provided in section 203, at retail for consumption on or off the
25 premises in an approved tasting room under section 536, or as
26 otherwise provided for in this act.

27 (r) Distiller or small distiller, where spirits manufactured
28 by the distiller or small distiller may be sold to the consumer at
29 retail for consumption on or off the premises in an approved



1 tasting room under section 536.

2 (s) Nonpublic continuing care retirement center license, where
3 beer, wine, mixed spirit drink, mixed wine drink, and spirits may
4 be sold at retail and served on the licensed premises to residents
5 and bona fide guests accompanying the resident for consumption only
6 on the licensed premises.

7 (t) A small wine maker or an out-of-state entity that is the
8 substantial equivalent of a small wine maker, that holds a farmer's
9 market permit, where wine manufactured or bottled by the small wine
10 maker and shiners ~~as that term is defined in section 111~~ may be
11 sampled and sold at a farmers' market for consumption off the
12 licensed premises.

13 (u) A brandy manufacturer where brandy manufactured by the
14 brandy manufacturer may be sold at retail for consumption on or off
15 the premises in an approved tasting room under section 536 located
16 on the manufacturing premises of the brandy manufacturer.

17 (v) A mixed spirit drink manufacturer where mixed spirit drink
18 manufactured by the mixed spirit drink manufacturer may be sold at
19 retail for consumption on or off the premises in an approved
20 tasting room under section 536.

21 (2) Notwithstanding section 1025(1), an outstate seller of
22 beer, an outstate seller of wine, a wine maker, a brewer, a micro
23 brewer, or a specially designated merchant, or an agent of any of
24 those persons, that does not hold a license allowing the
25 consumption of alcoholic liquor on the premises at the same
26 licensed address, may conduct beer and wine tastings on the
27 licensed premises of a specially designated merchant under the
28 following conditions:

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



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

6 (c) The specially designated merchant, outstate seller of
7 beer, outstate seller of wine, wine maker, micro brewer, or brewer
8 has first obtained an annual beer and wine tasting permit approved
9 by the commission.

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

13 (3) While a beer or wine tasting is conducted under subsection
14 (2), a specially designated merchant, outstate seller of beer,
15 outstate seller of wine, wine maker, micro brewer, or brewer, or
16 its agent or employee who has successfully completed a server
17 training program as provided for in section 906, shall devote full
18 time to the beer and wine tasting activity and shall not perform
19 other duties, including the sale of alcoholic liquor for
20 consumption off the licensed premises. Beer and wine used for the
21 tasting must come from the specially designated merchant's
22 inventory, and all open bottles must be removed from the premises
23 on the same business day or resealed and stored in a locked,
24 separate storage compartment on the licensed premises when not
25 being used for the activities allowed by the permit.

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

28 (5) A beer and wine tasting under subsection (2) may only be
29 conducted during the legal hours for the sale of alcoholic liquor



1 by the licensee.

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

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

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

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

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

15 (c) The eligible merchant or his or her agent or employee
16 shall not fill a growler in advance of the sale.

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

20 (e) The beer to be dispensed has received a registration
21 number from the commission and has been approved for sale by the
22 commission. **The registration condition described in this**
23 **subdivision does not apply to either of the following:**

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

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

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

29 (7) A wine maker, brandy manufacturer, small distiller, micro



1 brewer, brewer, or brewpub shall provide water, and may, in the
2 sole discretion of the wine maker, brandy manufacturer, small
3 distiller, micro brewer, brewer, or brewpub, sell or provide other
4 nonalcoholic beverages, for consumption on or off the premises
5 where the wine maker, brandy manufacturer, small distiller, micro
6 brewer, brewer, or brewpub is licensed.

7 (8) As used in this section:

8 (a) "Eligible merchant" means a person that holds a specially
9 designated merchant license.

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

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

17 (a) House Bill No. 5341.

18 (b) House Bill No. 5342.

19 (c) House Bill No. 5343.

20 (d) House Bill No. 5344.

21 (e) House Bill No. 5345.

22 (f) House Bill No. 5346.

23 (g) House Bill No. 5347.

24 (h) House Bill No. 5348.

25 (i) House Bill No. 5349.

26 (j) House Bill No. 5350.

27 (k) House Bill No. 5351.

28 (l) House Bill No. 5352.

29 (m) House Bill No. 5354.



- 1 (n) House Bill No. 5355.
- 2 (o) House Bill No. 5400.

