December 02, 2021, Introduced by Rep. Wendzel 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 415 and 537 (MCL 436.1415 and 436.1537),
section 415 as added by 2013 PA 100 and section 537 as amended by
2021 PA 19.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 415. (1) Subject to the limitations provided under this
2 section, the commission may issue a farmer's market permit to a
3 qualified small wine maker, small distiller, or mixed spirit drink
Regardless of the location of the qualified small wine maker, small distiller, or mixed spirit drink manufacturer, the commission shall only issue 1 farmer's market permit for a qualified small wine maker, 1 farmer's market permit for a small distiller, and 1 farmer's market permit for a mixed spirit drink manufacturer in a county where the farmer's market is located for each 1,500 of population or fraction of 1,500 in that county as determined by the last federal decennial census, by a special census pursuant to section 6 of the home rule city act, 1909 PA 279, MCL 117.6, or section 7 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.907, or by the latest census and corrections published by the United States Department of Commerce, Bureau of the Census, whichever is later. The holder of a farmer's market permit may conduct tastings and sell, at retail at a farmer's market, the wine produced by that qualified small wine maker, the spirits produced by that small distiller, or the mixed spirit drink manufactured by that mixed spirit drink manufacturer, as applicable.

(2) The commission shall charge a fee for a farmer's market permit of $25.00 for each farmer's market location. A farmer's market permit issued under this section is nontransferable. Notwithstanding the quota provision under subsection (1), the commission shall not limit the number of permits a qualified small wine maker, small distiller, or mixed spirit drink manufacturer obtains under this section, but an application for a farmer's market permit shall only contain up to 5 separate locations at 1 time. Section 503 does not apply to the application or issuance of a permit under this section or to the location of a farmer's
market where the holder of a farmer's market permit intends to participate under this section.

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

(4) The tastings and sales performed under a farmer's market permit shall be limited to an exclusive area that is well defined and clearly marked, in a manner prescribed by the commission, that is under the control of the holder of the farmer's market permit, as verified by the farmer's market manager.

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

(6) The wine, spirits, or mixed spirit drink sold or used for tastings shall be furnished from the stock of the holder of the farmer's market permit and removed from the farmer's market premises immediately after the farmer's market has concluded.

(7) Tasting samples provided to a customer shall not exceed 3 servings of not more than 2 ounces of wine, 1.5 ounces of spirits, or 3 ounces of mixed spirit drink in a 24-hour period of time.

(8) The commission shall develop an application for an annual farmer's market permit allowing for licensed activities under this section. A farmer's market manager shall verify on the application that the location listed on the application qualifies as a farmer's
(9) A wholesaler shall not conduct or participate in any event allowed by this section.

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

(11) Two years after the enactment date of the amendatory act that added this section, by July 2, 2015, the commission shall submit a report to the standing committees of the senate and house of representatives concerned with issues involving liquor control and the house and senate fiscal agencies assessing the continued issuance of farmer's market permits to qualified small wine makers, small distillers, and mixed spirit drink manufacturers. The report shall must include, at a minimum, all of the following:

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

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

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

(12) As used in this section:

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

(b) "Farmer's market manager" means the person responsible for enforcing the market policy and for the daily operation and management of the farmer's market.
"Farmer's market permit" means an annual permit issued as part of an approved license to a qualified small wine maker, small distiller, or mixed spirit drink manufacturer allowing that person to conduct tastings and sell at retail, for consumption off the licensed premises, at a farmer's market, wine produced by the qualified small wine maker, spirits produced by the small distiller, or mixed spirit drink manufactured by the mixed spirit drink manufacturer, as applicable.

"Qualified small wine maker" means a small wine maker, or an out-of-state entity that is the substantial equivalent of a small wine maker, that manufactures or bottles not more than 5,000 gallons of wine in 1 calendar year.

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

(a) Taverns, where beer, wine, and mixed spirit drink may be sold for consumption on the premises only.

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

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

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

(e) Hotels of class A, where beer, wine, and mixed spirit drink may be sold for consumption on the premises and in the rooms of bona fide registered guests. Hotels of class B where beer, wine, mixed spirit drink, and spirits may be sold for consumption on the premises and in the rooms of bona fide registered guests.
(f) Specially designated merchants, where beer, wine, and mixed spirit drink may be sold for consumption off the premises only.

(g) Specially designated distributors, where spirits may be sold for consumption off the premises only.

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

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

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

   (i) Class C.
   
   (ii) Tavern.
   
   (iii) Class A hotel.
   
   (iv) Class B hotel.

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

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

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

(n) Motorsports event licensee, where beer, wine, mixed spirit drink, and spirits may be sold for consumption on the premises during sanctioned motorsports events only.

(o) Wine maker or small wine maker, where wine manufactured by the wine maker or small wine maker may be sold in any of the following ways:

(i) By direct shipment as provided in section 203.

(ii) At retail for consumption on or off the premises in an approved tasting room under section 536.

(iii) As otherwise provided for in this act.

(p) Small wine maker, where wine bottled by the small wine maker may be sold in any of the following ways:

(i) By direct shipment as provided in section 203.

(ii) At retail for consumption on or off the premises in an approved tasting room under section 536.

(iii) As otherwise provided for in this act.

(q) Wine maker or small wine maker, where shiners may be sold in any of the following ways:

(i) By direct shipment as provided in section 203.

(ii) At retail for consumption on or off the premises in an approved tasting room under section 536.

(iii) As otherwise provided for in this act.

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

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

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

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

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

(w) A small distiller that holds a farmer's market permit
where spirits manufactured or bottled by the small distiller may be
sampled and sold at a farmers' market for consumption off the
licensed premises.

(x) A mixed spirit drink manufacturer that holds a farmer's
market permit where mixed spirit drink manufactured by the mixed
spirit drink manufacturer may be sampled and sold at a farmer's
market for consumption off the licensed premises.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) A brewpub described in subsection (1)(j), but only as to beer that the brewpub produces.
(ii) A micro brewer or brewer described in subsection (1)(k).

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

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

(8) As used in this section:

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

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