

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 6224

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending sections 109, 111, 113, 113a, 205, 307, 525, 537, 543,
603, 1025, 1027, 1111, 1113, 1114, and 1115 (MCL 436.1109,
436.1111, 436.1113, 436.1113a, 436.1205, 436.1307, 436.1525,
436.1537, 436.1543, 436.1603, 436.2025, 436.2027, 436.2111,
436.2113, 436.2114, and 436.2115), sections 111 and 537 as amended
by 2008 PA 218, section 113 as amended and section 113a as added by
2005 PA 269, sections 205, 525, 543, and 1027 as amended by 2010 PA
175, section 603 as amended by 2009 PA 2, section 1025 as amended
by 2008 PA 11, and section 1113 as amended and section 1114 as
added by 2004 PA 134, and by adding section 545.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 109. (1) "Manufacturer" means a person engaged in the
2 manufacture of alcoholic liquor, including, but not limited to, a
3 distiller, a rectifier, a wine maker, and a brewer.

4 (2) **"MASTER DISTRIBUTOR" MEANS A WHOLESALER WHO ACTS IN THE**
5 **SAME OR SIMILAR CAPACITY AS A BREWER, WINE MAKER, OUTSTATE SELLER**
6 **OF WINE, OR OUTSTATE SELLER OF BEER FOR A BRAND OR BRANDS OF BEER**
7 **OR WINE TO OTHER WHOLESALERS ON A REGULAR BASIS IN THE NORMAL**
8 **COURSE OF BUSINESS.**

9 (3) ~~(2)~~—"Micro brewer" means a brewer that produces in total
10 less than 30,000 barrels of beer per year and that may sell the
11 beer produced to consumers at the licensed brewery premises for
12 consumption on or off the licensed brewery premises. In determining
13 the 30,000-barrel threshold, all brands and labels of a brewer,
14 whether brewed in this state or outside this state, shall be
15 combined and all facilities for the production of beer that are
16 owned or controlled by the same person shall be treated as a single
17 facility.

18 (4) ~~(3)~~—"Minor" means a person less than 21 years of age.

19 (5) ~~(4)~~—"Mixed spirit drink" means a drink produced and
20 packaged or sold by a mixed spirit drink manufacturer or an
21 outstate seller of mixed spirit drink which contains 10% or less
22 alcohol by volume consisting of distilled spirits mixed with
23 nonalcoholic beverages or flavoring or coloring materials and which
24 may also contain 1 or more of the following:

25 (a) Water.

26 (b) Fruit juices.

1 (c) Fruit adjuncts.

2 (d) Sugar.

3 (e) Carbon dioxide.

4 (f) Preservatives.

5 (6) ~~(5)~~—"Mixed spirit drink manufacturer" means any person
6 licensed under this act to manufacture mixed spirit drink in this
7 state and to sell mixed spirit drink to a wholesaler. For purposes
8 of rules promulgated by the commission, a mixed spirit drink
9 manufacturer shall be treated as a wine manufacturer but is subject
10 to the rules applicable to spirits for purposes of manufacturing
11 and labeling.

12 (7) ~~(6)~~—"Mixed wine drink" means a drink or similar product
13 marketed as a wine cooler and containing less than 7% alcohol by
14 volume, consisting of wine and plain, sparkling, or carbonated
15 water, and containing any 1 or more of the following:

16 (a) Nonalcoholic beverages.

17 (b) Flavoring.

18 (c) Coloring materials.

19 (d) Fruit juices.

20 (e) Fruit adjuncts.

21 (f) Sugar.

22 (g) Carbon dioxide.

23 (h) Preservatives.

24 (8) ~~(7)~~—"Outstate seller of beer" means a person licensed by
25 the commission to sell beer which has not been manufactured in this
26 state to a wholesaler in this state in accordance with rules
27 promulgated by the commission.

1 (9) ~~(8)~~—"Outstate seller of mixed spirit drink" means a person
2 licensed by the commission to sell mixed spirit drink which has not
3 been manufactured in this state to a wholesaler in this state in
4 accordance with rules promulgated by the commission. For purposes
5 of rules promulgated by the commission, an outstate seller of mixed
6 spirit drink shall be treated as an outstate seller of wine but is
7 subject to the rules applicable to spirits for purposes of
8 manufacturing and labeling.

9 (10) ~~(9)~~—"Outstate seller of wine" means a person licensed by
10 the commission to sell wine which has not been manufactured in this
11 state to a wholesaler in this state in accordance with rules
12 promulgated by the commission and to sell sacramental wine as
13 provided in section 301.

14 Sec. 111. (1) "Person" means an individual, firm, partnership,
15 limited partnership, association, limited liability company, or
16 corporation.

17 (2) "Primary source of supply" means, in the case of domestic
18 spirits, the distiller, producer, owner of the commodity at the
19 time it becomes a marketable product, or bottler, or the exclusive
20 agent of any such person and, in the case of spirits imported into
21 the United States, either the foreign distiller, producer, owner of
22 the bottler, or the prime importer for, or the exclusive agent in
23 the United States of, the foreign distiller, producer, owner, or
24 the bottler.

25 (3) "Professional account" means an account established for a
26 person by a class C licensee or tavern licensee whose major
27 business is the sale of food, by which the licensee extends credit

1 to the person for not more than 30 days.

2 (4) "Residence" means the premises in which a person resides
3 permanently.

4 (5) "Retailer" means a person licensed by the commission who
5 sells to the consumer in accordance with rules promulgated by the
6 commission. **RETAILER INCLUDES A BREWPUB BUT DOES NOT INCLUDE A**
7 **MANUFACTURER OR SUPPLIER, AS DEFINED IN SECTION 603, THAT IS**
8 **ALLOWED AS A CONDITION OF ITS LICENSE TO SELL TO CONSUMERS IN THIS**
9 **STATE.**

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

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

21 (8) "School" includes buildings used for school purposes to
22 provide instruction to children in grades kindergarten through 12,
23 when that instruction is provided by a public, private,
24 denominational, or parochial school, except those buildings used
25 primarily for adult education or college extension courses. School
26 does not include a proprietary trade or occupational school.

27 (9) "Small distiller" means a manufacturer of spirits annually

1 manufacturing in Michigan not exceeding 60,000 gallons of spirits,
2 of all brands combined.

3 (10) "Small wine maker" means a wine maker manufacturing or
4 bottling not more than 50,000 gallons of wine in 1 calendar year.

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

15 (12) "Specially designated distributor" means, subject to
16 section 534, a person engaged in an established business licensed
17 by the commission to distribute spirits and mixed spirit drink in
18 the original package for the commission for consumption off the
19 premises.

20 (13) "Specially designated merchant" means a person to whom
21 the commission grants a license to sell beer or wine, or both, at
22 retail for consumption off the licensed premises.

23 (14) "Spirits" means a beverage that contains alcohol obtained
24 by distillation, mixed with potable water or other substances, or
25 both, in solution, and includes wine containing an alcoholic
26 content of more than 21% by volume, except sacramental wine and
27 mixed spirit drink.

1 (15) "State liquor store" means a store established by the
2 commission under this act for the sale of spirits in the original
3 package for consumption off the premises.

4 (16) "Supplier of spirits" means a vendor of spirits, a
5 manufacturer of spirits, or a primary source of supply.

6 Sec. 113. (1) "Tavern" means any place licensed to sell at
7 retail beer and wine for consumption on the premises only.

8 (2) "Vehicle" means any means of transportation by land, by
9 water, or by air.

10 (3) "Vendor" means a person licensed by the commission to sell
11 alcoholic liquor.

12 (4) "Vendor of spirits" means a person selling spirits to the
13 commission.

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

18 (6) "Warehouser" means a licensee authorized by the commission
19 to store alcoholic beverages, but prohibited from making sales or
20 deliveries to retailers unless the licensee is also the holder of a
21 wholesaler or manufacturer license issued by the commission.

22 (7) "Wholesaler" means a person who **IS LICENSED BY THE**
23 **COMMISSION AND** sells beer, wine, or mixed spirit drink only to
24 retailers or other licensees, and who sells sacramental wine as
25 provided in section 301. **A WHOLESALER INCLUDES A PERSON WHO MAY**
26 **ALSO ACT AS A MASTER DISTRIBUTOR UNLESS PROHIBITED FROM DOING SO BY**
27 **ITS SUPPLIER OR MANUFACTURER IN A WRITTEN AGREEMENT REQUIRED BY**

1 EITHER SECTION 305(3)(I) OR 403(3)(I) AND, BY MUTUAL AGREEMENT WITH
2 AN OUTSTATE SELLER OF BEER OR WINE, CAN BE AUTHORIZED BY THE
3 OUTSTATE SELLER OF BEER OR WINE TO DO, IN THE MANNER PRESCRIBED BY
4 THE COMMISSION, EITHER OR BOTH OF THE FOLLOWING:

5 (A) REGISTER WITH THE STATE OF MICHIGAN THE LABELS OF THE
6 OUTSTATE SELLER OF BEER OR WINE.

7 (B) ON BEHALF OF THE OUTSTATE SELLER OF BEER OR WINE, COLLECT
8 EXCISE TAXES LEVIED BY THE STATE OF MICHIGAN AND REMIT THE TAXES TO
9 THE COMMISSION.

10 (8) "Wine" means the product made by the normal alcoholic
11 fermentation of the juice of sound, ripe grapes, or any other fruit
12 with the usual cellar treatment, and containing not more than 21%
13 of alcohol by volume, including fermented fruit juices other than
14 grapes and mixed wine drinks.

15 (9) "Wine maker" means any person licensed by the commission
16 to manufacture wine and to sell that wine to a wholesaler, to a
17 consumer by direct shipment, at retail on the licensed winery
18 premises, to sell that wine to a retailer, and as provided for in
19 section 537.

20 Sec. 113a. (1) "Tavern" means any place licensed to sell at
21 retail beer and wine for consumption on the premises only.

22 (2) "Vehicle" means any means of transportation by land, by
23 water, or by air.

24 (3) "Vendor" means a person licensed by the commission to sell
25 alcoholic liquor.

26 (4) "Vendor of spirits" means a person selling spirits to the
27 commission.

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

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

9 (7) "Wholesaler" means a person who **IS LICENSED BY THE**
10 **COMMISSION AND** sells beer, wine, or mixed spirit drink only to
11 retailers or other licensees, and who sells sacramental wine as
12 provided in section 301. **A WHOLESALER INCLUDES A PERSON WHO MAY**
13 **ALSO ACT AS A MASTER DISTRIBUTOR UNLESS PROHIBITED FROM DOING SO BY**
14 **ITS SUPPLIER OR MANUFACTURER IN A WRITTEN AGREEMENT REQUIRED BY**
15 **EITHER SECTION 305(3)(I) OR 403(3)(I) AND, BY MUTUAL AGREEMENT WITH**
16 **AN OUTSTATE SELLER OF BEER OR WINE, CAN BE AUTHORIZED BY THE**
17 **OUTSTATE SELLER OF BEER OR WINE TO DO, IN THE MANNER PROVIDED BY**
18 **THE COMMISSION, EITHER OR BOTH OF THE FOLLOWING:**

19 (A) REGISTER WITH THE STATE OF MICHIGAN THE LABELS OF THE
20 OUTSTATE SELLER OF BEER OR WINE.

21 (B) ON BEHALF OF THE OUTSTATE SELLER OF BEER OR WINE, COLLECT
22 EXCISE TAXES LEVIED BY THE STATE OF MICHIGAN AND REMIT THE TAXES TO
23 THE COMMISSION.

24 (8) "Wine" means the product made by the normal alcoholic
25 fermentation of the juice of sound, ripe grapes, or any other fruit
26 with the usual cellar treatment, and containing not more than 21%
27 of alcohol by volume, including fermented fruit juices other than

1 grapes and mixed wine drinks.

2 (9) "Wine maker" means any person licensed by the commission
3 to manufacture wine, to sell that wine to a wholesaler, to sell
4 that wine by direct shipment to a consumer, at retail on the
5 licensed winery premises, and as provided for in section 537 but
6 not to sell wine to a retailer.

7 Sec. 205. (1) The commission shall, as provided in section
8 203(1), by order appoint authorized distribution agents to engage
9 in the warehousing and delivery of spirits in this state so as to
10 ensure that all retail licensees continue to be properly serviced
11 with spirits. An authorized distribution agent is subject to
12 uniform requirements, including business operating procedures, that
13 the commission may prescribe by rule, subject to this section.

14 (2) A person is eligible for appointment by the commission as
15 an authorized distribution agent if the following circumstances
16 exist:

17 (a) The person satisfies all applicable commission rules
18 prescribing qualifications for licensure promulgated under section
19 215.

20 (b) The person has entered into a written agreement or
21 contract with a supplier of spirits for the purposes of warehousing
22 and delivering a brand or brands of spirits of that supplier of
23 spirits.

24 (c) The person has an adequate warehousing facility located in
25 this state for the storing of spirits from which all delivery of
26 spirits to retail licensees shall be made.

27 (3) An authorized distribution agent shall not have a direct

1 or indirect interest in a supplier of spirits or in a retailer. A
2 supplier of spirits or a retailer shall not have a direct or
3 indirect interest in an authorized distribution agent. An
4 authorized distribution agent shall not hold title to spirits.
5 ~~After September 24, 1996, an authorized distribution agent or an~~
6 ~~applicant to become an authorized distribution agent who directly~~
7 ~~or indirectly becomes licensed subsequently as a wholesaler shall~~
8 ~~not be appointed to sell a brand of wine in a county or part of a~~
9 ~~county for which a wholesaler has been appointed to sell that brand~~
10 ~~under an agreement required by this act. A wholesaler who directly~~
11 ~~or indirectly becomes an authorized distribution agent shall not~~
12 ~~sell or be appointed to sell a brand of wine to a retailer in a~~
13 ~~county or part of a county for which another wholesaler has been~~
14 ~~appointed to sell that brand under an agreement required by this~~
15 ~~act, unless that wholesaler was appointed to sell and was actively~~
16 ~~selling that brand to retailers in that county or part of that~~
17 ~~county prior to September 24, 1996, or unless the sale and~~
18 ~~appointment is the result of an acquisition, purchase, or merger~~
19 ~~with the existing wholesaler who was selling that brand to a~~
20 ~~retailer in that county or part of that county prior to September~~
21 ~~24, 1996.~~

22 (4) An authorized distribution agent shall deliver to each
23 retailer located in its assigned distribution area on at least a
24 weekly basis if the order meets the minimum requirements. Except
25 that in those weeks that accompany a state holiday, the commission
26 may order a modified delivery schedule provided that a retailer
27 waits not longer than 9 days between deliveries due to a modified

1 delivery schedule. The commission shall provide for an integrated
2 on-line ordering system for spirits and shall require the
3 continuance of any ordering system in existence on the activation
4 date of the system established under section 206. The minimum
5 requirements shall be set by the commission and shall be a
6 sufficient number of bottles to comprise not more than 2 cases. A
7 retailer may pick up the product at the authorized distribution
8 agent's warehouse. To avoid occasional emergency outages of
9 spirits, a retail licensee may make up to 12 special emergency
10 orders to an authorized distribution agent per calendar year which
11 order shall be made available to the retail licensee within 18
12 hours of the placing of the order. A special emergency order placed
13 on Saturday or Sunday shall be made available to the retail
14 licensee before noon on the following Monday. An authorized
15 distribution agent may impose a fee of up to \$20.00 to deliver a
16 special emergency order to a retail licensee.

17 (5) In locations inaccessible to a motor vehicle as that term
18 is defined by the Michigan vehicle code, 1949 PA 300, MCL 257.1 to
19 257.923, the authorized distribution agent shall arrange that a
20 delivery of spirits to a retailer be in compliance with the
21 following procedures:

22 (a) After processing an order from a retailer, an authorized
23 distribution agent shall contact a retailer to confirm the quantity
24 of cases or bottles, or both, and the exact dollar total of the
25 order.

26 (b) The authorized distribution agent shall have the
27 responsibility to coordinate with the retailer the date and time a

1 driver is scheduled to deliver the order to a ferry transport dock,
2 shall arrange any ferry, drayage, or other appropriate service, and
3 shall pick up the retailer's payment at that time.

4 (c) The ferry transport company or company representing any
5 other form of conveyance shall take the retailer's payment to the
6 mainland dock and give that payment to the authorized distribution
7 agent's driver.

8 (d) The ferry transport company or company representing any
9 other form of conveyance shall transport the order to the drayage
10 or other appropriate company at the island dock for immediate
11 delivery to the retailer.

12 (e) The drayage or other appropriate company shall deliver the
13 order to the retailer.

14 (6) The authorized distribution agent is responsible for the
15 payment of all transportation and delivery charges imposed by the
16 ferry, drayage, or other conveyance company and is responsible for
17 all breakage and any shortages, whether attributable to the ferry,
18 drayage, or other conveyance company or any combination of those
19 companies, until the order is delivered to the retailer's
20 establishment. This subsection does not in any way prevent the
21 authorized distribution agent from seeking reimbursement or damages
22 from any company conveying the authorized distribution agent's
23 product.

24 (7) Except as otherwise provided in subsection (4), an
25 authorized distribution agent shall not charge a delivery fee or a
26 split-case fee for delivery of spirits sold by the commission to a
27 retailer.

1 (8) An authorized distribution agent or prospective authorized
2 distribution agent shall maintain and make available to the
3 commission or its representatives, upon notice, any contract or
4 written agreement it may have with a supplier of spirits or other
5 authorized distribution agent for the warehousing and delivery of
6 spirits in this state.

7 (9) For any violation of this act, rules promulgated under
8 this act, or the terms of an order appointing an authorized
9 distribution agent, an authorized distribution agent shall be
10 subject to the suspension, revocation, forfeiture, and penalty
11 provisions of sections 903(1) and 907 in the same manner in which a
12 licensee would be subject to those provisions. An authorized
13 distribution agent aggrieved by a penalty imposed by the commission
14 may invoke the hearing and appeal procedures of section 903(2) and
15 rules promulgated under that section.

16 (10) A specially designated distributor may sell to an on-
17 premises licensee up to 9 liters of spirits during any 1-month
18 period and an on-premises licensee may purchase, collectively from
19 specially designated distributors, up to that amount during any 1-
20 month period. Notwithstanding any other provision of this act or
21 rule promulgated under this act, a specially designated distributor
22 is only liable for knowingly violating this section. Records
23 verifying these purchases shall be maintained by the on-premises
24 licensee and be available to the commission upon request.

25 (11) An authorized distribution agent shall demonstrate that
26 it has made a good faith effort to provide employment to those
27 former state employees who were terminated due to the privatization

1 of the liquor distribution system. A good faith effort is
2 demonstrated by the authorized distribution agent performing at
3 least the following actions:

4 (a) Seeking from the commission a list of names and resumes of
5 all such former state employees who have indicated a desire for
6 continued employment in the distribution of liquor in Michigan.

7 (b) Providing a list of employment opportunities created by
8 the authorized distribution agent in the distribution of liquor in
9 Michigan to each individual whose name and resume is transmitted
10 from the commission.

11 (c) Providing an opportunity for application and interview to
12 any terminated state worker who indicates an interest in pursuing a
13 job opportunity with the authorized distribution agent.

14 (d) Providing a priority in hiring for those individuals who
15 apply and interview under this process.

16 (12) Any former state employees terminated due to
17 privatization who have reason to believe that an authorized
18 distribution agent has not made a good faith effort to provide him
19 or her with employment opportunities as described in subsection
20 (11) may file a complaint with the commission who shall hear the
21 complaint and make a determination on its validity. If the
22 commission determines that the complaint is valid, the violation
23 may be treated as a violation of this act and the authorized
24 distribution agent may be subject to the suspension, revocation,
25 forfeiture, and penalty provisions of sections 903(1) and 907.

26 (13) In addition to paying a vendor of spirits the acquisition
27 price for purchasing spirits, the commission may pay a vendor of

1 spirits an additional amount of not less than \$4.50 and not more
 2 than \$7.50 for each case of spirits purchased as an offset to the
 3 costs being incurred by that vendor of spirits in contracting with
 4 an authorized distribution agent for the warehousing and delivery
 5 of spirits to retailers. The payment described in this subsection
 6 shall not be included in the cost of purchasing spirits by the
 7 commission and shall not be subject to the commission's markup,
 8 special taxes, or state sales tax. The per-case offset established
 9 by this subsection may be increased by the state administrative
 10 board each January to reflect reasonable increases in the
 11 authorized distribution agent's cost of warehousing and delivery.
 12 As used in this subsection, "case" means a container holding twelve
 13 750 ml bottles of spirits or other containers containing spirits
 14 which are standard to the industry.

15 Sec. 307. (1) A manufacturer, ~~and~~ **AN** outstate seller of wine,
 16 **AND A MASTER DISTRIBUTOR** shall grant to each of its wholesalers a
 17 sales territory within which the wholesaler shall be a distributor
 18 of the specified brand or brands of the manufacturer, ~~or~~ outstate
 19 seller of wine, **OR MASTER DISTRIBUTOR UNDER AN AGREEMENT AS**
 20 **REQUIRED UNDER THIS ACT.** The territory shall be the territory
 21 agreed upon between the wholesaler and manufacturer, ~~or~~ outstate
 22 seller of wine, **OR MASTER DISTRIBUTOR.** ~~A manufacturer or outstate~~
 23 ~~seller of wine may grant the right to sell a specified brand or~~
 24 ~~brands in a sales territory to more than 1 wholesaler.~~ **EXCEPT AS**
 25 **PROVIDED FOR IN SUBSECTION (9) AND BEGINNING JUNE 1, 2010, A**
 26 **MANUFACTURER, OUTSTATE SELLER OF WINE, OR MASTER DISTRIBUTOR SHALL**
 27 **NOT GRANT THE RIGHT TO SELL A SPECIFIED BRAND OR BRANDS OF WINE IN**

1 A SALES TERRITORY TO MORE THAN 1 WINE WHOLESALER. A MASTER
2 DISTRIBUTOR SHALL NOT ITSELF DISTRIBUTE A SPECIFIED BRAND OR BRANDS
3 OF WINE IN THE SAME SALES TERRITORY WHERE THAT MASTER DISTRIBUTOR
4 HAS GRANTED THE RIGHT TO DISTRIBUTE THAT SPECIFIED BRAND OR BRANDS
5 OF WINE IN THAT SALES TERRITORY TO ANOTHER WINE WHOLESALER.
6 NOTWITHSTANDING SECTION 109(2), AS USED IN THIS SECTION, "MASTER
7 DISTRIBUTOR" MEANS A WHOLESALER THAT ACTS IN THE SAME OR SIMILAR
8 CAPACITY AS A WINE MAKER, WINE MANUFACTURER, OR OUTSTATE SELLER OF
9 WINE FOR A BRAND OR BRANDS OF WINE TO OTHER WHOLESALERS ON A
10 REGULAR BASIS IN THE NORMAL COURSE OF BUSINESS.

11 (2) Notwithstanding subsection (1), a brand extension is not
12 considered a new or different brand. A manufacturer or outstate
13 seller of wine shall assign a brand extension to the wholesaler
14 that was granted the sales territory for the brand from which the
15 brand extension resulted.

16 (3) Subsection (2) does not apply where, before January 1,
17 1994, a manufacturer or outstate seller of wine had assigned a
18 brand extension to a wholesaler that was not the appointed
19 wholesaler for the brand from which the brand extension was made.

20 (4) Until July 1, 1995, a manufacturer or outstate seller of
21 wine who acquired or otherwise obtained the right to assign brands
22 of another manufacturer or outstate seller of wine between January
23 1, 1994 and July 1, 1995 shall assign a brand extension to the
24 wholesaler that was granted the sales territory for the brand from
25 which the brand extension resulted. Beginning July 1, 1995, a
26 manufacturer or outstate seller of wine who acquires or otherwise
27 obtains the right to assign brands of another manufacturer or

1 outstate seller of wine is not required to assign a new brand
2 extension to the wholesaler that is granted the exclusive sales
3 territory to the brand from which the new brand extension results.
4 Any brand extension assigned between January 1, 1994 and July 1,
5 1995 shall remain assigned to the assigned wholesaler.

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

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

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

1 (8) Until July 1, 1995, a manufacturer of a mixed wine drink,
2 mixed spirit drink manufacturer, outstate seller of mixed wine
3 drink, or outstate seller of mixed spirit drink who acquired or
4 otherwise obtained the right to assign brands of another
5 manufacturer of a mixed wine drink, mixed spirit drink
6 manufacturer, outstate seller of a mixed wine drink, or outstate
7 seller of mixed spirit drink between January 1, 1994 and July 1,
8 1995 shall assign a brand extension to the wholesaler that was
9 granted the exclusive sales territory for the brand from which the
10 brand extension resulted. Beginning July 1, 1995, a manufacturer of
11 mixed wine drink, mixed spirit drink manufacturer, outstate seller
12 of mixed wine drink, or outstate seller of mixed spirit drink who
13 acquires or otherwise obtains the right to assign brands of another
14 manufacturer of mixed wine drink, mixed spirit drink manufacturer,
15 outstate seller of mixed wine drink, or outstate seller of mixed
16 spirit drink is not required to assign a new brand extension to the
17 wholesaler that is granted the exclusive sales territory to the
18 brand from which the new brand extension results. Any brand
19 extension assigned between January 1, 1994 and July 1, 1995 shall
20 remain assigned to the assigned wholesaler.

21 **(9) SUBSECTION (1) DOES NOT PROHIBIT ANY OF THE FOLLOWING:**

22 **(A) A MANUFACTURER OF WINE, AN OUTSTATE SELLER OF WINE, OR A**
23 **MASTER DISTRIBUTOR FROM CONTINUING OR RENEWING AN AGREEMENT UNDER**
24 **THIS ACT WITH A WHOLESALER FOR A SPECIFIED BRAND OR BRANDS FOR ANY**
25 **COUNTY OR PART OF A COUNTY WHERE MORE THAN 1 WHOLESALER HAS AN**
26 **AGREEMENT WITH THE MANUFACTURER OF WINE, OUTSTATE SELLER OF WINE,**
27 **OR MASTER DISTRIBUTOR IN EFFECT ON JUNE 1, 2010 IF THE WHOLESALER**

1 HAD AN AGREEMENT TO DISTRIBUTE THAT SPECIFIED BRAND OR BRANDS IN
2 THAT COUNTY OR THAT PART OF A COUNTY AND WAS A MASTER DISTRIBUTOR
3 OR WAS ACTIVELY SELLING THAT BRAND OR BRANDS OF WINE TO A RETAILER
4 IN THAT COUNTY OR THAT PART OF A COUNTY ON JUNE 1, 2010.

5 (B) A WHOLESALER FROM SELLING OR TRANSFERRING THE WHOLESALER'S
6 DISTRIBUTION RIGHTS OR A MANUFACTURER OF WINE, OUTSTATE SELLER OF
7 WINE, OR MASTER DISTRIBUTOR FROM APPROVING THE SALE OR TRANSFER OF
8 A WHOLESALER'S DISTRIBUTION RIGHTS TO A SPECIFIED BRAND OR BRANDS
9 OF WINE FOR ANY COUNTY OR PART OF A COUNTY TO ANOTHER WHOLESALER IF
10 THE SELLING OR TRANSFERRING WHOLESALER, OR ANY OF ITS PREDECESSORS,
11 HAD THE RIGHT TO DISTRIBUTE THAT BRAND OR BRANDS OF WINE IN THAT
12 COUNTY OR PART OF THAT COUNTY AND WAS ACTIVELY SELLING THAT BRAND
13 OR BRANDS TO A RETAILER IN THAT COUNTY OR THAT PART OF A COUNTY ON
14 JUNE 1, 2010 OR WAS ACTING AS A MASTER DISTRIBUTOR FOR THAT COUNTY
15 OR PART OF THAT COUNTY ON JUNE 1, 2010.

16 Sec. 525. (1) Except as otherwise provided for in this
17 section, the following license fees shall be paid at the time of
18 filing applications or as otherwise provided in this act **AND ARE**
19 **SUBJECT TO ALLOCATION UNDER SECTION 543:**

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

23 (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or
24 fraction of a barrel, production annually with a maximum fee of
25 \$1,000.00, and in addition \$50.00 for each motor vehicle used in
26 delivery to retail licensees. A fee increase does not apply to a
27 manufacturer of less than 15,000 barrels production per year.

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

3 (d) Wine makers, blenders, and rectifiers of wine, including
4 makers, blenders, and rectifiers of wines containing 21% or less
5 alcohol by volume, \$100.00. The small wine maker license fee is
6 \$25.00.

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

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

11 (g) Dining cars or other railroad or Pullman cars selling
12 alcoholic liquor, \$100.00 per train.

13 (h) Wholesale vendors other than manufacturers of beer,
14 \$300.00 for the first motor vehicle used in delivery to retail
15 licensees and \$50.00 for each additional motor vehicle used in
16 delivery to retail licensees.

17 (i) Watercraft, licensed to carry passengers, selling
18 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of
19 \$500.00 per year computed on the basis of \$1.00 per person per
20 passenger capacity.

21 (j) Specially designated merchants, for selling beer or wine
22 for consumption off the premises only but not at wholesale, \$100.00
23 for each location regardless of the fact that the location may be a
24 part of a system or chain of merchandising.

25 (k) Specially designated distributors licensed by the
26 commission to distribute spirits and mixed spirit drink in the
27 original package for the commission for consumption off the

1 premises, \$150.00 per year, and an additional fee of \$3.00 for each
2 \$1,000.00 or major fraction of that amount in excess of \$25,000.00
3 of the total retail value of merchandise purchased under each
4 license from the commission during the previous calendar year.

5 (l) Hotels of class A selling beer and wine, a minimum fee of
6 \$250.00 and, for all bedrooms in excess of 20, \$1.00 for each
7 additional bedroom, but not more than \$500.00.

8 (m) Hotels of class B selling beer, wine, mixed spirit drink,
9 and spirits, a minimum fee of \$600.00 and, for all bedrooms in
10 excess of 20, \$3.00 for each additional bedroom. If a hotel of
11 class B sells beer, wine, mixed spirit drink, and spirits in more
12 than 1 public bar, the fee entitles the hotel to sell in only 1
13 public bar, other than a bedroom, and a license shall be secured
14 for each additional public bar, other than a bedroom, the fee for
15 which is \$350.00.

16 (n) Taverns, selling beer and wine, \$250.00.

17 (o) Class C license selling beer, wine, mixed spirit drink,
18 and spirits, \$600.00. If a class C licensee sells beer, wine, mixed
19 spirit drink, and spirits in more than 1 bar, a fee of \$350.00
20 shall be paid for each additional bar. In municipally owned or
21 supported facilities in which nonprofit organizations operate
22 concession stands, a fee of \$100.00 shall be paid for each
23 additional bar.

24 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,
25 \$300.00 for clubs having 150 or fewer duly accredited members and
26 \$1.00 for each additional member. The membership list for the
27 purpose only of determining the license fees to be paid under this

1 subdivision shall be the accredited list of members as determined
2 by a sworn affidavit 30 days before the closing of the license
3 year. This subdivision does not prevent the commission from
4 checking a membership list and making its own determination from
5 the list or otherwise. The list of members and additional members
6 is not required of a club paying the maximum fee. The maximum fee
7 shall not exceed \$750.00 for any 1 club.

8 (q) Warehouse, to be fixed by the commission with a minimum
9 fee for each warehouse of \$50.00.

10 (r) Special licenses, a fee of \$50.00 per day, except that the
11 fee for that license or permit issued to any bona fide nonprofit
12 association, duly organized and in continuous existence for 1 year
13 before the filing of its application, is \$25.00. Not more than 12
14 special licenses may be granted to any organization, including an
15 auxiliary of the organization, in a calendar year.

16 (s) Airlines licensed to carry passengers in this state that
17 sell, offer for sale, provide, or transport alcoholic liquor,
18 \$600.00.

19 (t) Brandy manufacturer, \$100.00.

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

21 (v) Brewpub, \$100.00.

22 (w) Class G-1, \$1,000.00.

23 (x) Class G-2, \$500.00.

24 (y) Motorsports event license, \$250.00.

25 (z) Small distiller, \$100.00.

26 (aa) Wine auction license, \$50,000.00.

27 **(BB) NONPUBLIC CONTINUING CARE RETIREMENT CENTER LICENSE,**

1 **\$600.00.**

2 (2) The fees provided in this act for the various types of
3 licenses shall not be prorated for a portion of the effective
4 period of the license. Notwithstanding subsection (1), the initial
5 license fee for any licenses issued under section 531(3) and (4) is
6 \$20,000.00. The renewal license fee shall be the amount described
7 in subsection (1). However, the commission shall not impose the
8 \$20,000.00 initial license fee for applicants whose license
9 eligibility was already approved on July 20, 2005.

10 (3) Beginning July 23, 2004, and except in the case of any
11 resort or resort economic development license issued under section
12 531(2), (3), (4), and (5) and a license issued under section 521,
13 the commission shall issue an initial or renewal license not later
14 than 90 days after the applicant files a completed application.
15 Receipt of the application is considered the date the application
16 is received by any agency or department of the state of Michigan.
17 If the application is considered incomplete by the commission, the
18 commission shall notify the applicant in writing, or make the
19 information electronically available, within 30 days after receipt
20 of the incomplete application, describing the deficiency and
21 requesting the additional information. The determination of the
22 completeness of an application does not operate as an approval of
23 the application for the license and does not confer eligibility
24 upon an applicant determined otherwise ineligible for issuance of a
25 license. The 90-day period is tolled under any of the following
26 circumstances:

27 (a) Notice sent by the commission of a deficiency in the

1 application until the date all of the requested information is
2 received by the commission.

3 (b) The time period during which actions required by a party
4 other than the applicant or the commission are completed that
5 include, but are not limited to, completion of construction or
6 renovation of the licensed premises; mandated inspections by the
7 commission or by any state, local, or federal agency; approval by
8 the legislative body of a local unit of government; criminal
9 history or criminal record checks; financial or court record
10 checks; or other actions mandated by this act or rule or as
11 otherwise mandated by law or local ordinance.

12 (4) If the commission fails to issue or deny a license within
13 the time required by this section, the commission shall return the
14 license fee and shall reduce the license fee for the applicant's
15 next renewal application, if any, by 15%. The failure to issue a
16 license within the time required under this section does not allow
17 the commission to otherwise delay the processing of the
18 application, and that application, upon completion, shall be placed
19 in sequence with other completed applications received at that same
20 time. The commission shall not discriminate against an applicant in
21 the processing of the application based upon the fact that the
22 license fee was refunded or discounted under this subsection.

23 (5) Beginning October 1, 2005, the chair of the commission
24 shall submit a report by December 1 of each year to the standing
25 committees and appropriations subcommittees of the senate and house
26 of representatives concerned with liquor license issues. The chair
27 of the commission shall include all of the following information in

1 the report concerning the preceding fiscal year:

2 (a) The number of initial and renewal applications the
3 commission received and completed within the 90-day time period
4 described in subsection (3).

5 (b) The number of applications denied.

6 (c) The number of applicants not issued a license within the
7 90-day time period and the amount of money returned to licensees
8 under subsection (4).

9 (6) As used in this section, "completed application" means an
10 application complete on its face and submitted with any applicable
11 licensing fees as well as any other information, records, approval,
12 security, or similar item required by law or rule from a local unit
13 of government, a federal agency, or a private entity but not from
14 another department or agency of the state of Michigan.

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

17 (a) Taverns where beer and wine may be sold for consumption on
18 the premises only.

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

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

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

27 (e) Hotels of class A where beer and wine may be sold for

1 consumption on the premises and in the rooms of bona fide
2 registered guests. Hotels of class B where beer, wine, mixed spirit
3 drink, and spirits may be sold for consumption on the premises and
4 in the rooms of bona fide registered guests.

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

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

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

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

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

18 (i) Class C.

19 (ii) Tavern.

20 (iii) Class A hotel.

21 (iv) Class B hotel.

22 (k) Micro brewers and brewers selling less than 200,000
23 barrels of beer per year where beer produced by the micro brewer or
24 brewer may be sold to a consumer for consumption on or off the
25 brewery premises.

26 (l) Class G-1 license where beer, wine, mixed spirit drink, and
27 spirits may be sold for consumption on the premises only to members

1 required to pay an annual membership fee and consumption is limited
2 to these members and their bona fide guests.

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

7 (n) Motorsports event license where beer and wine may be sold
8 for consumption on the premises during sanctioned motorsports
9 events only.

10 (o) Wine maker where wine may be sold by direct shipment, at
11 retail on the licensed premises, and as provided for in subsections
12 (2) and (3).

13 (p) Small distiller selling not more than 60,000 gallons of
14 spirits manufactured by that licensee to the consumer at retail for
15 consumption on or off the licensed premises in the manner provided
16 for in section 534.

17 **(Q) NONPUBLIC CONTINUING CARE RETIREMENT CENTER LICENSE, WHERE**
18 **BEER, WINE, MIXED SPIRIT DRINK, MIXED WINE DRINK, AND SPIRITS MAY**
19 **BE SOLD AT RETAIL AND SERVED ON THE LICENSED PREMISES TO RESIDENTS**
20 **AND BONA FIDE GUESTS ACCOMPANYING THE RESIDENT FOR CONSUMPTION ONLY**
21 **ON THE LICENSED PREMISES.**

22 (2) A wine maker may sell wine made by that wine maker in a
23 restaurant for consumption on or off the premises if the restaurant
24 is owned by the wine maker or operated by another person under an
25 agreement approved by the commission and located on the premises
26 where the wine maker is licensed.

27 **(3) A WINE MAKER, WITH THE PRIOR WRITTEN APPROVAL OF THE**

1 COMMISSION, MAY CONDUCT WINE TASTINGS OF WINES MADE BY THAT WINE
2 MAKER ON THE PREMISES WHERE THE WINE MAKER IS LICENSED TO
3 MANUFACTURE WINE. THE WINE MAKER MAY CHARGE FOR THE SAMPLES.

4 (4) ~~(3)~~ A wine maker, with the prior written approval of the
5 commission, may conduct wine tastings of wines made by that wine
6 maker and may sell the wine made by that wine maker for consumption
7 off the premises at a location other than the premises where the
8 wine maker is licensed to manufacture wine, under the following
9 conditions:

10 (a) The premises upon which the wine tasting occurs conforms
11 to local and state sanitation requirements.

12 (b) Payment of a \$100.00 fee per location is made to the
13 commission.

14 (c) The wine tasting locations shall be considered licensed
15 premises, **AND THE WINE MAKER MAY INCLUDE A CHARGE FOR THE SAMPLES.**

16 (d) Wine tasting ~~does not take place between the hours of 2~~
17 ~~a.m. and 7 a.m. Monday through Saturday, or between 2 a.m. and 12~~
18 ~~noon on Sunday~~ **TAKES PLACE DURING THE LEGAL HOURS FOR THE SALE OF**
19 **ALCOHOLIC LIQUOR BY THE LICENSEE.**

20 (e) The premises and the licensee comply with and are subject
21 to all applicable rules promulgated by the commission.

22 (5) **NOTWITHSTANDING SECTION 1025(1), AN OUTSTATE SELLER OF**
23 **BEER, AN OUTSTATE SELLER OF WINE, A WINE MAKER, A BREWER, A MICRO**
24 **BREWER, OR A SPECIALLY DESIGNATED MERCHANT, OR AN AGENT OF ANY OF**
25 **THOSE PERSONS, WHO DOES NOT HOLD A LICENSE ALLOWING THE CONSUMPTION**
26 **OF ALCOHOLIC LIQUOR ON THE PREMISES AT THE SAME LICENSED ADDRESS,**
27 **MAY CONDUCT BEER AND WINE TASTINGS ON THE LICENSED PREMISES OF A**

1 SPECIALLY DESIGNATED MERCHANT UNDER THE FOLLOWING CONDITIONS:

2 (A) A CUSTOMER IS NOT CHARGED FOR THE TASTING OF BEER OR WINE.

3 (B) THE TASTING SAMPLES PROVIDED TO A CUSTOMER DO NOT EXCEED 3
4 SERVINGS AT UP TO 3 OUNCES PER SERVING OF BEER OR 3 SERVINGS AT UP
5 TO 2 OUNCES OF WINE. A CUSTOMER SHALL NOT BE PROVIDED MORE THAN A
6 TOTAL OF 3 SAMPLES OF BEER OR WINE WITHIN A 24-HOUR PERIOD PER
7 LICENSED PREMISES.

8 (C) THE SPECIALLY DESIGNATED MERCHANT, OUTSTATE SELLER OF
9 BEER, OUTSTATE SELLER OF WINE, WINE MAKER, MICRO BREWER, OR BREWER
10 HAS FIRST OBTAINED AN ANNUAL BEER AND WINE TASTING PERMIT APPROVED
11 BY THE COMMISSION.

12 (D) THE COMMISSION IS NOTIFIED, IN WRITING, A MINIMUM OF 10
13 WORKING DAYS PRIOR TO THE EVENT, REGARDING THE DATE, TIME, AND
14 LOCATION OF THE EVENT.

15 (6) DURING THE TIME A BEER OR WINE TASTING IS CONDUCTED UNDER
16 SUBSECTION (5), SPECIALLY DESIGNATED MERCHANT, OUTSTATE SELLER OF
17 BEER, OUTSTATE SELLER OF WINE, WINE MAKER, MICRO BREWER, OR BREWER,
18 OR ITS AGENT OR EMPLOYEE WHO HAS SUCCESSFULLY COMPLETED A SERVER
19 TRAINING PROGRAM AS PROVIDED FOR IN SECTION 906, SHALL DEVOTE FULL
20 TIME TO THE BEER AND WINE TASTING ACTIVITY AND SHALL PERFORM NO
21 OTHER DUTIES, INCLUDING THE SALE OF ALCOHOLIC LIQUOR FOR
22 CONSUMPTION OFF THE LICENSED PREMISES. BEER AND WINE USED FOR THE
23 TASTING MUST COME FROM THE SPECIALLY DESIGNATED MERCHANT'S
24 INVENTORY, AND ALL OPEN BOTTLES MUST BE REMOVED FROM THE PREMISES
25 ON THE SAME BUSINESS DAY OR RESEALED AND STORED IN A LOCKED,
26 SEPARATE STORAGE COMPARTMENT ON THE LICENSED PREMISES WHEN NOT
27 BEING USED FOR THE ACTIVITIES ALLOWED BY THE PERMIT.

1 (7) A WHOLESALER IS PROHIBITED FROM CONDUCTING OR
2 PARTICIPATING IN BEER AND WINE TASTINGS ALLOWED BY THE PERMIT
3 CREATED IN SUBSECTION (5) .

4 (8) A BEER AND WINE TASTING UNDER SUBSECTION (5) MAY ONLY BE
5 CONDUCTED DURING THE LEGAL HOURS FOR SALE OF ALCOHOLIC LIQUOR BY
6 THE LICENSEE.

7 (9) A BRANDY MANUFACTURER OR SMALL DISTILLER, WITH THE PRIOR
8 WRITTEN APPROVAL OF THE COMMISSION, MAY CONDUCT TASTINGS OF BRANDY
9 AND SPIRITS MADE BY THAT BRANDY MANUFACTURER OR SMALL DISTILLER AND
10 MAY SELL THE BRANDY AND SPIRITS MADE BY THAT BRANDY MANUFACTURER OR
11 SMALL DISTILLER FOR CONSUMPTION OFF THE LICENSED PREMISES AT A
12 LOCATION OTHER THAN THE LICENSED PREMISES WHERE THE BRANDY
13 MANUFACTURER OR SMALL DISTILLER IS LICENSED TO MANUFACTURE BRANDY
14 OR SPIRITS UNDER THE FOLLOWING CONDITIONS:

15 (A) THE PREMISES UPON WHICH THE BRANDY AND SPIRITS TASTINGS
16 OCCUR CONFORM TO LOCAL AND STATE SANITATION REQUIREMENTS.

17 (B) PAYMENT OF A \$100.00 FEE PER LOCATION IS MADE TO THE
18 COMMISSION.

19 (C) THE BRANDY AND SPIRITS TASTING LOCATIONS SHALL BE
20 CONSIDERED LICENSED PREMISES.

21 (D) BRANDY AND SPIRITS TASTING SHALL TAKE PLACE DURING THE
22 LEGAL HOURS FOR SELLING ALCOHOLIC LIQUOR BY THE LICENSEE.

23 (E) THE PREMISES AND THE LICENSE COMPLY WITH AND ARE SUBJECT
24 TO ALL APPLICABLE RULES PROMULGATED BY THE COMMISSION.

25 Sec. 543. (1) Quarterly, upon recommendation of the
26 commission, the state shall pay pursuant to appropriation in the
27 manner prescribed by law to the city, village, or township in which

1 a full-time police department or full-time ordinance enforcement
2 department is maintained or, if a police department or full-time
3 ordinance enforcement department is not maintained, to the county,
4 to be credited to the sheriff's department of the county in which
5 the licensed premises are located, 55% of the amount of the
6 proceeds of the retailers' license fees and license renewal fees
7 collected in that jurisdiction, for the specific purpose of
8 enforcing this act and the rules promulgated under this act. Forty-
9 one and one-half percent of the amount of the proceeds of
10 retailers' license and license renewal fees collected shall be
11 deposited in a special fund to be annually appropriated to the
12 commission for carrying out the licensing and enforcement
13 provisions of this act. Any unencumbered or uncommitted money in
14 the special fund shall revert to the general fund of the state 12
15 months after the end of each fiscal year in which the funds were
16 collected. The legislature shall appropriate 3-1/2% of the amount
17 of the proceeds of retailers' license and license renewal fees
18 collected to be credited to a special fund in the state treasury
19 for the purposes of promoting and sustaining programs for the
20 prevention, rehabilitation, care, and treatment of alcoholics. This
21 subsection does not apply to retail license fees collected for
22 railroad or Pullman cars, watercraft, aircraft, or wine auctions or
23 to the transfer fees provided in section 529.

24 (2) All license and license renewal fees, other than retail
25 license and license renewal fees, shall be credited to the grape
26 and wine industry council created in section 303, to be used as
27 provided in section 303. Money credited to the grape and wine

1 industry council shall not revert to the state general fund at the
2 close of the fiscal year, but shall remain in the account to which
3 it was credited to be used as provided in section 303.

4 (3) All retail license fees collected for railroad or Pullman
5 cars, watercraft, or aircraft and the transfer fees provided in
6 section 529 shall be deposited in the special fund created in
7 subsection (1) for carrying out the licensing and enforcement
8 provisions of this act.

9 (4) The license fee enhancement imposed for licenses issued
10 under section 531(3) and (4) shall be deposited into a special fund
11 to be annually appropriated to the commission for enforcement and
12 other related projects determined appropriate by the commission.
13 The money representing that amount of the license fees for
14 identical licenses not issued under section 531(3) and (4) shall be
15 allocated and appropriated under subsection (1).

16 (5) The license fee imposed on direct shipper licenses and any
17 violation fines imposed by the commission shall be deposited into
18 the direct shipper enforcement revolving fund. The direct shipper
19 enforcement revolving fund is created within the state treasury.
20 The state treasurer shall direct the investment of the fund. The
21 state treasurer shall credit to the fund interest and earnings from
22 fund investments. Money in the fund at the close of the fiscal year
23 shall remain in the fund and shall not lapse to the general fund.
24 The commission shall expend money from the fund, upon
25 appropriation, only for enforcement of the provisions of section
26 203 and related projects.

27 (6) One hundred percent of the wine auction license fee

1 imposed in section 525(1)(aa) shall be deposited into the general
2 fund.

3 (7) As used in this section, "license fee enhancement" means
4 the money representing the difference between the license fee
5 imposed for a license under section 525(1) and the additional
6 amount imposed for resort and resort economic development licenses
7 under section 525(2).

8 (8) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE
9 ADDITIONAL \$160.00 LICENSE FEE IMPOSED UPON ANY LICENSEE SELLING
10 ALCOHOLIC LIQUOR BETWEEN THE HOURS OF 7 A.M. ON SUNDAY AND 12 NOON
11 ON SUNDAY IS ALLOCATED TO THE GENERAL FUND.

12 SEC. 545. (1) AS USED IN THIS ACT, "NONPUBLIC CONTINUING CARE
13 RETIREMENT CENTER" MEANS A RESIDENTIAL COMMUNITY THAT, AS
14 DETERMINED BY THE COMMISSION, MEETS BOTH OF THE FOLLOWING
15 CONDITIONS:

16 (A) PROVIDES FULL-TIME RESIDENTIAL HOUSING PREDOMINANTLY FOR
17 INDIVIDUALS OVER THE AGE OF 62.

18 (B) IS REGISTERED AS A FACILITY UNDER THE LIVING CARE
19 DISCLOSURE ACT, 1976 PA 440, MCL 554.801 TO 554.844.

20 (2) THE COMMISSION, UPON SUBMISSION OF A COMPLETED
21 APPLICATION, SHALL GRANT A NONPUBLIC CONTINUING CARE RETIREMENT
22 CENTER LICENSE TO AN APPLICANT COMPLYING WITH THIS SECTION. THE
23 TOTAL NUMBER OF LICENSES ISSUED UNDER THIS SECTION SHALL NOT EXCEED
24 20. IF THE HOLDER OF A LICENSE ISSUED UNDER THIS SECTION GOES OUT
25 OF BUSINESS, THE LICENSE SHALL BE SURRENDERED TO THE COMMISSION.
26 THE COMMISSION MAY ALLOW THE TRANSFER OF SUCH A LICENSE TO A NEW
27 BUSINESS OWNER UPON TRANSFER OF THE OWNER'S INTEREST IN THE

1 BUSINESS.

2 (3) THE NONPUBLIC CONTINUING CARE RETIREMENT CENTER LICENSE
3 ALLOWS THE LICENSEE TO SELL AT RETAIL AND SERVE ON THE LICENSED
4 PREMISES BEER, WINE, MIXED SPIRIT DRINK, MIXED WINE DRINK, AND
5 SPIRITS, FOR CONSUMPTION BY A RESIDENT OR THE BONA FIDE GUESTS
6 ACCOMPANYING THE RESIDENT, ONLY ON THE LICENSED PREMISES.

7 Sec. 603. (1) Except as provided in subsections (6) to ~~(12)~~
8 (14) and section 605, a manufacturer, mixed spirit drink
9 manufacturer, warehouser, wholesaler, outstate seller of beer,
10 outstate seller of wine, outstate seller of mixed spirit drink, or
11 vendor of spirits shall not have any financial interest, directly
12 or indirectly, in the establishment, maintenance, operation, or
13 promotion of the business of any other vendor.

14 (2) Except as provided in subsections (6) to ~~(12)~~-(14) and
15 section 605, a manufacturer, mixed spirit drink manufacturer,
16 warehouser, wholesaler, outstate seller of beer, outstate seller of
17 wine, outstate seller of mixed spirit drink, or vendor of spirits
18 or a stockholder of a manufacturer, mixed spirit drink
19 manufacturer, warehouser, wholesaler, outstate seller of beer,
20 outstate seller of wine, outstate seller of mixed spirit drink, or
21 vendor of spirits shall not have an interest by ownership in fee,
22 leasehold, mortgage, or otherwise, directly or indirectly, in the
23 establishment, maintenance, operation, or promotion of the business
24 of any other vendor.

25 (3) Except as provided in subsections (6) to ~~(12)~~-(14) and
26 section 605, a manufacturer, mixed spirit drink manufacturer,
27 warehouser, wholesaler, outstate seller of beer, outstate seller of

1 wine, outstate seller of mixed spirit drink, or vendor of spirits
2 shall not have an interest directly or indirectly by interlocking
3 directors in a corporation or by interlocking stock ownership in a
4 corporation in the establishment, maintenance, operation, or
5 promotion of the business of any other vendor.

6 (4) Except as provided in subsections (6) to ~~(12)~~ **(14)** and
7 section 605, a person shall not buy the stocks of a manufacturer,
8 mixed spirit drink manufacturer, warehouser, wholesaler, outstate
9 seller of beer, outstate seller of wine, outstate seller of mixed
10 spirit drink, or vendor of spirits and place the stock in any
11 portfolio under an arrangement, written trust agreement, or form of
12 investment trust agreement and issue participating shares based
13 upon the portfolio, trust agreement, or investment trust agreement,
14 and sell the participating shares within this state.

15 (5) The commission may approve a brandy manufacturer **OR SMALL**
16 **DISTILLER** to sell brandy **AND SPIRITS** made by that brandy
17 manufacturer **OR SMALL DISTILLER** in a restaurant for consumption on
18 or off the premises if the restaurant is owned by the brandy
19 manufacturer **OR SMALL DISTILLER** or operated by another person under
20 an agreement approved by the commission and is located on ~~the~~
21 premises where the brandy manufacturer **OR SMALL DISTILLER** is
22 licensed. Brandy **AND SPIRITS** sold for consumption off the premises
23 under this subsection shall be sold at the uniform price
24 established by the commission.

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

1 (7) A brewpub may have an interest in up to 2 other brewpubs
2 so long as the combined production of all the locations in which
3 the brewpub has an interest does not exceed 5,000 barrels of beer
4 per calendar year.

5 (8) This section does not prohibit a supplier from having any
6 interest, directly or indirectly, in any other supplier.

7 (9) The commission may approve the following pursuant to R
8 436.1023(3) of the Michigan administrative code, subject to the
9 written approval of the United States department of treasury,
10 bureau of alcohol and tobacco tax and trade:

11 (a) A wine maker participating with 1 or more wine makers in
12 an alternating proprietor operation in accordance with 27 CFR part
13 24, subpart D, section 24.136.

14 (b) A brewer participating with 1 or more brewers in an
15 alternating proprietor operation in accordance with 27 CFR part 25,
16 subpart F, section 25.52.

17 (10) A manufacturer is prohibited from having any interest,
18 directly or indirectly, in a wholesaler.

19 (11) A wine maker is prohibited from collectively delivering
20 wine, with any other wine maker, to retail licensees.

21 **(12) EXCEPT IN THE CASE OF A LICENSED WAREHOUSER, ALL**
22 **LICENSEES IN THIS STATE SHALL BE SEPARATED INTO 3 DISTINCT AND**
23 **INDEPENDENT TIERS COMPOSED OF THE FOLLOWING:**

24 **(A) SUPPLIER TIER, COMPRISING MANUFACTURERS AND SUPPLIERS.**

25 **(B) WHOLESALER TIER, COMPRISING WHOLESALERS.**

26 **(C) RETAILER TIER, COMPRISING RETAILERS.**

27 **(13) BEGINNING APRIL 30, 2011, THE COMMISSION SHALL NOT ALLOW**

1 ANY OF THE FOLLOWING:

2 (A) A RETAILER TO HOLD, DIRECTLY OR INDIRECTLY, A LICENSE IN
3 THE WHOLESALE OR SUPPLIER TIER.

4 (B) A WHOLESALE OR SUPPLIER TIER TO HOLD, DIRECTLY OR INDIRECTLY, A LICENSE IN
5 THE RETAILER OR SUPPLIER TIER.

6 (C) A SUPPLIER TO HOLD, DIRECTLY OR INDIRECTLY, A LICENSE IN
7 THE WHOLESALE OR RETAILER TIER.

8 (14) SUBSECTION (13) SHALL NOT BE INTERPRETED IN A MANNER THAT
9 WOULD PROHIBIT A CLASS C, TAVERN, CLASS A HOTEL, OR CLASS B HOTEL
10 LICENSEE FROM RECEIVING A BREWPUB LICENSE OR THAT WOULD PROHIBIT A
11 MICRO BREWER OR BREWER PRODUCING LESS THAN 200,000 BARRELS PER YEAR
12 FROM HAVING AN ON-SITE RESTAURANT.

13 (15) ~~(12)~~As used in this section:

14 (a) "Manufacturer" means, notwithstanding section 109(1), a
15 wine maker, small wine maker, brewer, micro brewer, manufacturer of
16 spirits, **DISTILLER**, small distiller, brandy manufacturer, ~~and mixed~~
17 spirit drink manufacturer, **DIRECT SHIPPER**, OR A PERSON LICENSED BY
18 THE COMMISSION TO PERFORM SUBSTANTIALLY SIMILAR FUNCTIONS.

19 (b) "Supplier" means a manufacturer, mixed spirit drink
20 manufacturer, outstate seller of beer, outstate seller of wine,
21 outstate seller of mixed spirit drink, and vendor of spirits **OR A**
22 **PERSON LICENSED BY THE COMMISSION TO PERFORM SUBSTANTIALLY SIMILAR**
23 **FUNCTIONS BUT SHALL NOT INCLUDE A MASTER DISTRIBUTOR.**

24 Sec. 1025. (1) A vendor shall not give away any alcoholic
25 liquor of any kind or description at any time in connection with
26 his or her business, except manufacturers for consumption on the
27 premises only.

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

2 (a) A vendor of spirits, brewer, mixed spirit drink
3 manufacturer, wine maker, small wine maker, outstate seller of
4 beer, outstate seller of wine, or outstate seller of mixed spirit
5 drink, or a bona fide market research organization retained by 1 of
6 the persons named in this subsection, from conducting samplings or
7 tastings of an alcoholic liquor product before it is approved for
8 sale in this state, if the sampling or tasting is conducted
9 pursuant to prior written approval of the commission.

10 (b) A person from conducting of any sampling or tasting
11 authorized by **SECTION 537 OR** rule of the commission.

12 (c) A class A or B hotel designed to attract and accommodate
13 tourists and visitors in a resort area from giving away alcoholic
14 liquor to an invitee or guest in connection with a business event
15 or as a part of a room special or promotion for overnight
16 accommodations.

17 (3) A vendor shall not sell an alcoholic liquor to a person in
18 an intoxicated condition.

19 (4) Evidence of any breathalyzer or blood alcohol test results
20 obtained in a licensed establishment, or on property adjacent to
21 the licensed premises and under the control or ownership of the
22 licensee, shall not be admissible to prove a violation of this
23 section, section 707(1), (2), (3), or (4), or section 801(2). To
24 establish a violation of this section, section 707(1), (2), (3), or
25 (4), or section 801(2), the person's intoxicated condition at the
26 time of the sale or consumption of alcohol must be proven by direct
27 observation by law enforcement or commission enforcement personnel

1 or through other admissible witness statements or corroborating
2 evidence obtained as part of the standard investigation other than
3 breathalyzer or blood alcohol test results.

4 Sec. 1027. (1) Unless otherwise provided by rule of the
5 commission, a person shall not conduct samplings or tastings of any
6 alcoholic liquor for a commercial purpose except at premises that
7 are licensed by the commission for the sale and consumption of
8 alcoholic liquor on the premises.

9 (2) NOTWITHSTANDING SECTION 1025(1), A RETAILER LICENSED BY
10 THE COMMISSION FOR CONSUMPTION ON THE PREMISES MAY ALLOW CUSTOMERS
11 TO SAMPLE BEER, WINE, AND DISTILLED SPIRITS SO LONG AS THE RETAILER
12 DOES NOT CHARGE FOR THE SAMPLES PROVIDED TO CUSTOMERS. SAMPLE
13 SERVING SIZES SHALL NOT EXCEED 3 OUNCES FOR BEER, 2 OUNCES FOR
14 WINE, AND 1/2 OUNCE FOR DISTILLED SPIRITS. A CUSTOMER SHALL NOT BE
15 PROVIDED MORE THAN 2 SAMPLES WITHIN A 24-HOUR PERIOD PER LICENSED
16 PREMISES.

17 (3) ~~(2)~~—This section does not prevent either of the following:

18 (a) A vendor of spirits, brewer, wine maker, mixed spirit
19 drink manufacturer, small wine maker, outstate seller of beer,
20 outstate seller of wine, or outstate seller of mixed spirit drink,
21 or a bona fide market research organization retained by 1 of the
22 persons named in this subsection, from conducting samplings or
23 tastings of an alcoholic liquor product before it is approved for
24 sale in this state if the sampling or tasting is conducted pursuant
25 to prior written approval of the commission.

26 (b) An on-premises licensee from giving a sampling or tasting
27 of alcoholic liquor to an employee of the licensee during the legal

1 hours for consumption for the purpose of educating the employee
2 regarding 1 or more types of alcoholic liquor so long as the
3 employee is at least 21 years of age.

4 (c) A small distiller licensee from giving a sampling or
5 tasting of brands it manufactures on the licensed premises **OR AN**
6 **OFF-SITE TASTING FACILITY OPERATED BY THAT SMALL DISTILLER.**

7 (4) ~~(3)~~—A vendor of spirits or a manufacturer may conduct a
8 consumer sampling event on the premises of a holder of a specially
9 designated distributor license upon submission of a completed
10 application to the commission.

11 (5) ~~(4)~~—The holder of the consumer sampling event license
12 shall comply with the following:

13 (a) The commission must be notified in writing a minimum of 10
14 working days prior to the event with the date, time, and location
15 of the event.

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

19 (c) The vendor of spirits or manufacturer conducting the
20 consumer sampling event must have a licensed representative present
21 at the specially designated distributor's establishment.

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

25 (e) Participating specially designated distributor licensees
26 do not receive any fee or other valuable consideration for
27 participating in the event.

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

3 (g) The consumer is not charged for and does not purchase any
4 sample.

5 (h) The alcoholic liquor used in the consumer sampling event
6 is provided by the vendor of spirits or manufacturer, and purchased
7 at the minimum retail selling price fixed by the commission from
8 the specially designated distributor on whose premises the event is
9 located. The vendor of spirits or manufacturer shall remove any
10 unfinished product from the premises at which the event is held
11 upon completion of the event.

12 (i) A consumer sampling event shall not be allowed when the
13 sale of alcoholic liquor is otherwise prohibited on the premises at
14 which the event is conducted.

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

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

21 (l) The participating vendor of spirits or manufacturer and
22 specially designated distributor licensees must comply with this
23 act and commission rules.

24 (m) The vendor of spirits or manufacturer must demonstrate
25 that the individual actually conducting the sampling has
26 successfully completed the server training program in the manner
27 provided for in section 906 and rules promulgated by the

1 commission.

2 (6) ~~(5)~~ Violation of this ~~subsection~~ **SECTION** subjects the
3 vendor of spirits or manufacturer to the sanctions and penalties as
4 provided for under this act.

5 (7) ~~(6)~~ The commission, by rule or issuance of an order, may
6 further define eligibility for licensure and processes for
7 conducting consumer sampling events.

8 (8) ~~(7)~~ A sampling or tasting of any alcoholic liquor in a
9 home or domicile for other than a commercial purpose is not subject
10 to this section.

11 (9) ~~(8)~~ For purposes of this section, "commercial purpose"
12 means a purpose for which monetary gain or other remuneration could
13 reasonably be expected.

14 Sec. 1111. (1) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED FOR IN**
15 **SUBSECTION (6), THE** sale of beer and wine between the hours of ~~2~~
16 ~~a.m. and 12 midnight~~ **7 A.M. on Sunday AND 2 A.M. ON MONDAY IS**
17 **ALLOWED, BUT** may be prohibited, in any county, city, village, or
18 township **UNDER THE FOLLOWING CIRCUMSTANCES:**

19 (A) **BY MAJORITY VOTE OF THE LEGISLATIVE BODY VOTING ON THE**
20 **RESOLUTION TO MAKE SUCH AN AUTHORIZATION. FAILURE OF THE**
21 **LEGISLATIVE BODY TO ACT ON SUCH AN AUTHORIZATION IS GROUNDS FOR THE**
22 **PETITIONING OF THE COUNTY, CITY, VILLAGE, OR TOWNSHIP FOR**
23 **SUBMISSION OF THE QUESTION TO THE VOTERS OF THE COUNTY, CITY,**
24 **VILLAGE, OR TOWNSHIP UNDER SUBSECTION (2).**

25 (B) **BY SUBMISSION OF A PETITION UNDER SUBSECTION (2)** by a
26 majority vote of the electors voting at a regular state election.

27 (2) Not more often than once in every 4 years, upon the filing

1 of a petition with the county, city, village, or township clerk, **BY**
2 **A MAJORITY OF THE ELECTORS VOTING AT A REGULAR STATE ELECTION**
3 **WITHIN THAT COUNTY, VILLAGE, CITY, OR TOWNSHIP**, as applicable,
4 requesting the submission of the question of the Sunday sale of
5 beer and wine, the clerk shall submit that question to the electors
6 of the county, city, village, or township at the next regular state
7 election held in that county, city, village, or township. A
8 petition filed under this subsection shall be filed not less than
9 60 days before the regular state election. A ballot question under
10 this subsection shall not be submitted more often than once in any
11 4-year period.

12 (3) ~~(2)~~—In the case of a county, city, or township, the
13 petition shall be signed by a number of the registered and
14 qualified electors of the county, city, or township that is not
15 less than 35% of the total number of votes cast for all candidates
16 for the office of secretary of state in that county, city, or
17 township at the last general election held for that purpose and, in
18 the case of a village the petition shall be signed by a number of
19 the registered and qualified electors of the village that is less
20 than 35% of the total number of votes cast for all candidates for
21 the office of president of the village at the last village election
22 held for that purpose.

23 (4) ~~(3)~~—The question of the Sunday sale of beer and wine shall
24 be submitted by ballot in substantially the following form:

25 "Shall the sale of beer and wine within (the county, city,
26 village, or township as the case may be) between the hours of 2
27 a.m. ~~and 12 midnight~~ **7 A.M.** on Sunday **AND 2 A.M. ON MONDAY** be

1 prohibited?

2 Yes

3 No".

4 (5) ~~(4)~~ All votes on the question submitted to the electors
5 under this section shall be taken, counted, and canvassed in the
6 same manner as votes cast in county, city, village, or township
7 election, as applicable, are taken, counted, and canvassed. Ballots
8 shall be furnished by the election commission or similar body of
9 the respective county, city, village, or township. If a majority of
10 the electors voting at an election conducted under this section
11 vote in favor of the question submitted, the sale of beer and wine
12 within that county, city, village, or township between the hours of
13 ~~2 a.m. and 12 midnight~~ 7 A.M. on Sunday AND 2 A.M. ON MONDAY is
14 prohibited.

15 (6) THE SALE OF BEER AND WINE IN ANY COUNTY BETWEEN THE HOURS
16 OF 7 A.M. ON SUNDAY AND 2 A.M. ON MONDAY SHALL NOT BE PROHIBITED
17 UNDER THE PROVISIONS OF SUBSECTIONS (1) THROUGH (5) AS APPLIED TO A
18 MOTORSPORTS ENTERTAINMENT COMPLEX LOCATED IN MORE THAN 1 COUNTY IF
19 A RESOLUTION OR REFERENDUM UNDER THIS SECTION RESULTS IN THE
20 QUESTION'S FAILING TO PASS IN 1 COUNTY BUT PASSING IN ANOTHER.
21 UNDER SUCH CIRCUMSTANCES, THE COMMISSION SHALL DETERMINE THE ISSUE
22 OF THE SALE OF BEER AND WINE IN THE MOTORSPORTS ENTERTAINMENT
23 COMPLEX IN THOSE COUNTIES BETWEEN THE HOURS OF 7 A.M. ON SUNDAY AND
24 2 A.M. ON MONDAY. AS USED IN THIS SECTION, "MOTORSPORTS
25 ENTERTAINMENT COMPLEX" MEANS A CLOSED-COURSE MOTORSPORTS FACILITY,
26 AND ITS ANCILLARY GROUNDS AND FACILITIES, THAT SATISFIES ALL OF THE
27 FOLLOWING:

1 (A) HAS AT LEAST 70,000 FIXED SEATS FOR RACE PATRONS.

2 (B) HAS AT LEAST 4 SCHEDULED DAYS OF MOTORSPORTS EVENTS EACH
3 CALENDAR YEAR.

4 (C) SERVES FOOD AND BEVERAGES AT THE MOTORSPORTS ENTERTAINMENT
5 COMPLEX DURING MOTORSPORTS EVENTS EACH CALENDAR YEAR THROUGH
6 CONCESSION OUTLETS, WHICH ARE STAFFED BY INDIVIDUALS WHO REPRESENT
7 OR ARE MEMBERS OF 1 OR MORE NONPROFIT CIVIC OR CHARITABLE
8 ORGANIZATIONS THAT DIRECTLY BENEFIT FROM THE CONCESSION OUTLETS'
9 SALES.

10 (D) ENGAGES IN TOURISM PROMOTION.

11 (E) HAS PERMANENT EXHIBITIONS OF MOTORSPORTS HISTORY, EVENTS,
12 OR VEHICLES WITHIN THE MOTORSPORTS ENTERTAINMENT COMPLEX.

13 Sec. 1113. (1) Except as provided in subsection (2), (3), or
14 (5) **AND SUBJECT TO SUBSECTION (6)**, a licensee enumerated under
15 section 525 ~~or any other person shall not~~ **MAY** sell at retail, give
16 away, ~~or furnish,~~ and a person shall not knowingly and willfully
17 **MAY** buy, spirits or mixed spirit drink between the hours of ~~2 a.m.~~
18 ~~and 12 midnight~~ **7 A.M. on Sunday AND 2 A.M. ON MONDAY.** ~~If January 1~~
19 ~~falls on Sunday, the hours may be extended to 4 a.m.~~

20 (2) ~~If~~ **UNLESS** the legislative body of a county has ~~authorized~~
21 **PROHIBITED** the sale of spirits and mixed spirit drink for
22 consumption on the premises on Sunday, by resolution approved by a
23 majority of the legislative body voting on that resolution, the
24 spirits and mixed spirit drink may be sold after ~~12 noon~~ **7 A.M. ON**
25 **SUNDAY, EST,** in an establishment licensed under this act in which
26 the gross receipts derived from the sale of food and other goods
27 and services exceed 50% of the total gross receipts. With respect

1 to an action taken by the legislative body or if the legislative
 2 body fails to act, a petition may be filed with the county clerk
 3 requesting the submission of the question **REGARDING THE PROHIBITION**
 4 of the sale of spirits and mixed spirit drink for consumption on
 5 the premises in addition to beer and wine on Sunday. The petition
 6 shall be signed by a number of the registered and qualified
 7 electors of the county that is not less than 8% of the total number
 8 of votes cast for all candidates for the office of secretary of
 9 state in the county at the last general election held for that
 10 purpose. The question shall not be submitted to the electors of a
 11 county more than once every 4 years. The county clerk shall submit
 12 the question at the next regular state election held in the county
 13 if the petitions are filed not less than 60 days before the
 14 election. The question **REGARDING THE PROHIBITION** of the sale of
 15 spirits and mixed spirit drink for consumption on the premises, in
 16 addition to beer and wine, on Sunday shall be submitted by ballot
 17 in substantially the following form:

18 "Shall the sale of spirits and mixed spirit drink for
 19 consumption on the premises be ~~permitted~~-**PROHIBITED** on Sunday in an
 20 establishment licensed under the Michigan liquor control code of
 21 1998 in which the gross receipts derived from the sale of food or
 22 other goods and services exceed 50% of the total gross receipts
 23 within the county of under the provisions of the law
 24 governing the sale of spirits and mixed spirit drink for
 25 consumption?

26 Yes

27 No "

(3) ~~IF~~**UNLESS** the legislative body of a county has ~~authorized~~
PROHIBITED the sale of spirits and mixed spirit drink for
consumption off the premises on Sunday by resolution approved by a
majority of the legislative body voting on the resolution, spirits
and mixed spirit drink may be sold after ~~12 noon~~**7 A.M., EST,** in a
retail establishment licensed under this act. With respect to an
action taken by the legislative body or if the legislative body
fails to act, a petition may be filed with the county clerk
requesting the submission of the question **REGARDING THE PROHIBITION**
of the sale of spirits and mixed spirit drink for consumption off
the premises, in addition to beer and wine, in a retail
establishment licensed under this act on Sunday. The petition shall
be signed by a number of the registered and qualified electors of
the county that is not less than 8% of the total number of votes
cast for all candidates for the office of secretary of state in the
county at the last general election shall not be held for that
purpose. The question submitted to the electors of a county more
than once every 4 years. The county clerk shall submit the question
at the next regular state election held in the county if the
petitions are filed not less than 60 days before the election. The
question **REGARDING THE PROHIBITION** of the sale of spirits and mixed
spirit drink for consumption off the premises, in addition to beer
and wine, in a retail establishment licensed under this act on
Sunday shall be submitted by ballot in substantially the following
form:

"Shall the sale of spirits and mixed spirit drink for
consumption off the premises be ~~permitted~~**PROHIBITED** on Sunday in a

1 retail establishment licensed under the Michigan liquor control
 2 code of 1998 within the county of under the provisions
 3 of the law governing the sale of spirits and mixed spirit drink for
 4 consumption?

5 Yes

6 No".

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

22 (5) A licensee enumerated under section 525 or any other
 23 person shall not sell at retail, and a person shall not knowingly
 24 and willfully buy, alcoholic liquor between the hours of ~~9 p.m. on~~
 25 ~~December 24 and 7 a.m. on December 26.~~ **11:59 P.M. ON DECEMBER 24**
 26 **AND 12 NOON ON DECEMBER 25.** If December 26 falls on Sunday, the
 27 hours of closing shall be determined pursuant to this act. The

1 legislative body of a city, village, or township, by resolution or
2 ordinance, may prohibit the sale of alcoholic liquor on Sunday or a
3 legal holiday, primary election day, general election day, or
4 municipal election day.

5 (6) THE SALE OF SPIRITS OR MIXED SPIRIT DRINK IN ANY COUNTY
6 BETWEEN THE HOURS OF 7 A.M. ON SUNDAY AND 2 A.M. ON MONDAY SHALL
7 NOT BE PROHIBITED UNDER THE PROVISIONS OF SUBSECTIONS (1) THROUGH
8 (5) AS APPLIED TO A MOTORSPORTS ENTERTAINMENT COMPLEX LOCATED IN
9 MORE THAN 1 COUNTY IF A RESOLUTION OR REFERENDUM UNDER THIS SECTION
10 RESULTS IN THE QUESTION'S FAILING TO PASS IN 1 COUNTY BUT PASSING
11 IN ANOTHER. UNDER SUCH CIRCUMSTANCES, THE COMMISSION SHALL
12 DETERMINE THE ISSUE OF THE SALE OF SPIRITS AND MIXED SPIRIT DRINK
13 IN THE MOTORSPORTS ENTERTAINMENT COMPLEX IN THOSE COUNTIES BETWEEN
14 THE HOURS OF 7 A.M. ON SUNDAY AND 2 A.M. ON MONDAY. AS USED IN THIS
15 SECTION, "MOTORSPORTS ENTERTAINMENT COMPLEX" MEANS A CLOSED-COURSE
16 MOTORSPORTS FACILITY, AND ITS ANCILLARY GROUNDS AND FACILITIES,
17 THAT SATISFIES ALL OF THE FOLLOWING:

18 (A) HAS AT LEAST 70,000 FIXED SEATS FOR RACE PATRONS.

19 (B) HAS AT LEAST 4 SCHEDULED DAYS OF MOTORSPORTS EVENTS EACH
20 CALENDAR YEAR.

21 (C) SERVES FOOD AND BEVERAGES AT THE MOTORSPORTS ENTERTAINMENT
22 COMPLEX DURING MOTORSPORTS EVENTS EACH CALENDAR YEAR THROUGH
23 CONCESSION OUTLETS, WHICH ARE STAFFED BY INDIVIDUALS WHO REPRESENT
24 OR ARE MEMBERS OF 1 OR MORE NONPROFIT CIVIC OR CHARITABLE
25 ORGANIZATIONS THAT DIRECTLY BENEFIT FROM THE CONCESSION OUTLETS'
26 SALES.

27 (D) ENGAGES IN TOURISM PROMOTION.

1 (E) HAS PERMANENT EXHIBITIONS OF MOTORSPORTS HISTORY, EVENTS,
2 OR VEHICLES WITHIN THE MOTORSPORTS ENTERTAINMENT COMPLEX.

3 Sec. 1114. (1) Notwithstanding R 436.1403 and R 436.1503 of
4 the Michigan administrative code and except as otherwise provided
5 under this act or rule of the commission, an on-premises and an
6 off-premises licensee shall not sell, give away, or furnish
7 alcoholic liquor between the hours of 2 a.m. and 7 a.m. on any day.
8 ~~and shall not sell, give away, or furnish alcoholic liquor between~~
9 ~~the hours of 2 a.m. and 12 noon, EST, on Sunday. An on-premises and~~
10 ~~an off-premises licensee shall not sell, give away, or furnish~~
11 ~~spirits between the hours of 2 a.m. and 12 midnight on Sunday,~~
12 ~~unless issued a Sunday sales permit by the commission that allows~~
13 ~~the licensee to sell spirits on Sunday between the hours of 12~~
14 ~~noon, EST, and 12 midnight.~~

15 ~~(2) For purposes of R 436.1403 and R 436.1503 of the Michigan~~
16 ~~administrative code, 12 noon on Sunday is considered 12 noon on~~
17 ~~Sunday, EST, for any licensee located in the central time zone.~~

18 SUBSECTION (1) DOES NOT PREVENT ANY LOCAL GOVERNMENTAL UNIT FROM
19 PROHIBITING THE SALE OF BEER AND WINE ON SUNDAYS UNDER SECTION 1111
20 AND DOES NOT PREVENT ANY LOCAL GOVERNMENTAL UNIT FROM PROHIBITING
21 THE SALE OF SPIRITS AND MIXED SPIRIT DRINK ON SUNDAYS UNDER SECTION
22 1113. A LICENSEE SELLING ALCOHOLIC LIQUOR BETWEEN 7 A.M. AND NOON
23 ON SUNDAY SHALL OBTAIN A PERMIT AND PAY TO THE COMMISSION AN ANNUAL
24 FEE OF \$160.00.

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

27 Sec. 1115. (1) A licensee who elects to sell spirits or mixed

1 spirit drink **BETWEEN THE HOURS OF 12 NOON** on Sunday **AND 2 A.M. ON**
2 **MONDAY** under section 1113 shall not do so until he or she first
3 **OBTAINS A PERMIT AND** pays to the commission an additional fee in
4 the amount of 15% of the fee charged for the issuance of his or her
5 license.

6 (2) The revenue received from subsection (1) **FOR THE SALE OF**
7 **SPIRITS OR MIXED SPIRIT DRINK BETWEEN 12 NOON ON SUNDAY AND 2 A.M.**
8 **ON MONDAY** shall be deposited with the state treasurer in a special
9 fund to be used only by the department of public health in programs
10 for the treatment of alcoholics. **ANY OTHER REVENUE RESULTING FROM**
11 **THE ADDITIONAL \$160.00 LICENSE FEE AS DESCRIBED IN SECTION 1114 FOR**
12 **SALES OF ALCOHOLIC LIQUOR PERMITTED UNDER SECTIONS 1111 AND 1113**
13 **SHALL BE DEPOSITED INTO THE GENERAL FUND.**

14 Enacting section 1. Sections 1111, 1113, 1114, and 1115 of the
15 Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2111,
16 436.2113, 436.2114, and 436.2115, as amended by this amendatory
17 act, take effect December 1, 2010.