

**SUBSTITUTE FOR
HOUSE BILL NO. 5781**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 1021 (MCL 436.2021), as amended by 2013 PA 235,
and by adding section 551.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 551. (1) The governing body of a local governmental unit**
2 **may designate a social district that contains a commons area that**
3 **may be used by qualified licensees that obtain a social district**
4 **permit. A governing body of a local governmental unit shall not**
5 **designate a social district that would close a road unless the**
6 **governing body receives prior approval from the road authority with**
7 **jurisdiction over the road. If the governing body of a local**
8 **governmental unit designates a social district that contains a**



1 commons area under this section, the governing body must define and
2 clearly mark the commons area with signs. The governing body shall
3 establish local management and maintenance plans, including, but
4 not limited to, hours of operation, for a commons area and submit
5 those plans to the commission. The governing body shall maintain
6 the commons area in a manner that protects the health and safety of
7 the community. Subject to this subsection, the governing body may
8 revoke the designation if it determines that the commons area
9 threatens the health, safety, or welfare of the public or has
10 become a public nuisance. Before revoking the designation, the
11 governing body must hold at least 1 public hearing on the proposed
12 revocation. The governing body shall give notice as required under
13 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, of the
14 time and place of the public hearing before the public hearing. The
15 governing body shall file the designation or the revocation of the
16 designation with the commission. As used in this subsection:

17 (a) "Local road agency" means a county road commission or
18 designated county road agency or city or village that is
19 responsible for the construction or maintenance of public roads
20 within this state.

21 (b) "Road authority" means a local road agency or the state
22 transportation department.

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

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

29 (b) The holder of the social district permit only serves



1 alcoholic liquor to be consumed in the commons area in a container
2 to which all of the following apply:

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

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

9 (iii) The container is not glass.

10 (iv) The container has a liquid capacity that does not exceed
11 16 ounces.

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

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

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

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

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



1 (6) A qualified licensee whose licensed premises is shared by
2 and contiguous to a commons area in a social district designated by
3 the governing body of a local governmental unit under this section
4 may obtain from the commission an annual social district permit as
5 provided in this section. The social district permit must be issued
6 for the same period and may be renewed in the same manner as the
7 license held by the applicant. The commission shall develop an
8 application for a social district permit and shall charge a fee of
9 \$250.00 for a social district permit. An application for a social
10 district permit must be approved by the governing body of the local
11 governmental unit in which the applicant's place of business is
12 located before the application is submitted to the commission and
13 before the permit is granted by the commission. The \$250.00 permit
14 fee under this subsection must be deposited into the liquor control
15 enforcement and license investigation revolving fund under section
16 543(9).

17 (7) This section does not apply after December 31, 2024.

18 (8) As used in this section:

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

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

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

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



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

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

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

7 Sec. 1021. (1) The commission shall not require a licensee to
8 sell or serve food to a purchaser of alcoholic liquor. The
9 commission shall not require a class A hotel or class B hotel to
10 provide food services to registered guests or to the public.

11 (2) Except as otherwise provided in **section 551 and** subsection
12 (3), a purchaser shall not remove alcoholic liquor sold by a vendor
13 for consumption on the premises from those premises.

14 (3) A vendor licensed to sell wine on the premises may allow
15 an individual who has purchased a meal and who has purchased and
16 partially consumed a bottle of wine with the meal, to remove the
17 partially consumed bottle from the premises ~~upon~~**on** departure. This
18 subsection does not allow the removal of any additional unopened
19 bottles of wine unless the vendor is licensed as a specially
20 designated merchant. The licensee or the licensee's clerk, agent,
21 or employee shall cap the bottle or reinsert a cork so that the top
22 of the cork is level with the lip of the bottle. The transportation
23 or possession of the partially consumed bottle of wine shall be in
24 compliance with section 624a of the Michigan vehicle code, 1949 PA
25 300, MCL 257.624a.

26 (4) This act and rules promulgated under this act do not
27 prevent a class A or B hotel designed to attract and accommodate
28 tourists and visitors in a resort area from allowing its invitees
29 or guests to possess or consume, or both, on or about its premises



1 alcoholic liquor purchased by the invitee or guest from an off-
2 premises retailer and does not prevent a guest or invitee from
3 entering and exiting the licensed premises with alcoholic liquor
4 purchased from an off-premises retailer.

5 (5) Notwithstanding section 901(6), an on-premises licensee
6 may, in a manner as determined by that licensee, allow for the
7 consumption of wine that is produced by a wine maker, a small wine
8 maker, or an out-of-state entity that is the substantial equivalent
9 of a wine maker or small wine maker and that is brought into the
10 licensed premises in its original sealed container by a consumer
11 who is not prohibited under this act from possessing wine. The
12 licensee shall not allow the consumer to remove a partially
13 consumed bottle of wine brought by the consumer unless the licensee
14 or the licensee's clerk, agent, or employee caps the bottle or
15 reinserts the cork so that the top of the cork is level with the
16 lip of the bottle. The licensee may charge a corkage fee for each
17 bottle of wine brought by the consumer and opened on the premises
18 by the licensee or the licensee's clerk, agent, or employee. This
19 subsection does not exempt the licensee or the consumer from any
20 other applicable requirements, responsibilities, or sanctions
21 imposed under this act.

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

25 (a) Senate Bill No. 942.

26 (b) House Bill No. 5811.

