

SENATE BILL NO. 144

February 16, 2021, Introduced by Senators VANDERWALL, MOSS, HORN, BRINKS, BAYER, ANANICH, CHANG, MACDONALD, ZORN, POLEHANKI, LASATA, BIZON, DALEY, MCCANN, WOJNO, SANTANA, IRWIN, STAMAS, GEISS, OUTMAN, HOLLIER and SCHMIDT and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending sections 105, 107, 109, 111, 113, 113a, 204, 301, 303,
307, 502, 504, 518, 521, 525, 532, 536, 537, 545, 601, 603, 605,
607, 608, 610, 610a, 611, 914b, 1019, 1025, 1027, 1101, 1103, 1105,
1113, 1114, and 1115 (MCL 436.1105, 436.1107, 436.1109, 436.1111,
436.1113, 436.1113a, 436.1204, 436.1301, 436.1303, 436.1307,
436.1502, 436.1504, 436.1518, 436.1521, 436.1525, 436.1532,
436.1536, 436.1537, 436.1545, 436.1601, 436.1603, 436.1605,
436.1607, 436.1608, 436.1610, 436.1610a, 436.1611, 436.1914b,
436.2019, 436.2025, 436.2027, 436.2101, 436.2103, 436.2105,

436.2113, 436.2114, and 436.2115), section 105 as amended by 2018 PA 414, section 107 as amended by 2019 PA 126, section 109 as amended by 2020 PA 120, section 111 as amended by 2020 PA 115, section 113 as amended by 2018 PA 405, section 113a as amended by 2018 PA 416, section 204 as added by 2018 PA 178, section 301 as amended by 2020 PA 110, section 303 as amended by 2018 PA 154, section 307 as amended by 2020 PA 114, section 502 as amended by 2020 PA 112, section 504 as added by 2020 PA 80, section 518 as amended by 2010 PA 279, section 521 as amended by 2006 PA 502, section 525 as amended by 2016 PA 434, section 532 as amended by 2018 PA 104, section 536 as amended by 2020 PA 126, section 537 as amended by 2020 PA 117, section 545 as amended by 2016 PA 328, section 601 as amended by 2019 PA 125, section 603 as amended by 2018 PA 407, section 605 as amended by 2014 PA 45, section 607 as amended by 2018 PA 417, section 608 as added by 2019 PA 127, section 610 as added by 2016 PA 106, section 610a as added by 2017 PA 131, section 914b as added by 2018 PA 346, sections 1025 and 1027 as amended by 2019 PA 131, sections 1113 and 1114 as amended by 2011 PA 27, and section 1115 as amended by 2010 PA 213.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 105. (1) "Alcohol" means the product of distillation of
2 fermented liquid, whether or not rectified or diluted with water,
3 but does not mean ethyl or industrial alcohol, diluted or not, that
4 has been denatured or otherwise rendered unfit for beverage
5 purposes.

6 (2) "Alcohol vapor device" means any device that provides for
7 the use of air or oxygen bubbled through alcoholic liquor to
8 produce a vapor or mist that allows the user to inhale this
9 alcoholic vapor through the mouth or nose.

1 (3) "Alcoholic liquor" means any spirituous, vinous, malt, or
2 fermented liquor, powder, liquids, and compounds, whether or not
3 medicated, proprietary, patented, and by whatever name called,
4 containing 1/2 of 1% or more of alcohol by volume that are fit for
5 use for food purposes or beverage purposes as defined and
6 classified by the commission according to alcoholic content as
7 belonging to 1 of the varieties defined in this chapter.

8 (4) "Alternating proprietorship" means 1 of the following:

9 (a) An arrangement in which 2 or more wine makers or small
10 wine makers take turns using the same space and equipment to
11 manufacture wine ~~pursuant to~~ **as defined in section 113(9)(a) or**
12 **113a(9)(a) under** section 603(9)(a) and in accordance with 27 CFR
13 24.136.

14 (b) An arrangement in which 2 or more brewers or micro brewers
15 take turns using the same space and equipment to manufacture beer
16 pursuant to section 603(9)(b) and in accordance with 27 CFR 25.52.

17 (5) "Approved tasting room" means a tasting room that is
18 approved by the commission.

19 (6) "Authorized distribution agent" means a person approved by
20 the commission to do 1 or more of the following:

21 (a) To store spirits owned by a supplier of spirits or the
22 commission.

23 (b) To deliver spirits sold by the commission to retail
24 licensees.

25 (c) To perform any function needed to store spirits owned by a
26 supplier of spirits or by the commission or to deliver spirits sold
27 by the commission to retail licensees.

28 (7) "Bar" means a barrier or counter at which alcoholic liquor
29 is sold to, served to, or consumed by customers.

1 (8) "Beer" means ~~any~~**a** beverage obtained by alcoholic
2 fermentation of an infusion or decoction of barley, malt, hops,
3 **sugar**, or other cereal in potable water.

4 (9) "Bottle" or "bottling" means a process, separate from
5 manufacturing, using owned or leased equipment to fill and seal a
6 container, including a keg, with alcoholic liquor for sale at
7 wholesale or retail in accordance with this act. Bottle or bottling
8 does not include filling a growler for sale at retail.

9 (10) "Brand" means any word, name, group of letters, symbol,
10 trademark, or combination thereof adopted and used by a supplier to
11 identify a specific beer, malt beverage, wine, **or** mixed wine drink
12 ~~, or mixed spirit drink~~ product and to distinguish that product
13 from another beer, malt beverage, wine, **or** mixed wine drink ~~, or~~
14 ~~mixed spirit drink~~ product that is produced or marketed by that or
15 another supplier. As used in this subsection, "supplier" means a
16 brewer, micro brewer, an outstate seller of beer, a wine maker, a
17 small wine maker, an outstate seller of wine, a manufacturer of
18 mixed wine drink, **or** an outstate seller of a mixed wine drink. ~~, a~~
19 ~~mixed spirit drink manufacturer, or an outstate seller of mixed~~
20 ~~spirit drink.~~

21 (11) "Brand extension" means any brand that incorporates all
22 or a substantial part of the unique features of a preexisting brand
23 of the same supplier. As used in this subsection, "supplier" means
24 a brewer, micro brewer, an outstate seller of beer, a wine maker, a
25 small wine maker, an outstate seller of wine, a manufacturer of
26 mixed wine drink, **or** an outstate seller of a mixed wine drink. ~~, a~~
27 ~~mixed spirit drink manufacturer, or an outstate seller of mixed~~
28 ~~spirit drink.~~

29 (12) "Brandy" means an alcoholic liquor as defined in 27 CFR

1 5.22(d).

2 (13) "Brandy manufacturer" means a wine maker or a small wine
3 maker licensed under this act to manufacture brandy. A wine maker
4 or small wine maker authorized to manufacture brandy shall not
5 manufacture any other spirits. The commission may approve a brandy
6 manufacturer to sell brandy that it manufactures at retail in
7 accordance with section 537.

8 (14) "Brewer" means a person located in this state that is
9 licensed to manufacture beer and sell at retail in accordance with
10 section 537 and to licensed wholesalers beer manufactured by ~~it-the~~
11 **person**.

12 (15) "Brewpub" means a license issued in conjunction with a
13 class C, tavern, class A hotel, or class B hotel license that
14 authorizes the person licensed with the class C, tavern, class A
15 hotel, or class B hotel to manufacture and brew not more than
16 18,000 barrels of beer per calendar year in this state and sell at
17 its licensed premises the beer produced for consumption on or off
18 the licensed brewery premises in the manner provided for in
19 sections 405, 407, and 537.

20 Sec. 107. (1) "Cash" means money in hand, bank notes, demand
21 deposits at a bank, or legal tender, ~~which-that~~ a creditor must
22 accept according to law. Cash does not include call loans,
23 postdated checks, or promissory notes.

24 (2) "Class C license" means a place licensed to sell at retail
25 beer, wine, ~~mixed spirit drink,~~ and spirits for consumption on the
26 premises.

27 (3) "Class G-1 license" means a place licensed to sell at
28 retail beer, wine, ~~mixed spirit drink,~~ and spirits for consumption
29 on the premises at a golf course having at least 18 holes that

1 measure at least 5,000 yards and which license is issued only to a
2 facility that permits member access by means of payments that
3 include annual paid membership fees.

4 (4) "Class G-2 license" means a place licensed to sell at
5 retail beer and wine for consumption on the premises at a golf
6 course having at least 18 holes that measure at least 5,000 yards
7 and which license is issued only to a facility that permits member
8 access by means of payments that include annual paid membership
9 fees.

10 (5) "Club" means a nonprofit association, whether incorporated
11 or unincorporated, organized for the promotion of some common
12 purpose, the object of which is owning, hiring, or leasing a
13 building, or space in a building, of an extent and character as in
14 the judgment of the commission may be suitable and adequate for the
15 reasonable and comfortable use and accommodation of its members and
16 their guests, but does not include an association organized for a
17 commercial or business purpose.

18 (6) "Commission" means the liquor control commission created
19 in section 209.

20 (7) "Church" means an entire house or structure set apart
21 primarily for use for purposes of public worship, and that is tax
22 exempt under the laws of this state, and in which religious
23 services are held and with which a clergyman is associated, and the
24 entire structure of which is kept for that use and not put to any
25 other use inconsistent with that use.

26 (8) "Distiller" means a person licensed to manufacture and
27 sell spirits or alcohol, or both, of any kind.

28 (9) "Hotel" means a building or group of buildings located on
29 the same or adjoining pieces of real property, that provide lodging

1 to travelers and temporary residents and that may also provide food
2 service and other goods and services to registered guests and to
3 the public.

4 (10) "Class A hotel" means a hotel licensed by the commission
5 to sell beer and wine for consumption on the premises only, ~~which~~
6 **that** provides for the rental of, and maintains the availability for
7 rental of, not less than 25 bedrooms if located in a local
8 governmental unit with a population of less than 175,000 or not
9 less than 50 bedrooms if located in a local governmental unit with
10 a population of 175,000 or more.

11 (11) "Class B hotel" means a hotel licensed by the commission
12 to sell beer, wine, ~~mixed spirit drink,~~ and spirits for consumption
13 on the premises only, that provides for the rental of, and
14 maintains the availability for rental of, not less than 25 bedrooms
15 if located in a local governmental unit with a population of less
16 than 175,000 or not less than 50 bedrooms if located in a local
17 governmental unit with a population of 175,000 or more.

18 (12) "Financial records" means any document or summary of
19 information contained in a document, including electronic
20 documents, that contains information about the financial activities
21 or position of a person including, but not limited to, information
22 about the assets, balance sheets, budgets, cash flow, earnings,
23 revenue, expenditures, income, investments, losses, liabilities,
24 payroll, profits, retained earnings, or taxes.

25 (13) "License" means a contract between the commission and the
26 licensee granting authority to that licensee to manufacture and
27 sell, ~~or~~ sell, or warehouse alcoholic liquor in the manner provided
28 by this act.

29 Sec. 109. (1) "Manufacture" means to distill, rectify,

1 ferment, brew, make, produce, filter, mix, concoct, process, or
2 blend an alcoholic liquor or to complete a portion of 1 or more of
3 these activities. Manufacture does not include bottling or the
4 mixing or other preparation of drinks for serving by those persons
5 authorized under this act to serve alcoholic liquor for consumption
6 on the licensed premises. In addition, manufacture does not include
7 attaching a label to a shiner. All containers or packages of
8 alcoholic liquor must state clearly the name, city, and state of
9 the bottler.

10 (2) "Manufacturer" means, **except as provided in section 603**, a
11 person that manufactures alcoholic liquor, whether located in or
12 out of this state, including, but not limited to, a distiller, a
13 small distiller, a rectifier, ~~a mixed spirit drink manufacturer,~~ a
14 mixed wine drink manufacturer, a wine maker, a small wine maker, a
15 brewer, and a micro brewer.

16 (3) "Manufacturing premises" means the licensed premises of a
17 manufacturer where the manufacturer manufactures alcoholic liquor
18 or, for a small wine maker only, bottles wine.

19 (4) "Master distributor" means, **except as provided in section**
20 **307**, a wholesaler that acts in the same or similar capacity as a
21 brewer, wine maker, outstate seller of wine, or outstate seller of
22 beer for a brand or brands of beer or wine to other wholesalers on
23 a regular basis in the normal course of business.

24 (5) "Micro brewer" means a brewer that manufactures in total
25 less than 60,000 barrels of beer per year and that may sell the
26 beer manufactured to consumers at the licensed brewery premises for
27 consumption on or off the licensed brewery premises and to
28 retailers as provided in section 203a. In determining the 60,000-
29 barrel threshold, all brands and labels of a brewer, whether

1 manufactured in this state or outside this state, must be combined
2 and all facilities for the manufacturing of beer that are owned or
3 controlled by the same person must be treated as a single facility.

4 (6) "Minor" means an individual less than 21 years of age.

5 ~~(7) "Mixed spirit drink" means a drink manufactured and~~
6 ~~packaged or sold by a mixed spirit drink manufacturer or sold by an~~
7 ~~outstate seller of mixed spirit drink to a wholesaler that contains~~
8 ~~10% or less alcohol by volume consisting of spirits mixed with~~
9 ~~nonalcoholic beverages or flavoring or coloring materials and that~~
10 ~~may also contain 1 or more of the following:~~

11 ~~(a) Water.~~

12 ~~(b) Fruit juices.~~

13 ~~(c) Fruit adjuncts.~~

14 ~~(d) Sugar.~~

15 ~~(e) Carbon dioxide.~~

16 ~~(f) Preservatives.~~

17 ~~(8) "Mixed spirit drink manufacturer" means a person licensed~~
18 ~~under this act to manufacture mixed spirit drink in this state and~~
19 ~~to sell mixed spirit drink at retail in accordance with section 537~~
20 ~~or to a wholesaler. For purposes of rules promulgated by the~~
21 ~~commission, a mixed spirit drink manufacturer is treated as a wine~~
22 ~~manufacturer but is subject to the rules applicable to spirits for~~
23 ~~manufacturing and labeling.~~

24 (7) ~~(9)~~—"Mixed wine drink" means a drink or similar product
25 marketed as a wine cooler that contains less than 7% alcohol by
26 volume, consists of wine and plain, sparkling, or carbonated water,
27 and contains any 1 or more of the following:

28 (a) Nonalcoholic beverages.

29 (b) Flavoring.

1 (c) Coloring materials.

2 (d) Fruit juices.

3 (e) Fruit adjuncts.

4 (f) Sugar.

5 (g) Carbon dioxide.

6 (h) Preservatives.

7 **(8) "Outstate self-distributor" means a person located in**
 8 **another state that is the substantial equivalent of a micro brewer,**
 9 **small distiller, or small wine maker licensed by the commission to**
 10 **sell alcoholic liquor that the person manufactured outside this**
 11 **state directly to a retailer under sections 203(20), 203a, and 203b**
 12 **in accordance with rules promulgated by the commission. An**
 13 **applicant for an outstate self-distributor license must submit a**
 14 **copy of its federal basic permit or brewer's notice and its**
 15 **manufacturing license from the state of issuance.**

16 **(9) ~~(10)~~**"Outstate seller of beer" means a person licensed by
 17 the commission to sell beer that has not been manufactured in this
 18 state, or beer that the person purchased from a limited production
 19 manufacturer, to a wholesaler in this state in accordance with
 20 rules promulgated by the commission. As used in this subsection,
 21 "limited production manufacturer" means a person licensed under
 22 section 504.

23 ~~(11) "Outstate seller of mixed spirit drink" means a person~~
 24 ~~licensed by the commission to sell mixed spirit drink that has not~~
 25 ~~been manufactured in this state to a wholesaler in this state in~~
 26 ~~accordance with rules promulgated by the commission. For purposes~~
 27 ~~of rules promulgated by the commission, an outstate seller of mixed~~
 28 ~~spirit drink is treated as an outstate seller of wine but is~~
 29 ~~subject to the rules applicable to spirits for manufacturing and~~

1 ~~labeling.~~

2 **(10) ~~(12)~~** "Outstate seller of wine" means a person licensed by
 3 the commission to sell wine that has not been manufactured in this
 4 state to a wholesaler in this state in accordance with rules
 5 promulgated by the commission and to sell sacramental wine as
 6 provided in section 301. **An outstate seller of wine is subject to**
 7 **the administrative rules applicable to wine manufacturing and**
 8 **labeling for wine as defined in section 113(9) (a) or 113a(9) (a). An**
 9 **outstate seller of wine is subject to the administrative rules**
 10 **applicable to spirits manufacturing and labeling for wine as**
 11 **defined in section 113(9) (b) or 113a(9) (b). An outstate seller of**
 12 **wine that sells only wine as defined in section 113(9) (b) or**
 13 **113a(9) (b) is not subject to the administrative rules applicable to**
 14 **wine manufacturing and labeling for wine as defined in section**
 15 **113(9) (a) or 113a(9) (a). The commission shall reclassify an**
 16 **outstate seller of mixed spirit drink license issued before May 1,**
 17 **2021 to an outstate seller of wine license upon the licensee**
 18 **demonstrating that it will comply with the administrative rules**
 19 **applicable to spirits manufacturing and labeling for wine as**
 20 **defined in section 113(9) (b) or 113a(9) (b).**

21 Sec. 111. (1) "Person" means an individual, firm, partnership,
 22 limited partnership, association, limited liability company, or
 23 corporation.

24 (2) "Primary source of supply" means, ~~in the case of~~ **for**
 25 domestic spirits, the distiller, producer, owner of the commodity
 26 at the time it becomes a marketable product, or bottler, or the
 27 exclusive agent of the distiller, producer, owner of the commodity
 28 at the time it becomes a marketable product, or bottler, and, for
 29 spirits imported into the United States, either the foreign

1 distiller, producer, owner, or bottler, or the prime importer for,
2 or the exclusive agent in the United States of, the foreign
3 distiller, producer, owner, or bottler.

4 (3) "Professional account" means an account established for a
5 person by a class C licensee or tavern licensee whose major
6 business is the sale of food, by which the licensee extends credit
7 to the person for not more than 30 days.

8 (4) "Residence" means the premises in which a person resides
9 permanently.

10 (5) "Restaurant" means a food service establishment defined
11 and licensed under the food law, 2000 PA 92, MCL 289.1101 to
12 289.8111. A restaurant that does not hold a license issued by the
13 commission under this act shall not manufacture, market, deliver,
14 or sell alcoholic liquor in this state.

15 (6) "Retailer" means a person licensed by the commission that
16 sells to the consumer in accordance with rules promulgated by the
17 commission. Retailer includes a brewpub but does not include a
18 manufacturer or supplier, as defined in section 603, that is
19 allowed as a condition of its license to sell to consumers in this
20 state.

21 (7) "Sacramental wine" means wine containing not more than 24%
22 of alcohol by volume that is used for sacramental purposes.

23 (8) "Sale" includes the exchange, barter, traffic, furnishing,
24 delivery, or giving away of alcoholic liquor. For a sale in which a
25 shipment or delivery of alcoholic liquor is made by a common or
26 other carrier, the sale of the alcoholic liquor is considered to be
27 made in the county within which the delivery of the alcoholic
28 liquor is made by that carrier to the consignee or his or her agent
29 or employee, and venue for the prosecution for that sale may be in

1 the county or city where the seller resides or from which the
2 shipment is made or at the place of delivery.

3 (9) "School" includes buildings used for school purposes to
4 provide instruction to children in grades kindergarten through 12,
5 if that instruction is provided by a public, private,
6 denominational, or parochial school, except those buildings used
7 primarily for adult education or college extension courses. School
8 does not include a proprietary trade or occupational school.

9 (10) "Shiner" means an unlabeled, sealed container of wine,
10 including a keg, that is sold by a wine maker, small wine maker, or
11 out-of-state entity that is the substantial equivalent of a wine
12 maker or small wine maker to another wine maker, small wine maker,
13 or out-of-state entity that is the substantial equivalent of a wine
14 maker or small wine maker. The purchasing wine maker or small wine
15 maker must attach a label to the container using equipment owned or
16 leased by the purchasing wine maker or small wine maker, register
17 the wine label with the commission, and sell it as provided for in
18 this act.

19 (11) "Small distiller" means a manufacturer of spirits
20 annually manufacturing in this state not more than 60,000 gallons
21 of spirits, of all brands combined.

22 (12) "Small wine maker" means a wine maker manufacturing or
23 bottling not more than 50,000 gallons of wine in 1 calendar year. A
24 small wine maker is not required to bottle wine it manufactures. **A**
25 **small wine maker that manufactures only wine as defined in section**
26 **113(9) (b) or 113a(9) (b) is not subject to the administrative rules**
27 **applicable to wine manufacturing and labeling for wine as defined**
28 **in section 113(9) (a) or 113a(9) (a). The commission shall reclassify**
29 **a manufacturer of mixed spirit drink license issued before May 1,**

1 2021 to a small wine maker license upon the licensee demonstrating
2 that it will comply with the administrative rules applicable to
3 spirits manufacturing and labeling for wine as defined in section
4 113(9) (b) or 113a(9) (b) .

5 (13) "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 must
8 be granted only to the persons and the organization and for the
9 period of time that the commission determines if the person or
10 organization is able to demonstrate an existence separate from an
11 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 (14) "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 (15) "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 (16) "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.

28 (17) "State liquor store" means a store established by the
29 commission under this act for the sale of spirits in the original

1 package for consumption off the premises.

2 (18) "Successor to a supplier that continues in business"
3 means a supplier that acquires a brand or brands from another
4 supplier and remains in business after it acquires that brand or
5 brands. As used in this subsection, "supplier" means any of the
6 following:

7 (a) Brewer.

8 (b) Outstate seller of beer.

9 (c) Master distributor.

10 (d) Wine maker.

11 (e) Outstate seller of wine.

12 (19) "Supplier of spirits" means a vendor of spirits, a
13 manufacturer of spirits, or a primary source of supply.

14 Sec. 113. (1) "Tasting room" means any of the following
15 locations:

16 (a) A location on the manufacturing premises of a brewer or
17 micro brewer where the brewer or micro brewer may provide samples
18 of or sell at retail for consumption on or off the premises, or
19 both, beer it manufactures.

20 (b) A location on or off the manufacturing premises of a wine
21 maker or small wine maker where the wine maker or small wine maker
22 may provide samples of or sell at retail for consumption on or off
23 the premises, or both, shiners, wine it manufactured, or, for a
24 small wine maker only, wine it bottled.

25 (c) A location on or off the manufacturing premises of a
26 distiller or small distiller where the distiller or small distiller
27 may provide samples of or sell at retail for consumption on or off
28 the premises, or both, spirits it manufactured.

29 ~~(d) A location on the manufacturing premises of a mixed spirit~~

1 ~~drink manufacturer where the mixed spirit drink manufacturer may~~
 2 ~~provide samples of or sell at retail for consumption on or off the~~
 3 ~~premises, or both, mixed spirit drinks it manufactured.~~

4 (d) ~~(e)~~—A location on or off the manufacturing premises of a
 5 brandy manufacturer where the brandy manufacturer may provide
 6 samples of or sell at retail for consumption on or off the
 7 premises, or both, brandy it manufactured.

8 (2) "Tavern" means any place licensed to sell at retail beer
 9 and wine for consumption on the premises only.

10 (3) "Vehicle" means any means of transportation by land, by
 11 water, or by air.

12 (4) "Vendor" means a person licensed by the commission to sell
 13 alcoholic liquor.

14 (5) "Vendor of spirits" means a person selling spirits to the
 15 commission.

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

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

24 (8) "Wholesaler" means a person ~~who~~**that** is licensed by the
 25 commission and sells beer ~~,~~**or** wine ~~,~~~~or mixed spirit drink~~ only to
 26 retailers or other licensees, and ~~who~~**that** sells sacramental wine
 27 as provided in section 301. A wholesaler includes a person ~~who~~**that**
 28 may also act as a master distributor unless prohibited from doing
 29 so by its supplier or manufacturer in a written agreement required

1 by either section 305(3)(i) or 403(3)(i) and, by mutual agreement
2 with 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 this state the labels of the outstate seller
6 of beer or wine.

7 (b) On behalf of the outstate seller of beer or wine, collect
8 excise taxes levied by this state and remit the taxes to the
9 commission.

10 (9) "Wine" means ~~the~~ **either of the following:**

11 (a) **A product ~~made~~ manufactured** by the normal alcoholic
12 fermentation of the juice of sound, ripe grapes, or any other fruit
13 with the usual cellar treatment, and containing not more than 21%
14 of alcohol by volume, including cider made from apples or pears, or
15 both, ~~which~~ **that** contains at least 1/2 of 1% of alcohol by volume,
16 or mead or honey wine made from honey, fermented fruit juices other
17 than grapes, and mixed wine drinks.

18 (b) **A product that contains 16% or less alcohol by volume**
19 **consisting of spirits mixed with nonalcoholic beverages or**
20 **flavoring or coloring materials and that may also contain 1 or more**
21 **of the following:**

22 (i) **Water.**

23 (ii) **Fruit juices.**

24 (iii) **Fruit adjuncts.**

25 (iv) **Sugar.**

26 (v) **Carbon dioxide.**

27 (vi) **Preservatives.**

28 (10) "Wine maker" means ~~any~~ **a** person licensed by the
29 commission to manufacture wine and to sell that wine to a

1 wholesaler, to a consumer by direct shipment **other than wine as**
 2 **defined in subsection (9) (b)**, at retail ~~on the licensed winery~~
 3 ~~premises, at an approved tasting room under section 536~~, to sell
 4 that wine **other than wine as defined in subsection (9) (b)** to a
 5 retailer, and as provided for in section 537. **A wine maker is**
 6 **subject to the administrative rules applicable to wine**
 7 **manufacturing and labeling for wine as defined in subsection**
 8 **(9) (a)**. **A wine maker is subject to the administrative rules**
 9 **applicable to spirits manufacturing and labeling for wine as**
 10 **defined in subsection (9) (b)**.

11 Sec. 113a. (1) "Tasting room" means any of the following
 12 locations:

13 (a) A location on the manufacturing premises of a brewer or
 14 micro brewer where the brewer or micro brewer may provide samples
 15 of or sell at retail for consumption on or off the premises, or
 16 both, beer it manufactures.

17 (b) A location on or off the manufacturing premises of a wine
 18 maker or small wine maker where the wine maker or small wine maker
 19 may provide samples of or sell at retail for consumption on or off
 20 the premises, or both, shiners, wine it manufactured, or, for a
 21 small wine maker only, wine it bottled.

22 (c) A location on or off the manufacturing premises of a
 23 distiller or small distiller where the distiller or small distiller
 24 may provide samples of or sell at retail for consumption on or off
 25 the premises, or both, spirits it manufactured.

26 ~~(d) A location on the manufacturing premises of a mixed spirit~~
 27 ~~drink manufacturer where the mixed spirit drink manufacturer may~~
 28 ~~provide samples of or sell at retail for consumption on or off the~~
 29 ~~premises, or both, mixed spirit drinks it manufactured.~~

1 (d) ~~(e)~~—A location on or off the manufacturing premises of a
2 brandy manufacturer where the brandy manufacturer may provide
3 samples of or sell at retail for consumption on or off the
4 premises, or both, brandy it manufactured.

5 (2) "Tavern" means any place licensed to sell at retail beer
6 and wine for consumption on the premises only.

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

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

11 (5) "Vendor of spirits" means a person selling spirits to the
12 commission.

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

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

21 (8) "Wholesaler" means a person ~~who~~**that** is licensed by the
22 commission and sells beer ~~, or~~ wine ~~, or mixed spirit drink~~ only to
23 retailers or other licensees, and ~~who~~**that** sells sacramental wine
24 as provided in section 301. A wholesaler includes a person ~~who~~**that**
25 may also act as a master distributor unless prohibited from doing
26 so by its supplier or manufacturer in a written agreement required
27 by either section 305(3)(i) or 403(3)(i) and, by mutual agreement
28 with an outstate seller of beer or wine, can be authorized by the
29 outstate seller of beer or wine to do, in the manner provided by

1 the commission, either or both of the following:

2 (a) Register with this state the labels of the outstate seller
3 of beer or wine.

4 (b) On behalf of the outstate seller of beer or wine, collect
5 excise taxes levied by this state and remit the taxes to the
6 commission.

7 (9) "Wine" means ~~the~~ **either of the following:**

8 **(a) A product ~~made~~ manufactured** by the normal alcoholic
9 fermentation of the juice of sound, ripe grapes, or any other fruit
10 with the usual cellar treatment, and containing not more than 21%
11 of alcohol by volume, including cider made from apples or pears, or
12 both, ~~which~~ **that** contains at least 1/2 of 1% alcohol by volume, or
13 mead or honey wine made from honey, fermented fruit juices other
14 than grapes, and mixed wine drinks.

15 **(b) A product that contains 16% or less alcohol by volume**
16 **consisting of spirits mixed with nonalcoholic beverages or**
17 **flavoring or coloring materials and that may also contain 1 or more**
18 **of the following:**

19 (i) Water.

20 (ii) Fruit juices.

21 (iii) Fruit adjuncts.

22 (iv) Sugar.

23 (v) Carbon dioxide.

24 (vi) Preservatives.

25 (10) "Wine maker" means ~~any~~ **a** person licensed by the
26 commission to manufacture wine, to sell that wine to a wholesaler,
27 to sell that wine **other than wine as defined in subsection (9) (b)**
28 by direct shipment to a consumer, at retail ~~on the licensed winery~~
29 ~~premises,~~ **at an approved tasting room under section 536,** and as

1 provided for in section 537 but not to sell wine to a retailer. **A**
 2 **wine maker is subject to the administrative rules applicable to**
 3 **wine manufacturing and labeling for wine as defined in subsection**
 4 **(9) (a). A wine maker is subject to the administrative rules**
 5 **applicable to spirits manufacturing and labeling for wine as**
 6 **defined in subsection (9) (b) .**

7 Sec. 204. (1) Except for an individual who brings, transports,
 8 ships, or imports alcoholic liquor into this state under section
 9 203(8) or (9), as applicable, for a retailer, or for sacramental
 10 wines imported under section 301, a person shall not sell, deliver,
 11 or import beer ~~, or~~ wine ~~, or mixed spirit drink~~ in this state
 12 unless the person is 1 of the following:

- 13 (a) A supplier as that term is defined in section 603.
- 14 (b) A licensed direct shipper described in section 203(10).
- 15 (c) A wholesaler.

16 (2) Except for an individual who brings, transports, ships, or
 17 imports alcoholic liquor into this state under section 203(8) or
 18 (9), as applicable, for a retailer, or for sacramental wines
 19 imported under section 301, a person described in subsection (1)
 20 may only sell, deliver, or import beer ~~, or~~ wine ~~, or mixed spirit~~
 21 ~~drink~~ in this state in 1 of the following ways:

22 (a) A licensed direct shipper may sell to a consumer under
 23 section 203.

24 (b) An outstate seller of beer ~~, or~~ outstate seller of wine ~~, or~~
 25 ~~or outstate seller of mixed spirit drink,~~ may deliver the beer ~~, or~~
 26 wine ~~, or mixed spirit drink~~ to the licensed premises of the
 27 wholesalers designated to sell and deliver the beer ~~, or~~ wine ~~, or~~
 28 ~~mixed spirit drink~~ to the individual licensed location of the
 29 retailer in the wholesaler's sales territory under section 305 or

1 403, as applicable.

2 (c) A wholesaler that picks up the beer ~~, or~~ wine ~~, or mixed~~
3 ~~spirit drink~~ from the premises of an outstate seller of beer ~~, or~~
4 outstate seller of wine ~~, or outstate seller of mixed spirit drink,~~
5 may deliver the beer ~~, or~~ wine ~~, or mixed spirit drink~~ to the
6 licensed premises of the wholesaler designated to sell and deliver
7 the beer ~~, or~~ wine ~~, or mixed spirit drink~~ to the individual
8 licensed location of the retailer in the wholesaler's sales
9 territory under section 305 or 403, as applicable.

10 (d) An outstate seller of beer ~~, or~~ outstate seller of wine ~~,~~
11 ~~or outstate seller of mixed spirit drink~~ may deliver the beer ~~, or~~
12 wine ~~, or mixed spirit drink~~ to its licensed premises in this
13 state. However, the beer ~~, or~~ wine ~~, or mixed spirit drink~~ must be
14 delivered to the licensed premises of the wholesaler designated to
15 sell and deliver the beer ~~, or~~ wine ~~, or mixed spirit drink~~ to the
16 individual licensed location of the retailer in the wholesaler's
17 sales territory under section 305 or 403, as applicable.

18 (e) A brewer ~~, or~~ wine maker ~~, or mixed spirit drink~~
19 ~~manufacturer~~ that has a manufacturing plant located outside of this
20 state may deliver the beer ~~, or~~ wine ~~, or mixed spirit drink~~
21 ~~manufactured~~ in the manufacturing plant to its licensed premises in
22 this state. However, the beer ~~, or~~ wine ~~, or mixed spirit drink~~
23 must be delivered to the licensed premises of the wholesaler
24 designated to sell and deliver the beer ~~, or~~ wine ~~, or mixed spirit~~
25 ~~drink~~ to the individual licensed location of the retailer in the
26 wholesaler's sales territory under section 305 or 403, as
27 applicable.

28 (f) Except as otherwise provided in this act, a brewer ~~, or~~
29 wine maker ~~, or mixed spirit drink manufacturer~~ may deliver the

1 beer ~~, or~~ wine ~~, or mixed spirit drink~~ to the licensed premises of
 2 the wholesaler designated to sell and deliver the beer ~~, or~~ wine ~~,
 3 or mixed spirit drink~~ to the individual licensed location of the
 4 retailer in the wholesaler's sales territory under section 305 or
 5 403, as applicable.

6 (3) Except as otherwise provided in subsection (4), both of
 7 the following apply to beer ~~, or~~ wine ~~, or mixed spirit drink~~ that
 8 is delivered to a wholesaler under this act:

9 (a) The wholesaler shall maintain the beer ~~, or~~ wine ~~, or
 10 mixed spirit drink~~ on the wholesaler's licensed premises.

11 (b) The wholesaler shall make the beer ~~, or~~ wine ~~, or mixed
 12 spirit drink~~ maintained on the wholesaler's licensed premises as
 13 required under subdivision (a) available for inspection by the
 14 commission for at least 24 hours before the wholesaler delivers the
 15 beer ~~, or~~ wine ~~, or mixed spirit drink~~ to a retailer.

16 (4) For beer ~~, or~~ wine ~~, or mixed spirit drink~~ that has been
 17 delivered to a wholesaler under this act, subsection (3) does not
 18 apply and the wholesaler may deliver beer ~~, or~~ wine ~~, or mixed
 19 spirit drink~~ to a retailer if all of the following apply:

20 (a) Either of the following applies:

21 (i) The wholesaler cannot fulfill the retailer's order for the
 22 beer ~~, or~~ wine ~~, or mixed spirit drink~~ from the inventory currently
 23 available on the wholesaler's licensed premises.

24 (ii) The wholesaler intends to deliver the beer ~~, or~~ wine ~~, or
 25 mixed spirit drink~~ to a special licensee, including as provided
 26 under section 526, before the 24-hour period under subsection
 27 (3)(b) has expired.

28 (b) Either of the following applies:

29 (i) The beer ~~, or~~ wine ~~, or mixed spirit drink~~ has been

1 delivered to the address of the wholesaler's licensed premises.

2 (ii) The wholesaler picked up the beer ~~, or wine , or mixed~~
3 ~~spirit drink~~ from the licensed premises of any of the following:

4 (A) A brewer.

5 (B) A wine maker.

6 ~~(C) A mixed spirit manufacturer.~~

7 ~~(C) (D)~~—An outstate seller of beer.

8 ~~(D) (E)~~—An outstate seller of wine.

9 ~~(F) An outstate seller of mixed spirit drink.~~

10 ~~(E) (G)~~—A wholesaler.

11 (c) The wholesaler maintains the invoice of the delivery and
12 attaches documentation to the invoice that details each product and
13 the amount of each product that was not placed on the wholesaler's
14 floor.

15 (5) This section does not prohibit a brewer, micro brewer,
16 wine maker, small wine maker, or retailer from selling alcoholic
17 liquor or nonalcoholic beverages as provided in this act.

18 Sec. 301. (1) The commission shall levy and collect on all
19 wine **as defined in section 113(9) (a) or 113a(9) (a)** containing 16%
20 or less of alcohol by volume sold in this state a tax at the rate
21 of 13.5 cents per liter if sold in bulk and in a like ratio if sold
22 in smaller quantities.

23 (2) The commission shall levy and collect on all wine **as**
24 **defined in section 113(9) (a) or 113a(9) (a)** containing more than 16%
25 of alcohol by volume sold in this state a tax at the rate of 20
26 cents per liter if sold in bulk and in a like ratio if sold in
27 smaller quantities. **The commission shall levy and collect on all**
28 **wine as defined in section 113(9) (b) or 113a(9) (b) sold in this**
29 **state a tax at the rate of 20 cents per liter if sold in bulk and**

1 **in a like ratio if sold in smaller quantities.**

2 (3) Sacramental wine is nontaxable when used by churches. A
3 person may import sacramental wines. The commission shall not
4 impose restrictions on importations of wine for sacramental
5 purposes but may promulgate rules to prevent any abuses that result
6 from the importations. A wholesaler or an outstate seller of wine
7 may sell sacramental wine directly to a church for sacramental
8 purposes.

9 ~~(4) The commission shall levy and collect on all mixed spirit~~
10 ~~drink sold in this state a tax at the rate of 48 cents per liter if~~
11 ~~sold in bulk or a like ratio if sold in smaller quantities.~~

12 **(4)** ~~(5) Beginning on and after February 1,~~ **After January 31,**
13 2015, if the wine is manufactured in this state the tax must be
14 paid by the wine maker who manufactured the wine or if the wine is
15 manufactured outside this state the tax must be paid by the
16 wholesaler assigned to distribute that wine.

17 ~~(6) Beginning on and after February 1, 2015, if the mixed~~
18 ~~spirit drink is manufactured in this state the tax must be paid by~~
19 ~~the manufacturer of the mixed spirit drink or if the mixed spirit~~
20 ~~drink is manufactured outside this state the tax must be paid by~~
21 ~~the wholesaler assigned to distribute that mixed spirit drink.~~

22 **(5)** ~~(7)~~ On approval by the commission, the department of
23 licensing and regulatory affairs shall incorporate a limited number
24 of farm mutual cooperative wineries as the commission determines to
25 be beneficial to the Michigan grape and fruit industry. These
26 wineries must be licensed under this act and the payment of 1
27 license fee annually by the corporation authorizes wine making on
28 the premises of the corporation and also on the premises of the
29 grape and fruit growing farmers who are members of or stockholders

1 in the corporation. Upon incorporation of a farmers' cooperative
 2 corporation as provided for in this section, the members of or the
 3 stockholders in the corporation are certified to be Michigan grape
 4 and fruit growing farmers. Wine making by cooperative corporations
 5 on farm premises is allowed, but all sales of the wine must be made
 6 by the corporation and from the corporation premises.

7 (6) ~~(8)~~—A wine maker ~~or manufacturer of a mixed spirit drink~~
 8 may designate a wholesaler to pay the tax on behalf of the wine
 9 maker or manufacturer, respectively. If a wine maker or
 10 manufacturer designates a wholesaler to pay the tax on its behalf,
 11 that wine maker or manufacturer shall notify the commission of the
 12 designation and provide the commission with a copy of its report of
 13 wine premises operations that it filed with the Alcohol and Tobacco
 14 Tax and Trade Bureau of the United States Department of Treasury
 15 for each calendar year. A wholesaler that is responsible for the
 16 payment of the tax under this section or that is designated to pay
 17 the tax under this section on behalf of the wine maker ~~or~~
 18 ~~manufacturer of the mixed spirit drink~~ is only required to pay the
 19 tax on the number of liters actually sold by the wholesaler to
 20 licensed retailers.

21 (7) ~~(9)~~—The commission shall establish by rule a method for
 22 the collection of the tax levied in this section and reporting
 23 requirements for wholesalers, wine makers, ~~outstate sellers of~~
 24 ~~mixed spirit drink~~, and outstate sellers of wine to verify the
 25 remission of taxes to this state. Except as otherwise provided in
 26 this subsection, the commission shall not require that the tax be
 27 paid in less than monthly intervals. Beginning March 15, 2020, the
 28 commission shall not require that the tax be paid in less than
 29 quarterly intervals. The rules under this subsection must be

1 promulgated pursuant to the administrative procedures act of 1969,
2 1969 PA 306, MCL 24.201 to 24.328.

3 Sec. 303. (1) The grape and wine industry council created
4 under Executive Reorganization Order No. 2014-2, MCL 333.26253,
5 shall be housed within the department of agriculture and rural
6 development. Beginning on ~~the effective date of the 2018 amendatory~~
7 ~~act that amended this section, **October 1, 2018,**~~ the council shall
8 be known as the Michigan craft beverage council and shall consist
9 of the following members:

10 (a) As a nonvoting member, the director of the department of
11 agriculture and rural development or his or her designee.

12 (b) Subject to subsection (2), the following voting members,
13 appointed by the governor:

14 (i) A representative of retail food establishments that hold a
15 specially designated merchant license and sell Michigan wines or
16 beer.

17 (ii) A representative of restaurants that hold a class C
18 license and serve Michigan wines, beer, or spirits.

19 (iii) Two representatives of wine makers.

20 (iv) A representative of wine makers that primarily manufacture
21 cider.

22 (v) A representative of large brewers.

23 (vi) One of the following:

24 (A) A representative of micro brewers.

25 (B) A representative of brewpub license holders.

26 (vii) A representative of small distillers.

27 (viii) A representative of distillers that manufacture more than
28 60,000 gallons of spirits per year.

29 (2) The following apply to a member of the council appointed

1 under subsection (1) (b):

2 (a) The member's principal place of business must be located
3 in this state.

4 (b) The member must not be a lobbyist or a lobbyist agent as
5 those terms are defined in section 5 of 1978 PA 472, MCL 4.415.

6 (3) Voting members of the council appointed by the governor
7 under subsection (1) shall serve for terms of 3 years or until a
8 successor is appointed, whichever is later, except that of the
9 voting members first appointed, 3 shall serve for 1 year, 3 shall
10 serve for 2 years, and 3 shall serve for 3 years. A voting member
11 shall not serve more than 2 consecutive terms. A vacancy on the
12 board shall be filled in the same manner as the original
13 appointment. The director of the department of agriculture and
14 rural development is the chairperson of the council.

15 (4) The council may employ personnel and incur expenses that
16 are necessary to carry out the responsibilities of the council
17 under this act. A member of the council or an employee or agent of
18 the council is not personally liable on the contracts of the
19 council.

20 (5) A nongovernmental member of the council may receive \$50.00
21 per day for each day spent in actual attendance at meetings of the
22 council and traveling expenses while on council business in
23 accordance with standard travel regulations of the department of
24 technology, management, and budget.

25 (6) The council shall maintain accurate books and records, and
26 all money received by the council shall be used to implement and
27 enforce this section. The council may accept money from any source
28 for the purpose of carrying out this section. All money received by
29 the council shall be forwarded to the state treasurer for deposit

1 into the Michigan craft beverage council fund created in section
2 303a.

3 (7) Subject to an appropriation, the council shall direct the
4 department of agriculture and rural development to award grants for
5 the following:

6 (a) Research into both of the following:

7 (i) Fruits used in winemaking and wines, including, but not
8 limited to, methods of planting, growing, controlling insects and
9 diseases, charting microclimates and locations for growing
10 desirable varieties of fruits used in winemaking and wines,
11 marketing, processing, distribution, advertising, sales production,
12 and product development.

13 (ii) Hops, barley, beer, and spirits, including, but not
14 limited to, methods of planting, growing, controlling insects and
15 diseases, marketing, processing, distribution, advertising, sales
16 production, and product development.

17 (b) Projects that do 1 or more of the following:

18 (i) Provide the wine industry, including growers, wineries,
19 distributors, and retailers, with information relative to proper
20 methods of handling and selling fruits used in winemaking and
21 wines.

22 (ii) Provide the brewing and distilling industries, including
23 growers, brewers, distillers, distributors, and retailers, with
24 information relative to proper methods of handling and selling
25 hops, barley, beer, **and** spirits. ~~, and mixed spirit drinks.~~

26 (iii) Provide for market surveys and analyses for purposes of
27 expanding existing markets and creating new and larger markets for
28 Michigan agricultural products such as fruits, hops, and barley,
29 that are used in the production of wine, cider, beer, **and** spirits.

1 ~~, and mixed spirit drinks.~~

2 (iv) Provide for the promotion of the sale of Michigan
3 agricultural products such as fruits, hops, and barley, that are
4 used in the production of wine, cider, beer, **and** spirits ~~, and~~
5 ~~mixed spirit drinks~~ for the purpose of maintaining or expanding
6 present markets and creating new and larger domestic and foreign
7 markets.

8 (v) Develop and administer financial aid programs to growers
9 of fruits used in winemaking to encourage the increased planting in
10 this state of desirable fruit varieties in microclimates determined
11 to provide the best conditions for producing quality wines.

12 (vi) Develop and administer financial aid programs to hops
13 growers to encourage increased planting in this state of desirable
14 hops varieties in microclimates determined to provide the best
15 conditions for producing quality beer.

16 (vii) Develop and administer financial aid programs to barley
17 growers to encourage increased planting in this state of desirable
18 barley varieties in microclimates determined to provide the best
19 conditions for producing quality beer.

20 (viii) Establish educational partnerships to benefit the beer,
21 wine, cider, **and** spirits ~~, and mixed spirit drink~~ industries.

22 (8) The department of agriculture and rural development shall
23 administer the grants awarded under subsection (7).

24 (9) The council shall do all of the following:

25 (a) Apply for and accept grants or contributions from the
26 federal government or any of its agencies, the state, or other
27 public or private agencies to be used for any of the purposes of
28 this section and to do any and all things within its express or
29 implied powers necessary or desirable to secure that financial or

1 other aid or cooperation in the carrying out of any of the purposes
2 of this section.

3 (b) Invite the chief executive officer of the Michigan
4 economic development corporation or his or her designee to attend
5 at least 1 council meeting annually to inform the council about
6 partnership activities and opportunities related to the marketing
7 and promotion of Michigan agricultural products such as fruits,
8 hops, and barley ~~that are used in the production of wine, cider,~~
9 beer, **and** spirits. ~~and mixed spirit drinks.~~

10 (c) Invite the director of the department of licensing and
11 regulatory affairs to attend at least 1 council meeting annually to
12 inform the council about funding activities affecting the council.

13 (d) Prepare and adopt an annual budget.

14 (10) Based on the information provided to the council under
15 subsection (9) (b) and (c), the council may do either or both of the
16 following:

17 (a) Take actions that will enhance the marketing and promotion
18 of Michigan agricultural products, such as fruits, hops, and barley
19 ~~that are used in the production of wine, cider, beer, and~~
20 spirits. ~~and mixed spirit drinks.~~

21 (b) Annually review and adopt strategies for marketing and
22 promotion of Michigan agricultural products, such as fruits, hops,
23 and barley ~~that are used in the production of wine, cider, beer,~~
24 **and** spirits. ~~and mixed spirit drinks.~~

25 (11) The council may promulgate rules pursuant to the
26 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
27 24.328, for the purposes of implementing and enforcing this
28 section. However, the council shall not promulgate a rule that
29 conflicts with a rule promulgated by the commission under section

1 215.

2 (12) Except as otherwise provided in this subsection, the
3 council shall not engage in lobbying. This subsection does not
4 prohibit the council or a council member or council employee from
5 providing technical information to the legislature or to the
6 department of agriculture and rural development, regardless of
7 whether the council, council member, or council employee is
8 appearing before an officially convened legislative committee or
9 department of agriculture and rural development hearing panel, if
10 the technical information is related to the council's duties under
11 this section.

12 (13) This section does not prevent the council from
13 establishing a commodity committee under the agriculture
14 commodities marketing act, 1965 PA 232, MCL 290.651 to 290.674.

15 (14) As used in this section:

16 (a) "Cider" means an alcoholic beverage made from the
17 fermentation of juice from primarily apples or pears, or both,
18 ~~which~~**that** contains not less than 1/2 of 1% and not more than 8.5%
19 of alcohol by volume. Cider may be still or carbonated and may
20 contain other fruits, spices, botanicals, or other flavors.

21 (b) "Council" means the Michigan craft beverage council
22 described in subsection (1).

23 (c) "Large brewer" means a brewer that produces in total at
24 least 60,000 barrels of beer and not more than 1,000,000 barrels of
25 beer per year. In determining the barrel threshold under this
26 subdivision, all brands and labels of a brewer, whether brewed in
27 this state or outside this state, must be combined and all
28 facilities for the production of beer that are owned or controlled
29 by the same person are treated as a single facility.

1 (d) "Lobbying" means that term as defined in section 5 of 1978
2 PA 472, MCL 4.415.

3 (e) "Technical information" means that term as defined in
4 section 5 of 1978 PA 472, MCL 4.415.

5 Sec. 307. (1) A manufacturer, an outstate seller of wine, and
6 a master distributor shall grant to each of its wholesalers a sales
7 territory within which the wholesaler is a distributor of the
8 specified brand or brands of the manufacturer, outstate seller of
9 wine, or master distributor under an agreement as required under
10 this act. The territory is the territory agreed on between the
11 wholesaler and manufacturer, outstate seller of wine, or master
12 distributor. Except as provided for in subsection (9) and beginning
13 June 1, 2010, a manufacturer, outstate seller of wine, or master
14 distributor shall not grant the right to sell a specified brand or
15 brands of wine in a sales territory to more than 1 wine wholesaler.
16 A master distributor shall not itself distribute a specified brand
17 or brands of wine in the same sales territory where that master
18 distributor has granted the right to distribute that specified
19 brand or brands of wine in that sales territory to another wine
20 wholesaler.

21 (2) Notwithstanding subsection (1), a brand extension is not a
22 new or different brand. A manufacturer or outstate seller of wine
23 shall assign a brand extension to the wholesaler that was granted
24 the sales territory for the brand from which the brand extension
25 resulted.

26 (3) Subsection (2) does not apply if, before January 1, 1994,
27 a manufacturer or outstate seller of wine had assigned a brand
28 extension to a wholesaler that was not the appointed wholesaler for
29 the brand from which the brand extension was made.

1 (4) Subsection (2) does not apply if, before October 1, 2019,
2 a successor manufacturer or successor outstate seller of wine had
3 assigned a brand extension to a wholesaler that was not the
4 appointed wholesaler for the brand from which the extension was
5 made.

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

15 (6) Notwithstanding subsection (5), a brand extension is not a
16 new or different brand. A manufacturer of a mixed wine drink ~~, or~~
17 ~~mixed spirit drink manufacturer, or~~ outstate seller of a mixed wine
18 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 if, before January 1, 1994,
23 a manufacturer of a mixed wine drink ~~, mixed spirit drink~~
24 ~~manufacturer, or~~ outstate seller of a mixed wine drink ~~, or~~
25 ~~outstate seller of mixed spirit drink~~ had assigned a brand
26 extension to a wholesaler that was not the appointed wholesaler for
27 the brand from which the brand extension was made.

28 (8) Subsection (6) does not apply if, before October 1, 2019,
29 a successor manufacturer or successor outstate seller of mixed wine

1 ~~drink or mixed spirit drink~~ had assigned a brand extension to a
2 wholesaler that was not the appointed wholesaler for the brand from
3 which the brand extension was made.

4 (9) Subsection (1) does not prohibit any of the following:

5 (a) A manufacturer of wine, an outstate seller of wine, or a
6 master distributor from continuing or renewing an agreement under
7 this act with a wholesaler for a specified brand or brands for any
8 county or part of a county where more than 1 wholesaler has an
9 agreement with the manufacturer of wine, outstate seller of wine,
10 or master distributor in effect on June 1, 2010 if the wholesaler
11 had an agreement to distribute that specified brand or brands in
12 that county or that part of a county and was a master distributor
13 or was actively selling that brand or brands of wine to a retailer
14 in that county or that part of a county on June 1, 2010.

15 (b) A wholesaler from selling or transferring the wholesaler's
16 distribution rights or a manufacturer of wine, outstate seller of
17 wine, or master distributor from approving the sale or transfer of
18 a wholesaler's distribution rights to a specified brand or brands
19 of wine for any county or part of a county to another wholesaler if
20 the selling or transferring wholesaler, or any of its predecessors,
21 had the right to distribute that brand or brands of wine in that
22 county or part of that county and was actively selling that brand
23 or brands to a retailer in that county or that part of a county on
24 June 1, 2010 or was acting as a master distributor for that county
25 or part of that county on June 1, 2010.

26 (10) As used in this section, "master distributor" means,
27 notwithstanding section 109(4), a wholesaler that acts in the same
28 or similar capacity as a wine maker, wine manufacturer, or outstate
29 seller of wine for a brand or brands of wine to other wholesalers

1 on a regular basis in the normal course of business.

2 Sec. 502. (1) Subject to subsection (3), the commission shall
3 issue a salesperson license to an individual who is a designated
4 employee of any of the following persons:

5 (a) A manufacturer of beer.

6 (b) A manufacturer of wine.

7 ~~(c) A manufacturer of mixed spirit drink.~~

8 **(c)** ~~(d)~~ An outstate seller of beer.

9 **(d)** ~~(e)~~ An outstate seller of wine.

10 ~~(f) An outstate seller of mixed spirit drink.~~

11 **(e)** ~~(g)~~ A wholesaler.

12 **(f)** ~~(h)~~ A broker that represents 1 or more persons described
13 in subdivisions (a) to ~~(g)~~ **(e)**.

14 **(g)** ~~(i)~~ A broker described in subdivision ~~(h)~~ **(f)** that also
15 represents 1 or more of the following persons:

16 (i) A vendor of spirits.

17 (ii) A manufacturer of spirits.

18 **(h)** ~~(j)~~ A vendor of spirits.

19 **(i)** ~~(k)~~ A manufacturer of spirits.

20 **(j)** ~~(l)~~ A broker that represents only 1 or more of the
21 following:

22 (i) A vendor of spirits.

23 (ii) A manufacturer of spirits.

24 (2) A salesperson license issued under this section after
25 April 15, 2018 but before April 30, 2020 expires on April 30, 2020.
26 A salesperson license issued under this section is renewable every
27 3 years with the first triennial renewal cycle beginning May 1,
28 2020. The commission may charge a reasonable initial license fee
29 and triennial renewal fee. The commission shall establish a fee

1 under this section by written order. The nonrefundable inspection
2 fee under section 529(4) is not required for an application for a
3 new salesperson license or transfer of a salesperson license. A
4 salesperson license issued or renewed under R 436.1853 of the
5 Michigan Administrative Code expires on the earlier of the
6 following dates:

7 (a) Three years after the date of the issuance or renewal.

8 (b) April 30, 2020.

9 (3) The commission shall not impose any other requirement or
10 consider any other factor beyond the accreditation required in this
11 section for issuance or renewal of a salesperson license. Except as
12 otherwise provided in this subsection, the commission shall not
13 issue a salesperson license under this section unless the applicant
14 submits with his or her application written documentation that the
15 applicant has successfully completed a salesperson accreditation
16 program. Except as otherwise provided in this subsection, the
17 commission shall not renew a salesperson license issued under this
18 section or under R 436.1853 of the Michigan Administrative Code
19 unless the licensee submits with his or her application proof
20 acceptable to the commission that the licensee has successfully
21 completed a salesperson accreditation program no more than 120 days
22 before the date the licensee submits his or her renewal
23 application. An applicant's completion of a salesperson
24 accreditation program is not a condition for issuance or renewal of
25 a salesperson license for any of the following applicants:

26 (a) A designated employee of a manufacturer of spirits.

27 (b) A designated employee of a vendor of spirits.

28 (c) A designated employee of a broker described in subsection

29 ~~(1) (h)~~. **(1) (j)** .

1 (4) Except as provided in subsection (5), an individual shall
2 not sell, deliver, promote, or otherwise assist in the sale of
3 alcoholic liquor in any manner to a retailer in this state unless
4 licensed under this section or under R 436.1853 of the Michigan
5 Administrative Code. An individual licensed as a salesperson under
6 R 436.1853 of the Michigan Administrative Code before April 15,
7 2018 shall comply with the requirements of this section on renewal
8 of his or her salesperson license, application for a subsequent
9 salesperson license under a different employer, or a request to
10 transfer his or her salesperson license to a different employer.

11 (5) This section does not require an individual who is at
12 least 18 years of age and who only does any of the following to be
13 licensed as a salesperson:

14 (a) Builds a display of those brands that are represented or
15 sold by the individual's employer for an off-premises retailer.

16 (b) Marks the price on those brands that are represented or
17 sold by the individual's employer for an off-premises retailer.

18 (c) Rotates brands that are represented or sold by the
19 individual's employer for an off-premises retailer.

20 (d) Places brands that are represented or sold by the
21 individual's employer on shelves for an off-premises retailer.

22 (e) For an individual who holds a Michigan commercial driver
23 license or chauffeur's license, transports, in a vehicle licensed
24 by the commission under section 525, and delivers alcoholic liquor
25 to a retailer.

26 (6) The commission shall approve a salesperson ~~license~~
27 accreditation program designed for salesperson licensees if the
28 commission determines that the program's curriculum includes an
29 understanding of all of the following:

1 (a) Section 609.

2 (b) Section 609a.

3 (c) Section 609b.

4 (d) Section 610d.

5 (e) The provisions of section 1013 that require the sale or
6 purchase of alcoholic liquor by a licensee for cash only.

7 (f) R 436.1315 of the Michigan Administrative Code.

8 (g) R 436.1726 of the Michigan Administrative Code.

9 (h) The commission's order for on-premises brand promotions
10 issued October 27, 1999.

11 (i) Product adjustments as provided for in this act.

12 (7) A person described in subsection (1) (a) to ~~(g)~~ **(e)** or a
13 qualified trade association may apply to the commission for
14 qualification as an administrator for the offering of a salesperson
15 accreditation program.

16 (8) On approval of a salesperson accreditation program under
17 subsection (6), the commission shall appoint the person or
18 qualified trade association sponsoring the salesperson
19 accreditation program as administrator of that program.

20 (9) As used in this section:

21 (a) "Administrator" means a person described in subsection
22 (1) (a) to ~~(g)~~ **(e)** or a qualified trade association authorized by
23 the commission to offer salesperson accreditation programs.

24 (b) "Broker" means that term as defined in R 436.1001 of the
25 Michigan Administrative Code.

26 (c) "Designated employee" means an individual who sells,
27 delivers, promotes, or otherwise assists in the sale of alcoholic
28 liquor.

29 (d) "Qualified trade association" means a trade association

1 that represents a person described in subsection (1) (a) to ~~(g)~~ (e)
2 that employs individuals to act as salespersons.

3 (e) "Salesperson accreditation program" means a program that
4 the commission approves under subsection (6) and that is offered by
5 an administrator.

6 Sec. 504. (1) The commission may issue a limited production
7 manufacturer license to a person that purchases beer from another
8 brewer, micro brewer, or out-of-state equivalent of a brewer or
9 micro brewer for purposes of taking ownership of the beer and
10 performing any of the manufacturing process as described in section
11 109(1).

12 (2) The commission shall charge an initial and renewal license
13 fee for a license under this section of \$1,000.00.

14 (3) Notwithstanding section 204, a brewer, micro brewer, or
15 out-of-state equivalent of a brewer or micro brewer may sell beer
16 to a limited production manufacturer and a limited production
17 manufacturer may buy beer from a brewer, micro brewer, or an out-
18 of-state equivalent of a brewer or micro brewer if all of the
19 following conditions are met:

20 (a) The brewer, micro brewer, or out-of-state equivalent of a
21 brewer or micro brewer relinquishes ownership of the beer to the
22 purchasing limited production manufacturer.

23 (b) The limited production manufacturer modifies the beer by
24 performing all or part of the manufacturing process as described in
25 section 109(1).

26 (c) The brewer, micro brewer, or out-of-state equivalent of a
27 brewer or micro brewer notifies the commission in writing of the
28 sale and the amount of beer being sold to a purchasing limited
29 production manufacturer before each sale. The notification must be

1 in the form required by the commission.

2 (d) The brewer, micro brewer, or out-of-state equivalent of a
3 brewer or micro brewer and the limited production manufacturer
4 maintain records of the sale, in the manner required by the
5 commission, for 3 years.

6 (4) A limited production manufacturer may only sell beer to a
7 wholesaler or a person located outside of this state regardless of
8 whether the person is licensed under this act. Notwithstanding
9 section ~~109(10)~~**109(9)** or R 436.1609(2) of the Michigan
10 Administrative Code, beer sold by a limited production manufacturer
11 to a person located outside of this state that holds an outstate
12 seller of beer license may be sold to a wholesaler in this state by
13 the outstate seller of beer.

14 (5) A limited production manufacturer must not be licensed as
15 or hold a financial interest in another licensed supplier except
16 for purposes of purchasing beer in the manner allowed in this
17 section.

18 (6) A limited production manufacturer shall not hold a license
19 in the wholesaler tier or retailer tier as provided in section
20 603(13).

21 (7) Except as otherwise provided in this section, a limited
22 production manufacturer shall comply with all provisions of this
23 act that apply to the activities of a brewer, including, but not
24 limited to, sections 401, 403, 409, 603, and 609.

25 (8) A limited production manufacturer shall not self-
26 distribute.

27 (9) Before selling beer in this state to a wholesaler, a
28 limited production manufacturer shall register the beer and receive
29 a registration number of approval under R 436.1611 of the Michigan

1 Administrative Code.

2 (10) A limited production manufacturer must be the holder of a
3 federal brewer's notice issued by the United States Department of
4 Treasury, Alcohol and Tobacco Tax and Trade Bureau in accordance
5 with 27 CFR 25.61 to 25.85.

6 (11) As used in this section:

7 (a) "Limited production manufacturer" means a person licensed
8 under this section.

9 (b) "Supplier" means that term as defined in section 603.

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

11 ~~(a) "Motorsports entertainment complex" means a closed-course~~
12 ~~motorsports facility and its ancillary grounds that comply with all~~
13 ~~of the following:~~

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

15 ~~(ii) Has at least 7 scheduled days of motorsports events each~~
16 ~~calendar year.~~

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

23 ~~(iv) Engages in tourism promotion.~~

24 ~~(b) "Motorsports event" means a motorsports race and its~~
25 ~~ancillary activities that have been sanctioned by a sanctioning~~
26 ~~body.~~

27 ~~(c) "Owner" means a person who owns and operates a motorsports~~
28 ~~entertainment complex.~~

29 ~~(d) "Sanctioning body" means the American motorcycle~~

1 ~~association (AMA); auto racing club of America (ARCA); championship~~
 2 ~~auto racing teams (CART); grand American road racing association~~
 3 ~~(GRAND AM); Indy racing league (IRL); national association for~~
 4 ~~stock car auto racing (NASCAR); nation hot rod association (NHRA);~~
 5 ~~professional sportscar racing (PSR); sports car club of America~~
 6 ~~(SCCA); United States auto club (USAC); Michigan state promoters~~
 7 ~~association; or any successor organization or any other nationally~~
 8 ~~or internationally recognized governing body of motorsports that~~
 9 ~~establishes an annual schedule of motorsports events and grants~~
 10 ~~rights to conduct the events, that has established and administers~~
 11 ~~rules and regulations governing all participants involved in the~~
 12 ~~events and all persons conducting the events, and that requires~~
 13 ~~certain liability assurances, including insurance.~~

14 (1) ~~(2)~~ Notwithstanding the quota provisions of section 531,
 15 the commission may issue motorsports event licenses for the sale of
 16 beer and wine or beer, wine, ~~mixed spirit drink,~~ and spirits for
 17 consumption on the premises to the owner of a motorsports
 18 entertainment complex for use during sanctioned motorsports events
 19 only. The sale of beer, wine, ~~mixed spirit drink,~~ and spirits at
 20 concession outlets or additional locations within the motorsports
 21 entertainment complex during motorsports sanctioned events ~~shall~~
 22 **are** not ~~be~~ considered additional bars for the purpose of
 23 determining a license fee ~~pursuant to~~ **under** section 525(1)(e).
 24 **525(1)(n)**. An applicant for a license under this section that
 25 elects to sell beer and wine only shall pay to the commission a
 26 license fee of \$250.00. An applicant for a license under this
 27 section that elects to sell beer, wine, ~~mixed spirit drink,~~ and
 28 spirits shall pay to the commission a license fee of \$600.00.

29 (2) ~~(3)~~ For a period of time not to exceed 7 consecutive days

1 during which public access is permitted to a motorsports
2 entertainment complex in connection with a motorsports event,
3 members of the general public at least 21 years or older may bring
4 beer and wine not purchased at the licensed motorsports
5 entertainment complex into the motorsports entertainment complex
6 and possess and consume that beer and wine. Possession and
7 consumption of beer and wine under this section are allowed only in
8 portions of the motorsports entertainment complex open to the
9 general public that are also part of the licensed premises of a
10 retail licensee under both of the following circumstances:

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

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

15 **(3)** ~~(4)~~—A person holding a license for the sale of alcoholic
16 liquor for consumption on the premises at a motorsports
17 entertainment complex is subject to the civil liability provisions
18 of section 801 if the civil action is brought by or on behalf of an
19 individual who suffers damage or is personally injured by a minor
20 or visibly intoxicated person by reason of the unlawful consumption
21 of alcoholic liquor on the licensed premises by that minor or
22 visibly intoxicated person if the unlawful consumption is proven to
23 be a proximate cause of the damage, injury, or death of the
24 individual, whether the alcoholic liquor was sold or furnished by
25 the licensee or was brought onto the licensed premises under
26 subsection ~~(3)~~-(2).

27 **(4) As used in this section:**

28 **(a) "Motorsports entertainment complex" means a closed-course**
29 **motorsports facility and its ancillary grounds that comply with all**

1 of the following:

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

3 (ii) Has at least 7 scheduled days of motorsports events each
4 calendar year.

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

11 (iv) Engages in tourism promotion.

12 (b) "Motorsports event" means a motorsports race and its
13 ancillary activities that have been sanctioned by a sanctioning
14 body.

15 (c) "Owner" means a person who owns and operates a motorsports
16 entertainment complex.

17 (d) "Sanctioning body" means the American Motorcycle
18 Association (AMA); Auto Racing Club of America (ARCA); Championship
19 Auto Racing Teams (CART); Grand American Road Racing Association
20 (GRAND AM); Indy Racing League (IRL); National Association for
21 Stock Car Auto Racing (NASCAR); National Hot Rod Association
22 (NHRA); Professional Sportscar Racing (PSR); Sports Car Club of
23 America (SCCA); United States Auto Club (USAC); Michigan State
24 Promoters Association; or any successor organization or any other
25 nationally or internationally recognized governing body of
26 motorsports that establishes an annual schedule of motorsports
27 events and grants rights to conduct the events, that has
28 established and administers rules and regulations governing all
29 participants involved in the events and all persons conducting the

1 **events, and that requires certain liability assurances, including**
 2 **insurance.**

3 Sec. 521. (1) ~~Beginning on the effective date of the~~
 4 ~~amendatory act that added section 521a, **December 29, 2006,** the~~
 5 commission shall not issue ~~any~~**a** tavern or class C licenses under
 6 this section. However, those licenses issued under this section
 7 ~~before the effective date of the amendatory act that added section~~
 8 ~~521a-**December 29, 2006**~~ remain valid and may be renewed if in
 9 compliance with this section. The commission shall renew licenses
 10 issued under this section before ~~the effective date of the~~
 11 ~~amendatory act that added section 521a-**December 29, 2006**~~ for
 12 persons who operate businesses that meet all of the following
 13 conditions:

14 (a) The business is a full service restaurant, is open to the
 15 public, and prepares food on the premises.

16 (b) The business is open for food service not less than 10
 17 hours per day, 5 days a week.

18 (c) At least 50% of the gross receipts of the business are
 19 derived from the sale of food for consumption on the premises. For
 20 purposes of this subdivision, food does not include beer and wine.

21 (d) The business has dining facilities to seat not less than
 22 25 persons.

23 (e) The business is located in a development district with a
 24 population of not more than 50,000, in which the district, after a
 25 public hearing, has found that the issuance of the license would
 26 prevent further deterioration within the development district and
 27 promote economic growth within the development district.

28 (2) If in any licensing year the sale of food for consumption
 29 on the premises of the business represents less than 50% of the

1 gross receipts for the business, the commission, after due notice
 2 and proper hearing, shall revoke the license issued under
 3 subsection (1).

4 (3) A license issued under this section is transferable as to
 5 ownership or location only within the development district.

6 ~~(4) The commission shall not issue a specially designated~~
 7 ~~merchant license, specially designated distributor license, or any~~
 8 ~~other license that allows the sale of alcoholic liquor for~~
 9 ~~consumption off the premises in conjunction with a license issued~~
 10 ~~under this section or at the premises for which a license has been~~
 11 ~~issued under this section.~~

12 (4) ~~(5)~~As used in this section, "development district" means
 13 any of the following:

14 (a) An authority district established under ~~the tax increment~~
 15 ~~finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830.~~**part 3**
 16 **of the recodified tax increment financing act, 2018 PA 57, MCL**
 17 **125.4301 to 125.4329.**

18 (b) An authority district established under ~~the local~~
 19 ~~development financing act, 1986 PA 281, MCL 125.2151 to~~
 20 ~~125.2174.~~**part 4 of the recodified tax increment financing act, 2018**
 21 **PA 57, MCL 125.4401 to 125.4420.**

22 (c) A downtown district established under ~~1975 PA 197, MCL~~
 23 ~~125.1651 to 125.1681.~~**part 2 of the recodified tax increment**
 24 **financing act, 2018 PA 57, MCL 125.4201 to 125.4230.**

25 (d) A principal shopping district established under 1961 PA
 26 120, MCL 125.981 to ~~125.990m,~~**125.990n,** before January 1, 1996.

27 Sec. 525. (1) Except as otherwise provided in this section,
 28 the following license fees must be paid at the time of filing
 29 applications or as otherwise provided in this act and are subject

1 to allocation under section 543:

2 (a) Manufacturers of spirits, not including makers, blenders,
3 and rectifiers of wines containing 21% or less alcohol by volume,
4 \$1,000.00.

5 (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or
6 fraction of a barrel, production annually with a maximum fee of
7 \$1,000.00, and in addition \$50.00 for each motor vehicle used in
8 delivery to retail licensees. A fee increase does not apply to a
9 manufacturer of less than 15,000 barrels production per year.

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

12 (d) Wine makers, blenders, and rectifiers of wine, including
13 makers, blenders, and rectifiers of wines containing 21% or less
14 alcohol by volume, \$100.00. The small wine maker license fee is
15 \$25.00. **A small wine maker must pay \$50.00 for each motor vehicle**
16 **used for delivery of wine as defined in section 113(9) (b) or**
17 **113a(9) (b) to retailers under section 203b.**

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

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

22 **(f)** ~~(g)~~ Dining cars or other railroad or Pullman cars selling
23 alcoholic liquor, \$100.00 per train.

24 **(g)** ~~(h)~~ Wholesale vendors other than manufacturers of beer,
25 \$300.00 for the first motor vehicle used in delivery to retail
26 licensees and \$50.00 for each additional motor vehicle used in
27 delivery to retail licensees.

28 **(h)** ~~(i)~~ Watercraft, licensed to carry passengers, selling
29 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of

1 \$500.00 per year computed on the basis of \$1.00 per person per
2 passenger capacity.

3 (i) ~~(j)~~—Specially designated merchants, for selling beer or
4 wine for consumption off the premises only but not at wholesale,
5 \$100.00 for each location regardless of whether the location is
6 part of a system or chain of merchandising.

7 (j) ~~(k)~~—Specially designated distributors licensed by the
8 commission to distribute spirits ~~and mixed spirit drink~~ in the
9 original package for the commission for consumption off the
10 premises, \$150.00 per year, and an additional fee of \$3.00 for each
11 \$1,000.00 or major fraction of that amount in excess of \$25,000.00
12 of the total retail value of merchandise purchased under each
13 license from the commission during the previous calendar year.

14 (k) ~~(l)~~—Hotels of class A selling beer and wine, a minimum fee
15 of \$250.00 and \$1.00 for each bedroom in excess of 20, but not more
16 than \$500.00 total.

17 (l) ~~(m)~~—Hotels of class B selling beer, wine, ~~mixed spirit~~
18 ~~drink,~~ and spirits, a minimum fee of \$600.00 and \$3.00 for each
19 bedroom in excess of 20. If a hotel of class B sells beer, wine,
20 mixed spirit drink, and spirits in more than 1 public bar, a fee of
21 \$350.00 must be paid for each additional public bar, other than a
22 bedroom.

23 (m) ~~(n)~~—Taverns, selling beer and wine, \$250.00.

24 (n) ~~(o)~~—Class C license selling beer, wine, ~~mixed spirit~~
25 ~~drink,~~ and spirits, \$600.00. Subject to section ~~518(2),~~ **518(1)**, if
26 a class C licensee sells beer, wine, ~~mixed spirit drink,~~ and
27 spirits in more than 1 bar, a fee of \$350.00 must be paid for each
28 additional bar. In municipally owned or supported facilities in
29 which nonprofit organizations operate concession stands, a fee of

1 \$100.00 must be paid for each additional bar.

2 **(o)** ~~(p)~~ Clubs selling beer, wine, ~~mixed spirit drink,~~ and
 3 spirits, \$300.00 for clubs having 150 or fewer accredited members
 4 and \$1.00 for each member in excess of 150. Clubs shall submit a
 5 list of members by an affidavit 30 days before the closing of the
 6 license year. The affidavit must be used only for determining the
 7 license fees to be paid under this subdivision. This subdivision
 8 does not prevent the commission from checking a membership list and
 9 making its own determination from the list or otherwise. The list
 10 of members and additional members is not required of a club paying
 11 the maximum fee. The maximum fee must not exceed \$750.00 for any 1
 12 club.

13 **(p)** ~~(q)~~ Warehousemen, to be fixed by the commission with a
 14 minimum fee for each warehouse of \$50.00.

15 **(q)** ~~(r)~~ Special licenses, a fee of \$50.00 per day, except that
 16 the fee for the license or permit issued to a bona fide nonprofit
 17 association, organized and in continuous existence for 1 year
 18 before the filing of its application, is \$25.00. The commission
 19 shall not grant more than 12 special licenses to any organization,
 20 including an auxiliary of the organization, in a calendar year.

21 **(r)** ~~(s)~~ Airlines licensed to carry passengers in this state
 22 that sell, offer for sale, provide, or transport alcoholic liquor,
 23 \$600.00.

24 **(s)** ~~(t)~~ Brandy manufacturer, \$100.00.

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

26 **(t)** ~~(v)~~ Brewpub, \$100.00.

27 **(u)** ~~(w)~~ Class G-1, \$1,000.00.

28 **(v)** ~~(x)~~ Class G-2, \$500.00.

29 **(w)** ~~(y)~~ Motorsports event license, the amount as described and

1 determined under section ~~518(2)~~.**518(1)**.

2 **(x)** ~~(z)~~—Small distiller, \$100.00. **A qualified small distiller**
3 **must pay \$50.00 for each motor vehicle used for delivery to**
4 **retailers under section 203(20).**

5 **(y)** ~~(aa)~~—Wine auction license, \$50,000.00.

6 **(z)** ~~(bb)~~—Nonpublic continuing care retirement center license,
7 \$600.00.

8 **(aa)** ~~(ee)~~—Conditional license approved under subsection (6)
9 and issued under subsection (7), \$300.00.

10 **(bb)** **Outstate self-distributor license, \$300.00. An outstate**
11 **self-distributor must pay \$50.00 for each motor vehicle used for**
12 **delivery of alcoholic liquor to retailers under sections 203(20),**
13 **203a, or 203b.**

14 (2) The fees provided in this act for the various types of
15 licenses must not be prorated for a portion of the effective period
16 of the license. Notwithstanding subsection (1), the initial license
17 fee for a license issued under section 531(3) or (4) is \$20,000.00.
18 The renewal license fee is the amount described in subsection (1).
19 However, the commission shall not impose the \$20,000.00 initial
20 license fee for applicants whose license eligibility was already
21 approved on July 20, 2005.

22 (3) If the commission requires an applicant to submit
23 fingerprints, the applicant shall have the fingerprints taken by a
24 local law enforcement agency, the department of state police, or
25 any other person qualified to take fingerprints as determined by
26 the department of state police. The applicant shall submit the
27 fingerprints and the appropriate state and federal fees, which
28 shall be borne by the applicant, to the department of state police
29 and the Federal Bureau of Investigation for a criminal history

1 check. After conducting the criminal history check, the department
2 of state police shall provide the commission with a report of the
3 criminal history check. The report must include criminal history
4 record information concerning the person who is the subject of the
5 criminal history check that is maintained by the department of
6 state police. If a criminal arrest fingerprint card is subsequently
7 submitted to the department of state police and matches against a
8 fingerprint that was submitted under this act and stored in its
9 automated fingerprint identification system (AFIS) database, the
10 department of state police shall notify the commission.

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

27 (a) If notice is sent by the commission of a deficiency in the
28 application, until the date all of the requested information is
29 received by the commission.

1 (b) For the time required to complete actions required by a
2 person, other than the applicant or the commission, including, but
3 not limited to, completion of construction or renovation of the
4 licensed premises; mandated inspections by the commission or by any
5 state, local, or federal agency; approval by the legislative body
6 of a local unit of government; criminal history or criminal record
7 checks; financial or court record checks; or other actions mandated
8 by this act or rule or as otherwise mandated by law or local
9 ordinance.

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

21 (6) If, in addition to a completed application under this
22 section, an applicant submits a separate form requesting a
23 conditional license with an acceptable proof of financial
24 responsibility form under section 803, an executed property
25 document, and, for an application to transfer the location of an
26 existing retailer license other than specially designated
27 distributor license, a church or school proximity affidavit on a
28 form prescribed by the commission attesting that the proposed
29 location is not within 500 feet of a church or school building

1 using the method of measurement required under section 503, the
2 commission shall, after considering the arrest and conviction
3 records or previous violation history in the management, operation,
4 or ownership of a licensed business, approve or deny a conditional
5 license. A conditional license issued under subsection (7) must
6 only include any existing permits and approvals held in connection
7 with the license, other than permits or approvals for which the
8 conditional applicant does not meet the requirements in this act or
9 rules promulgated under this act, or permits or approvals that the
10 conditional applicant has requested to cancel as part of the
11 application that serves as the basis for the conditional license.
12 The commission shall not issue a new permit with a conditional
13 license issued under subsection (7). The following applicants may
14 request a conditional license:

15 (a) An applicant seeking to transfer ownership of an existing
16 retailer license at the same location to sell alcoholic liquor for
17 consumption on or off the premises.

18 (b) An applicant seeking to transfer the ownership and
19 location of an existing retailer license, other than a specially
20 designated distributor license, to sell alcoholic liquor for
21 consumption on or off the premises.

22 (c) An applicant seeking a new specially designated merchant
23 license, other than a specially designated merchant license issued
24 under section 533(6), not to be held in conjunction with a license
25 for the sale of alcoholic liquor for consumption on the premises.

26 (7) The commission shall issue a conditional license to
27 applicants approved under subsection (6) within 20 business days
28 after receipt of a completed application and a completed
29 conditional license request form and documentation for a

1 conditional license at a single location. The commission may take
2 up to 30 business days to issue conditional licenses to approved
3 applicants seeking conditional licenses at multiple locations.
4 However, for an applicant described under this subsection that is
5 seeking a specially designated merchant license under section
6 533(7), the commission may take up to 45 business days to issue a
7 conditional license. Notwithstanding the applicant's submission of
8 a church or school proximity affidavit under subsection (6), if the
9 commission determines that a conditional license in conjunction
10 with an application to transfer the location of an existing
11 retailer license has been issued under this subsection at a
12 proposed location that is within 500 feet of a church or school
13 building, the commission shall suspend the conditional license and
14 notify the church or school of the proposed location under the
15 rules promulgated under this act. If the commission issues a
16 conditional license under this subsection based on a church or
17 school proximity affidavit under subsection (6) without knowledge
18 that the representations included in the affidavit are incorrect,
19 this state is not liable to any person for the commission's
20 issuance of the conditional license. The commission may assume
21 without inquiry the existence of the facts contained in the
22 affidavit.

23 (8) A conditional license approved under subsection (6) and
24 issued under subsection (7) is nontransferable and nonrenewable. A
25 conditional licensee is required to comply with the server training
26 requirements in section 501(1) beginning on the date a conditional
27 license is issued under subsection (7) regardless of whether the
28 conditional licensee is actively operating under the conditional
29 license.

1 (9) A conditional license approved under subsection (6) and
2 issued under subsection (7) expires when the first of the following
3 occurs:

4 (a) The commission issues an order of denial of the license
5 application that serves as the basis for the conditional license
6 and all administrative remedies before the commission have been
7 exhausted.

8 (b) The commission issues the license under subsection (4) for
9 which the applicant submitted the license application that serves
10 as the basis for the conditional license.

11 (c) The licensee or conditional licensee notifies the
12 commission in writing that the initial or conditional application
13 should be canceled.

14 (d) One year passes after the date the conditional license was
15 issued, notwithstanding any suspension of the conditional license
16 by the commission.

17 (10) If a conditional licensee fails to maintain acceptable
18 proof of its financial responsibility as required under section
19 803, the commission shall summarily suspend the conditional license
20 under section 92(2) of the administrative procedures act of 1969,
21 1969 PA 306, MCL 24.292, until the conditional licensee files an
22 acceptable proof of financial responsibility form under section
23 803. If a conditional license is revoked, the conditional licensee
24 shall not recover from this state or a unit of local government any
25 compensation for property, future income, or future economic loss
26 because of the revocation.

27 (11) On issuing a conditional license under subsection (7),
28 the commission shall, until the conditional license expires under
29 subsection (9), place the existing license under subsection (4) for

1 which the applicant submitted the application that serves as the
2 basis for the conditional license in escrow in compliance with R
3 436.1107 of the Michigan Administrative Code. If the conditional
4 license expires under subsection (9), an existing licensee may do 1
5 of the following:

6 (a) Request that the commission release the license from
7 escrow.

8 (b) Keep the license in escrow. The escrow date for compliance
9 with R 436.1107 of the Michigan Administrative Code is the date the
10 conditional license expires.

11 (12) The chair of the commission shall submit a report by
12 December 1 of each year to the standing committees and
13 appropriations subcommittees of the senate and house of
14 representatives concerned with liquor license issues. The chair of
15 the commission shall include all of the following information in
16 the report concerning the preceding fiscal year:

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

20 (b) The number of applications denied.

21 (c) The number of applicants not issued a license within the
22 90-day time period and the amount of money returned to licensees
23 under subsection (5).

24 (13) As used in this section, "completed application" means an
25 application complete on its face and submitted with any applicable
26 licensing fees as well as any other information, records, approval,
27 security, or similar item required by law or rule from a local unit
28 of government, a federal agency, or a private entity but not from
29 another department or agency of this state.

1 Sec. 532. (1) A club license allows the licensee to sell, for
2 consumption on the licensed premises, beer, wine, ~~mixed-spirit~~
3 ~~drink,~~ and spirits only to bona fide members of the club who have
4 attained the age of 21 years. As used in this subsection, "bona
5 fide member" means an individual admitted as a charter member or
6 admitted in accordance with the bylaws of the club, who maintains
7 current membership by the payment of annual dues, whose name and
8 address is entered on the list of members, and who has voting
9 rights to regularly elect the board of directors, officers,
10 executive committee, or similar body that conducts the affairs and
11 management of the club. For an incorporated or unincorporated
12 nonprofit veterans' organization that is a branch or chapter of a
13 national organization or an organization chartered by the United
14 States Congress, a bona fide member includes a member of another
15 branch or chapter who possesses an identification card indicating
16 current membership in the same national or congressionally
17 chartered veterans' organization. For a branch, chapter, lodge,
18 aerie, or other local unit of a national fraternal nonprofit
19 association that is exempt from federal income taxes under section
20 501(c)(8) or 501(c)(10) of the internal revenue code **of 1986**, 26
21 USC 501, a bona fide member includes a member of another branch,
22 chapter, lodge, aerie, or local unit who possesses an
23 identification card indicating current membership in the same
24 national fraternal nonprofit association.

25 (2) Except as otherwise provided in subsection (3), the
26 commission shall not issue a license to a club unless the club has
27 been in existence for ~~a period of not less than 2~~ **or more** years
28 before the application for the license.

29 (3) A club shall give public notice of the intent of the

1 commission to issue the club a club license by publication in a
2 newspaper published or in general circulation within the local
3 governmental unit at least 10 days before the commission issues the
4 license. A club that is a chapter of a national organization that
5 has had a license for 10 or more years may apply for a license
6 without a waiting period. Public notice of the commission's intent
7 to renew the club license is not required.

8 (4) Except for a club paying a maximum fee, within 10 days
9 after February 1 of each year the club shall file with the
10 commission a list of names and residences of its members and make a
11 similar filing of the name and residence with the commission within
12 10 days after the election of an additional member. The annual
13 filing must also include a statement that the club's annual
14 aggregate membership fees or dues and other income, exclusive of
15 the proceeds from the sale of alcoholic liquor, are sufficient to
16 defray the annual rental of its leased or rented premises or, if
17 the premises are owned by the club, are sufficient to meet the
18 taxes, insurance, repairs, and interest on a mortgage on the
19 premises.

20 (5) The affairs and management of the club must be conducted
21 by a board of directors, executive committee, or similar body
22 chosen by the members. A member, officer, agent, or employee of the
23 club must not be paid, or directly or indirectly receive in the
24 form of salary or other compensation, profits from the disposition
25 of alcoholic liquor to the club or to the members of the club,
26 beyond the amount of salary fixed and voted at meetings by the
27 members or by its directors or other governing body and as reported
28 by the club to the commission, within 3 months after the meeting.

29 Sec. 536. (1) Except as provided in section 105(13), the

1 commission shall allow a person to be licensed as more than 1 type
2 of manufacturer in this state.

3 (2) A person that holds more than 1 type of manufacturing
4 license in this state shall meet all applicable provisions of this
5 act for each type of manufacturing license the person holds.

6 (3) Subject to the requirements of this section and section
7 537, the commission may approve a licensed manufacturer to operate
8 1 or more tasting rooms.

9 (4) Brewers and micro brewers shall not have more approved
10 tasting rooms than allowed in section 411.

11 (5) A tasting room may be jointly operated by 2 or more
12 manufacturers if either of the following conditions is met:

13 (a) The manufacturers are owned by the same person and their
14 manufacturing premises share the same address.

15 (b) The manufacturers are not owned by the same person and
16 their manufacturing premises do not share the same address.

17 (6) A tasting room is treated as licensed premises for
18 purposes of this act.

19 (7) An approved tasting room located on the manufacturing
20 premises of 1 or more manufacturers that are owned by the same
21 person and whose manufacturing premises share the same address must
22 comply with all of the following:

23 (a) The commission must approve and issue an on-premises
24 tasting room permit to the manufacturer or manufacturers.

25 (b) The manufacturer or manufacturers must pay the \$100.00
26 initial permit fee, which is renewable annually.

27 (c) The manufacturer or manufacturers must be approved for the
28 on-premises tasting room permit by the local legislative body in
29 which the proposed licensed premises will be located, except in a

1 city having a population of 600,000 or more or as provided in
2 subsection ~~(17)~~. **(18)** .

3 (d) The manufacturer or manufacturers must comply with the
4 server training requirements of section 906.

5 (e) The manufacturer or manufacturers must file with the
6 commission proof of financial responsibility providing security for
7 liability under section 801(2) of not less than \$50,000.00 as
8 provided in section 803.

9 (f) A separate on-premises tasting room permit is not required
10 for each license type for a person licensed by the commission under
11 any combination of brewer, micro brewer, wine maker, small wine
12 maker, distiller, small distiller, brandy manufacturer, or ~~mixed~~
13 ~~spirit drink~~ manufacturer licenses issued to that person at the
14 same manufacturing premises.

15 (g) The commission shall not issue to a manufacturer or
16 manufacturers a Sunday sales permit, catering permit, dance permit,
17 entertainment permit, specific purpose permit, extended hours
18 permit, or authorization for outdoor service unless the commission
19 has issued an on-premises tasting room permit to the manufacturer
20 or manufacturers. A Sunday sales permit, catering permit, dance
21 permit, entertainment permit, specific purpose permit, extended
22 hours permit, or authorization for outdoor service may be issued
23 concurrently with the issuance of an on-premises tasting room
24 permit.

25 (h) A brewer, micro brewer, wine maker, small wine maker,
26 distiller, small distiller, **or** brandy manufacturer ~~, or mixed~~
27 ~~spirit drink manufacturer~~ may own and operate a restaurant or allow
28 another person to operate a restaurant as part of the on-premises
29 tasting room on the manufacturing premises. If the brewer, micro

1 brewer, wine maker, small wine maker, distiller, small distiller,
 2 **or** brandy manufacturer ~~, or mixed spirit drink manufacturer~~ allows
 3 another person to operate a restaurant on the manufacturing
 4 premises, the brewer, micro brewer, wine maker, small wine maker,
 5 distiller, small distiller, **or** brandy manufacturer ~~, or mixed~~
 6 ~~spirit drink manufacturer~~ must hold a participation permit naming
 7 as a participant the other person. The other person must meet the
 8 requirements for a participant in R 436.1041(3) of the Michigan
 9 Administrative Code.

10 (8) Subject to subsection (10), an approved tasting room
 11 located off the manufacturing premises of 1 or more manufacturers,
 12 other than a brewer ~~, or micro brewer, or mixed spirit drink~~
 13 ~~manufacturer,~~ that are owned by the same person and whose
 14 manufacturing premises share the same address must comply with all
 15 of the following:

16 (a) The commission must approve and issue an off-premises
 17 tasting room license to the manufacturer or manufacturers.

18 (b) The manufacturer or manufacturers must pay the \$100.00
 19 initial license fee, which is renewable annually.

20 (c) The manufacturer or manufacturers must be approved for the
 21 off-premises tasting room license by the local legislative body in
 22 which the proposed licensed premises will be located, except in a
 23 city having a population of 600,000 or more or as provided in
 24 subsection ~~(17)~~. **(18)**.

25 (d) The manufacturer or manufacturers must comply with the
 26 server training requirements of section 906 at the off-premises
 27 tasting room.

28 (e) The manufacturer or manufacturers must file with the
 29 commission proof of financial responsibility providing security for

1 liability under section 801(2) of not less than \$50,000.00 as
2 provided in section 803 for the off-premises tasting room.

3 (f) A separate off-premises tasting room license is not
4 required for each license type for a person licensed by the
5 commission under any combination of wine maker, small wine maker,
6 distiller, small distiller, or brandy manufacturer licenses issued
7 to that person at the same manufacturing premises.

8 (g) The commission shall not issue to a manufacturer or
9 manufacturers a Sunday sales permit, catering permit, dance permit,
10 entertainment permit, specific purpose permit, extended hours
11 permit, authorization for outdoor service, or permission to
12 maintain a direct connection to unlicensed premises unless the
13 commission has issued an off-premises tasting room license to the
14 manufacturer or manufacturers. A Sunday sales permit, catering
15 permit, dance permit, entertainment permit, specific purpose
16 permit, extended hours permit, authorization for outdoor service,
17 or permission to maintain a direct connection to unlicensed
18 premises may be issued concurrently with the issuance of an off-
19 premises tasting room license.

20 (9) Subject to subsection (10), an approved jointly operated
21 tasting room located off the manufacturing premises of 2 or more
22 manufacturers, other than a brewer ~~or~~ micro brewer, ~~or mixed~~
23 ~~spirit drink manufacturer,~~ that are not owned by the same person
24 and whose manufacturing premises do not share the same address must
25 comply with all of the following:

26 (a) The commission must approve and issue a joint off-premises
27 tasting room license to each of the manufacturers.

28 (b) Each manufacturer must pay the \$100.00 initial license
29 fee, which is renewable annually.

1 (c) Each manufacturer must be approved for a joint off-
2 premises tasting room license by the local legislative body in
3 which the proposed licensed premises will be located, except in a
4 city having a population of 600,000 or more or as provided in
5 subsection ~~(17)~~. **(18)** .

6 (d) Each manufacturer must comply with the server training
7 requirements of section 906 at the jointly operated off-premises
8 tasting room.

9 (e) Each manufacturer must file with the commission proof of
10 financial responsibility providing security for liability under
11 section 801(2) of not less than \$50,000.00 as provided in section
12 803 for the jointly operated off-premises tasting room.

13 (f) Any management agreements with an unlicensed manager of
14 the jointly operated off-premises tasting room must comply with the
15 requirements of R 436.1041 of the Michigan Administrative Code and
16 all the manufacturers must hold a participation permit naming as a
17 participant the unlicensed manager. The unlicensed manager must
18 meet the requirements for a participant in R 436.1041(3) of the
19 Michigan Administrative Code.

20 (g) A Sunday sales permit, dance permit, entertainment permit,
21 specific purpose permit, extended hours permit, authorization for
22 outdoor service, or permission to maintain a direct connection to
23 unlicensed premises may be issued in conjunction with a jointly
24 operated off-premises tasting room. All manufacturers licensed at
25 the jointly operated off-premises tasting room location must hold
26 the same permits, permissions, and authorizations at the location.

27 (h) A violation of this act or the administrative rules by any
28 manufacturer on the premises of the jointly operated off-premises
29 tasting room is a violation by all the manufacturers licensed at

1 the jointly operated off-premises tasting room.

2 (10) Approved off-premises tasting rooms or jointly operated
3 off-premises tasting rooms described in subsections (8) and (9)
4 must comply with all of the following:

5 (a) A wine maker, small wine maker, distiller, small
6 distiller, or brandy manufacturer may have 1 of the following:

7 (i) No more than 5 off-premises tasting room licenses issued
8 under subsection (8) under which alcoholic liquor manufactured by
9 the wine maker, small wine maker, distiller, small distiller, or
10 brandy manufacturer may be sold by the glass for consumption on the
11 premises or samples may be sold or given away for consumption on
12 the premises as provided in subsection (14)(b) and (c).

13 (ii) No more than 5 joint off-premises tasting room licenses
14 issued under subsection (9) under which alcoholic liquor
15 manufactured by the wine maker, small wine maker, distiller, small
16 distiller, or brandy manufacturer may be sold by the glass for
17 consumption on the premises or samples may be sold or given away
18 for consumption on the premises as provided in subsection (14)(b)
19 and (c).

20 (iii) A combination of no more than 5 off-premises tasting room
21 licenses issued under subsection (8) and joint off-premises tasting
22 room licenses issued under subsection (9) under which alcoholic
23 liquor manufactured by the wine maker, small wine maker, distiller,
24 small distiller, or brandy manufacturer may be sold by the glass
25 for consumption on the premises or samples may be sold or given
26 away for consumption on the premises as provided in subsection
27 (14)(b) and (c).

28 (iv) No more than the equivalent number of off-premises tasting
29 room licenses issued under subsection (8), joint off-premises

1 tasting room licenses issued under subsection (9), or a combination
2 of off-premises tasting room licenses issued under subsection (8)
3 and joint off-premises tasting room licenses issued under
4 subsection (9) that were issued before October 1, 2018 under which
5 alcoholic liquor manufactured by the wine maker, small wine maker,
6 distiller, small distiller, or brandy manufacturer may be sold by
7 the glass for consumption on the premises or samples may be sold or
8 given away for consumption on the premises as provided in
9 subsection (14) (b) and (c).

10 (b) Notwithstanding the limitation in subdivision (a), a wine
11 maker, small wine maker, distiller, small distiller, or brandy
12 manufacturer may have any number of off-premises tasting room
13 licenses or joint off-premises tasting room licenses under which
14 alcoholic liquor manufactured by the wine maker, small wine maker,
15 distiller, small distiller, or brandy manufacturer may only be sold
16 or given away as samples for consumption on the premises as
17 provided in subsection (14) (d).

18 (c) A wine maker, small wine maker, distiller, small
19 distiller, or brandy manufacturer must designate at the time of
20 application whether the tasting room location for which the off-
21 premises tasting room license or the joint off-premises tasting
22 room license application is being made will sell by the glass as
23 provided in subdivision (a) or provide only samples as provided in
24 subdivision (b). The designation made for the off-premises tasting
25 room license or the joint off-premises tasting room license must
26 not be changed after the license has been issued.

27 (d) All wine makers, small wine makers, distillers, small
28 distillers, or brandy manufacturers licensed at the same approved
29 jointly operated off-premises tasting room must have an identical

1 designation under subdivision (c).

2 (e) A wine maker, small wine maker, distiller, small
3 distiller, or brandy manufacturer that has an off-premises tasting
4 room or jointly operated off-premises tasting room location that
5 was approved by the commission before December 19, 2018 must submit
6 to the commission in writing a designation as required under
7 subdivision (c) by April 1, 2019.

8 (11) A wine maker, small wine maker, brewer, micro brewer,
9 distiller, small distiller, **or** brandy manufacturer ~~, or mixed~~
10 ~~spirit drink manufacturer~~ may add a nonalcoholic mixing ingredient
11 or an alcoholic mixing ingredient manufactured by the wine maker,
12 small wine maker, brewer, micro brewer, distiller, small distiller,
13 **or** brandy manufacturer ~~, or mixed spirit drink manufacturer~~ to
14 sampled or purchased alcoholic liquor if the sampled or purchased
15 alcoholic liquor is consumed on the premises of the approved
16 tasting room.

17 (12) A manufacturer is not a retailer under this act merely
18 because the manufacturer has a tasting room.

19 (13) A manufacturer with an approved tasting room may sample
20 and sell alcoholic liquor only as specifically allowed in this act.

21 (14) A manufacturer may do all of the following:

22 (a) Sell alcoholic liquor it manufactured for consumption off
23 the premises in an approved tasting room under subsections (7) to
24 (9).

25 (b) Subject to subsection (10)(a), sell alcoholic liquor it
26 manufactured by the glass for consumption on the premises of an
27 approved tasting room under subsections (7) to (9).

28 (c) Subject to subsection (10)(a), sell or give away samples
29 of any size of alcoholic liquor it manufactured for consumption on

1 the premises of an approved tasting room under subsections (7) to
2 (9).

3 (d) Subject to subsection (10)(b), sell or give away samples
4 of alcoholic liquor it manufactured for consumption on the premises
5 of an approved tasting room under subsections (8) and (9) under all
6 of the following conditions:

7 (i) A wine maker or small wine maker may offer samples of wine
8 that do not exceed 3 ounces per sample.

9 (ii) A brandy manufacturer may offer samples of brandy that do
10 not exceed 1/2 ounce per sample.

11 (iii) A distiller or small distiller may offer samples of
12 spirits or mixed drinks that do not exceed 1/2 ounce per sample.

13 **(15) An on-premises tasting room permit issued under**
14 **subsection (7) and an off-premises tasting room license issued**
15 **under subsection (8) may be held in conjunction at the same**
16 **location by the same person if either of the following conditions**
17 **is met:**

18 (a) The person holds the on-premises tasting room permit
19 issued under subsection (7) in conjunction with a brewer or micro
20 brewer license only and no other manufacturing license, and the
21 off-premises tasting room license issued under subsection (8) at
22 the same location.

23 (b) Both of the following conditions are met:

24 (i) The person holds an on-premises tasting room permit issued
25 under subsection (7) in conjunction with a micro brewer, small
26 distiller, or small wine maker license, or any combination of micro
27 brewer, small distiller, or small wine maker licenses, and the off-
28 premises tasting room license issued under subsection (8) at the
29 same location.

1 (ii) The commission issued to the person both the permit and
2 applicable licenses described in subparagraph (i), or their
3 equivalent at the time of issuance, before October 1, 2018.

4 (16) ~~(15)~~ A manufacturer issued a license before December 19,
5 2018 that intends to sell for consumption off its licensed premises
6 or sell, serve, and allow consumption on its licensed premises of
7 alcoholic liquor as allowed under this section and section 537 must
8 comply with this section by April 1, 2019.

9 (17) ~~(16)~~ The revenue received from subsection (7) must be
10 deposited into the liquor control enforcement and license
11 investigation revolving fund under section 543(9).

12 (18) ~~(17)~~ Local approval under subsection (7) (c), (8) (c), or
13 (9) (c) is not required for a tasting room that was in existence
14 before December 19, 2018.

15 ~~(18) A small distiller or distiller that also holds a mixed
16 spirit drink manufacturer license may do all of the following:~~

17 ~~(a) Sell mixed spirit drink it manufactured for consumption
18 off the licensed premises of an approved tasting room under
19 subsections (8) and (9).~~

20 ~~(b) Subject to subsection (10) (a), sell mixed spirit drink it
21 manufactured for consumption on the premises of an approved tasting
22 room under subsections (8) and (9).~~

23 ~~(c) Subject to subsection (10) (a), sell or give away samples
24 of any size of mixed spirit drink it manufactured for consumption
25 on the premises of an approved tasting room under subsections (8)
26 and (9).~~

27 ~~(d) Subject to subsection (10) (b), sell or give away samples
28 that do not exceed 3 ounces per sample of mixed spirit drink it
29 manufactured for consumption on the premises of an approved tasting~~

1 ~~room under subsections (8) and (9).~~

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

4 (a) Taverns, where beer and wine may be sold for consumption
5 on the premises only.

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

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

12 (d) Direct shippers, where wine **other than wine as defined in**
13 **section 113(9) (b) or 113a(9) (b)** may be sold and shipped directly to
14 the consumer.

15 (e) Hotels of class A, where beer and wine may be sold for
16 consumption on the premises and in the rooms of bona fide
17 registered guests. Hotels of class B where beer, wine, ~~mixed spirit~~
18 ~~drink,~~ and spirits may be sold for consumption on the premises and
19 in the rooms of bona fide registered guests.

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

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

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

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

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

4 (i) Class C.

5 (ii) Tavern.

6 (iii) Class A hotel.

7 (iv) Class B hotel.

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

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

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

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

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

26 (i) **By** direct shipment as provided in section 203 **other than**
 27 **wine as defined in section 113(9) (b) or 113a(9) (b).** ~~at~~

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

1 **(iii) As** otherwise provided for in this act.

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

4 **(i) By** direct shipment as provided in section 203 **other than**
5 **wine as defined in section 113(9) (b) or 113a(9) (b).** ~~at~~

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

8 **(iii) As** otherwise provided for in this act.

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

11 **(i) By** direct shipment as provided in section 203 **other than**
12 **wine as defined in section 113(9) (b) or 113a(9) (b).** ~~at~~

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

15 **(iii) As** otherwise provided for in this act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (i) A brewpub described in subsection (1)(j), but only as to

1 beer that the brewpub produces.

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

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

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

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

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

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

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

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

24 (8) As used in this section:

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

27 (b) "Growler" means any clean, refillable, resealable
28 container that is exclusively intended, and used only, for the sale
29 of beer for consumption off the premises and that has a liquid

1 capacity that does not exceed 1 gallon.

2 Sec. 545. ~~(1) As used in this act, "nonpublic continuing care~~
 3 ~~retirement center" means a residential community that, as~~
 4 ~~determined by the commission, meets both of the following~~
 5 ~~conditions:~~

6 ~~(a) Provides full-time residential housing predominantly for~~
 7 ~~individuals over the age of 62.~~

8 ~~(b) Meets 1 of the following conditions:~~

9 ~~(i) Is registered as a facility under former 1976 PA 440 or the~~
 10 ~~continuing care community disclosure act, 2014 PA 448, MCL 554.901~~
 11 ~~to 554.993.~~

12 ~~(ii) Is a home for the aged licensed under part 213 of the~~
 13 ~~public health code, 1978 PA 368, MCL 333.21301 to 333.21335.~~

14 **(1)** ~~(2)~~The commission, on submission of a completed
 15 application, shall grant a nonpublic continuing care retirement
 16 center license to an applicant complying with this section. Subject
 17 to subsection ~~(4)~~, **(3)**, the commission shall not issue more than 25
 18 licenses under this section. If the holder of a license issued
 19 under this section goes out of business, the license must be
 20 surrendered to the commission. The commission may allow the
 21 transfer of a surrendered license to a new business owner on
 22 transfer of the owner's interest in the business if the new
 23 business owner meets the same condition under subsection ~~(1)(b)~~
 24 **(4)(b)** as the previous business owner.

25 **(2)** ~~(3)~~The holder of a nonpublic continuing care retirement
 26 center license may sell at retail and serve on the licensed
 27 premises beer, wine, ~~mixed spirit drink~~, mixed wine drink, and
 28 spirits, for consumption by a resident or the bona fide guests
 29 accompanying the resident, only on the licensed premises.

1 **(3)** ~~(4)~~—The commission shall not issue more than 20 licenses
 2 under this section to facilities described in subsection ~~(1)(b)(i)~~.
 3 **(4)(b)(i)**. The commission shall not issue more than 5 licenses under
 4 this section to homes for the aged described in subsection
 5 ~~(1)(b)(ii)~~. **(4)(b)(ii)**.

6 **(4) As used in this section, "nonpublic continuing care**
 7 **retirement center" means a residential community that, as**
 8 **determined by the commission, meets both of the following**
 9 **conditions:**

10 **(a) Provides full-time residential housing predominantly for**
 11 **individuals over the age of 62.**

12 **(b) Meets 1 of the following conditions:**

13 **(i) Is registered as a facility under former 1976 PA 440 or the**
 14 **continuing care community disclosure act, 2014 PA 448, MCL 554.901**
 15 **to 554.993.**

16 **(ii) Is a home for the aged licensed under part 213 of the**
 17 **public health code, 1978 PA 368, MCL 333.21301 to 333.21335.**

18 Sec. 601. (1) Pursuant to section 2 of Amendment XXI of the
 19 Constitution of the United States, this state has an interest in
 20 ensuring the safety of beer, wine, ~~mixed spirit drink,~~ and mixed
 21 wine drink that is intended to be sold or is sold by wholesalers to
 22 retailers for purposes of human consumption. In order to protect
 23 the public health and safety, the commission must be able to
 24 inspect and seize beer, wine, ~~mixed spirit drink,~~ and mixed wine
 25 drink that is in the possession of a wholesaler being offered for
 26 sale in this state. The purpose of the inspection described in this
 27 subsection is to ensure that the beer, wine, ~~mixed spirit drink,~~ or
 28 mixed wine drink meets all of the following conditions:

29 **(a) The beer, wine, ~~mixed spirit drink,~~ or mixed wine drink**

1 has been registered for sale with the commission.

2 (b) The beer, wine, ~~mixed spirit drink,~~ or mixed wine drink is
3 not subject to a government mandated or supplier initiated recall.

4 (c) The beer, wine, ~~mixed spirit drink,~~ or mixed wine drink is
5 not counterfeit.

6 (d) The beer, wine, ~~mixed spirit drink,~~ or mixed wine drink is
7 labeled in conformance with applicable laws, rules, and
8 regulations.

9 (e) The beer, wine, ~~mixed spirit drink,~~ or mixed wine drink
10 can be tested by the commission or an agent assigned by the
11 commission.

12 (f) The beer, wine, ~~mixed spirit drink,~~ or mixed wine drink is
13 not prohibited by this state.

14 (2) The commission may seize or destroy beer, wine, ~~mixed~~
15 ~~spirit drink,~~ and mixed wine drink that does not meet the
16 conditions of subsection (1).

17 (3) To enable the commission to carry out the functions
18 described in subsections (1) and (2) and to randomly inspect
19 records required to be maintained by a wholesaler under section 217
20 and R 436.1641 of the Michigan Administrative Code, a wholesaler or
21 an applicant for a wholesaler license must have a warehouse located
22 in this state and licensed by the commission for the storage, sale,
23 and distribution of beer, wine, ~~mixed spirit drink,~~ and mixed wine
24 drink before operating as a wholesaler in this state. This
25 subsection does not require a wholesaler to hold a warehouse
26 license for the wholesaler's licensed premises.

27 (4) To ensure that all beer, wine, ~~mixed spirit drink,~~ and
28 mixed wine drink sold in this state is subject to this section, the
29 importation, sale, transportation, and delivery of all beer, ~~wine,~~

1 ~~mixed spirit drink,~~ and mixed wine drink offered for sale by a
2 wholesaler must meet the requirements of section 204.

3 Sec. 603. (1) Except as provided in subsections (6) to (14)
4 and section 605, a supplier, warehouse, or wholesaler shall not
5 have any direct or indirect financial interest in the
6 establishment, maintenance, operation, or promotion of the business
7 of any other vendor.

8 (2) Except as provided in subsections (6) to (14) and section
9 605, a supplier, warehouse, or wholesaler or a stockholder of a
10 supplier, warehouse, or wholesaler shall not have any direct or
11 indirect interest by ownership in fee, leasehold, mortgage, or
12 otherwise in the establishment, maintenance, operation, or
13 promotion of the business of any other vendor.

14 (3) Except as provided in subsections (6) to (14) and section
15 605, a supplier, warehouse, or wholesaler shall not have any
16 direct or indirect interest by interlocking directors in a
17 corporation or by interlocking stock ownership in a corporation in
18 the establishment, maintenance, operation, or promotion of the
19 business of any other vendor.

20 (4) Except as provided in subsections (6) to (14) and section
21 605, a person shall not buy the stocks of a supplier, warehouse,
22 or wholesaler and place the stock in any portfolio under an
23 arrangement, written trust agreement, or form of investment trust
24 agreement, issue participating shares based upon the portfolio,
25 trust agreement, or investment trust agreement, and sell the
26 participating shares within this state.

27 (5) The commission may approve a brandy manufacturer or small
28 distiller to sell brandy and spirits made by that brandy
29 manufacturer or small distiller in a restaurant for consumption on

1 or off the premises if the restaurant is owned by the brandy
2 manufacturer or small distiller or operated by another person under
3 an agreement approved by the commission and is located on premises
4 where the brandy manufacturer or small distiller is licensed.
5 Brandy and spirits sold for consumption off the premises under this
6 subsection must be sold at the uniform price established by the
7 commission.

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

11 (7) A brewpub may have an interest in up to 5 other brewpubs
12 if the combined production of all the locations in which the
13 brewpub has an interest does not exceed 18,000 barrels of beer per
14 calendar year.

15 (8) This section does not prohibit a supplier from having any
16 direct or indirect interest in any other supplier.

17 (9) The commission may approve the following under R
18 436.1023(3) of the Michigan Administrative Code, subject to the
19 written approval of the United States Department of Treasury
20 Alcohol and Tobacco Tax and Trade Bureau:

21 (a) A wine maker participating with 1 or more wine makers in
22 an alternating proprietor operation **for manufacturing wine as**
23 **defined in section 113(9) (a) or 113a(9) (a)** in accordance with 27
24 CFR 24.136.

25 (b) A brewer participating with 1 or more brewers in an
26 alternating proprietor operation in accordance with 27 CFR 25.52.

27 (10) A manufacturer shall not have any direct or indirect
28 interest in a wholesaler.

29 (11) A wine maker shall not collectively deliver wine, with

1 any other wine maker, to retail licensees.

2 (12) Except for a licensed warehouser, all licensees in this
3 state ~~shall~~**must** be separated into 3 distinct and independent tiers
4 composed of the following:

5 (a) Supplier tier, comprising suppliers.

6 (b) Wholesaler tier, comprising wholesalers.

7 (c) Retailer tier, comprising retailers.

8 (13) Except as otherwise provided in subsection (14),
9 beginning April 30, 2011, the commission shall not allow any of the
10 following:

11 (a) A retailer to hold, directly or indirectly, a license in
12 the wholesaler or supplier tier.

13 (b) A wholesaler to hold, directly or indirectly, a license in
14 the retailer or supplier tier.

15 (c) A supplier to hold, directly or indirectly, a license in
16 the wholesaler or retailer tier.

17 (14) Subsection (13) does not prohibit a class C, tavern,
18 class A hotel, or class B hotel licensee from receiving a brewpub
19 license or a micro brewer or brewer from having an on-site
20 restaurant.

21 (15) As used in this section:

22 (a) "Manufacturer" means, notwithstanding section 109(2), a
23 wine maker, small wine maker, brewer, micro brewer, manufacturer of
24 spirits, distiller, small distiller, brandy manufacturer, ~~mixed~~
25 ~~spirit drink manufacturer,~~ direct shipper, or a person licensed by
26 the commission to perform substantially similar functions.

27 (b) "Supplier" means a manufacturer, ~~mixed spirit drink~~
28 ~~manufacturer,~~ outstate seller of beer, outstate seller of wine,
29 ~~outstate seller of mixed spirit drink,~~ and vendor of spirits or a

1 person licensed by the commission to perform substantially similar
2 functions but does not include a master distributor.

3 Sec. 605. (1) A brewer, wine maker, distiller, brandy
4 manufacturer, or the parent company, a subsidiary or an affiliate
5 of a brewer, wine maker, distiller, or brandy manufacturer which
6 parent company, subsidiary, or affiliate is located in this state
7 may acquire, develop, sell, lease, finance, maintain, operate, or
8 promote real property occupied or to be occupied by another vendor,
9 except a wholesaler, if all of the following exist:

10 (a) The brewer, wine maker, distiller, or brandy manufacturer
11 has received written approval of the commission before entering
12 into any arrangement or contract between the parties regarding the
13 real property.

14 (b) The legislative body of the city, village, or township
15 where the property is located certifies to the commission that the
16 real property is in an urban, commercial, or community
17 redevelopment area.

18 (c) Any arrangement or contract entered into between the
19 brewer, wine maker, distiller, brandy manufacturer, its parent
20 company, subsidiary, or affiliate and another vendor ~~shall~~**does** not
21 directly or indirectly influence or control the brand of alcoholic
22 liquor sold or to be sold by the vendor and ~~shall~~**is** only ~~be~~
23 concerned with real property.

24 (d) The brewer, wine maker, distiller, brandy manufacturer,
25 its parent company, subsidiary, or affiliate has not acquired,
26 developed, sold, leased, financed, or maintained, operated, or
27 promoted more than 7 real properties that are occupied or to be
28 occupied by another vendor, except a wholesaler.

29 (2) The commission may deny or approve an arrangement or

1 contract to be entered into under this section. In denying or
2 approving an arrangement or contract, the commission shall consider
3 all of the following:

4 (a) That the arrangement or contract to be entered into is
5 concerned only with real property.

6 (b) That the certification required under subsection (1) (b)
7 has been received by the commission.

8 (c) That the arrangement or contract does not violate this act
9 or the rules promulgated under this act.

10 (3) The commission may review any arrangement or contract
11 under this section at the time that 1 of the parties to the
12 arrangement or contract applies for or renews a license. The
13 commission may deny, revoke, or suspend the license of a party to
14 the arrangement or contract if the commission finds that the party
15 to the arrangement or contract has violated this act or the rules
16 promulgated under this act.

17 (4) Except as otherwise provided in subsection (5), a
18 wholesaler shall not be a party to, directly or indirectly, an
19 arrangement or contract under this section.

20 (5) ~~A-Subject to subsection (6), a manufacturer, mixed spirit~~
21 ~~drink manufacturer, warehouse, wholesaler, authorized distribution~~
22 ~~agent, outstate seller of beer, outstate seller of wine, outstate~~
23 ~~seller of mixed spirit drink, or vendor of spirits may acquire,~~
24 ~~develop, sell, lease, finance, maintain, operate, or promote a~~
25 ~~condominium project or own a condominium unit as its sole property,~~
26 ~~under the condominium act, 1978 PA 59, MCL 559.101 to 559.276, if~~
27 ~~that condominium unit is not the licensed premises owned separately~~
28 ~~by a retailer and if all of the following apply:~~

29 (a) Condominium assessments in the condominium project are

1 based on the proportional area each condominium unit has to the
2 total area.

3 (b) A condominium unit operating as a licensed premises
4 operates under a separate name from the condominium project except
5 that cooperative advertising ~~shall be~~ **is** permitted among owners of
6 condominium units for the purpose of promoting the condominium
7 project if the name of a brand or brands of an alcoholic liquor is
8 not mentioned in the advertising.

9 (c) Ownership of a condominium unit and participation in a
10 condominium association under this section is not considered a
11 financial interest, interest by ownership, or interest by
12 interlocking directors on stock ownership prohibited by section
13 603.

14 (d) A retailer separately owning a separate condominium unit
15 as sole property does not directly purchase alcoholic liquor from
16 the manufacturer, warehouser, wholesaler, ~~outstate seller of mixed~~
17 ~~spirit drink,~~ or vendor of spirits who owns, leases, maintains,
18 finances, or operates the condominium project.

19 (e) A wholesaler that has a direct or indirect interest in a
20 condominium unit in which a retailer is located does not sell
21 alcoholic liquor to any licensed retail business in which that
22 retailer, or any person having an ownership interest in that
23 retailer, has an ownership interest; and, a retail licensed
24 business in which that retailer, or any person having an ownership
25 interest in that retailer, has an ownership interest does not
26 purchase alcoholic liquor from a wholesaler that has a direct or
27 indirect interest in a condominium or condominium unit in which
28 that retailer is located.

29 (f) A retailer acquiring a separate condominium unit as sole

1 property pays the fair market value for the unit.

2 (6) Subsection (5) does not apply to a manufacturer, ~~mixed~~
3 ~~spirit drink manufacturer,~~ warehouse, wholesaler, authorized
4 distribution agent, outstate seller of beer, outstate seller of
5 wine, ~~outstate seller of mixed spirit drink,~~ or vendor of spirits
6 with a direct or indirect interest in a license under the Michigan
7 ~~gaming control and revenue act,~~ **Gaming Control and Revenue Act,**
8 1996 IL 1, MCL 432.201 to 432.226. Subsection (5) does not prohibit
9 a direct physical connection between a condominium unit that is the
10 licensed premises and a condominium unit that is not the licensed
11 premises.

12 Sec. 607. (1) Except as provided in section 536(7)(h), a
13 warehouse, ~~mixed spirit drink manufacturer,~~ wholesaler, outstate
14 seller of beer, outstate seller of wine, ~~outstate seller of mixed~~
15 ~~spirit drink,~~ or vendor of spirits ~~shall~~ **must** not be licensed as a
16 specially designated merchant or a specially designated
17 distributor. A person licensed as a small distiller is not
18 considered to be a specially designated distributor. Beginning
19 December 23, 2007 and in addition to the persons described in this
20 subsection, a wine maker and a small wine maker ~~shall~~ **must** also not
21 be licensed as a specially designated merchant or a specially
22 designated distributor. Any wine maker or small wine maker holding
23 a specially designated merchant or specially designated distributor
24 license on December 23, 2007 may continue to hold a specially
25 designated merchant or specially designated distributor license.

26 (2) A specially designated distributor or specially designated
27 merchant or any other retailer shall not hold a ~~mixed spirit drink~~
28 ~~manufacturer,~~ wholesale, warehouse, outstate seller of beer,
29 ~~outstate seller of mixed spirit drink,~~ or outstate seller of wine

1 license. Beginning December 23, 2007, a specially designated
2 distributor or specially designated merchant shall not hold a wine
3 maker or small wine maker license in addition to being prohibited
4 from holding any other license described in this subsection. Any
5 specially designated distributor or specially designated merchant
6 holding a wine maker or small wine maker license on December 23,
7 2007 may continue to hold a wine maker or small wine maker license.

8 (3) A brewer, warehouser, or wholesaler ~~shall~~**must** not be
9 licensed as a specially designated merchant. This subsection does
10 not affect the operation of a brewery hospitality room.

11 (4) A wholesaler may sell or deliver beer and alcoholic liquor
12 to hospitals, military establishments, governments of federal
13 Indian reservations, and churches requiring sacramental wines and
14 may sell to the wholesaler's own employees ~~to~~ a limit of 2 cases of
15 24 12-ounce units or its equivalent of malt beverage per week, or 1
16 case of 12 1-liter units or its equivalent of wine ~~or mixed spirit~~
17 ~~drink~~ per week.

18 Sec. 608. (1) The purpose of this section is to exercise this
19 state's authority under section 2 of Amendment XXI of the
20 Constitution of the United States to ensure an orderly market for
21 the distribution and sale of alcoholic beverages.

22 (2) It is the intent of this state to provide access to this
23 state's alcoholic beverage market to all licensed manufacturers of
24 alcoholic beverages by ensuring the independence of wholesalers to
25 distribute the brands of beer, wine, ~~mixed spirit drinks,~~ and mixed
26 wine drinks of multiple manufacturers free from the interference or
27 control of any 1 manufacturer.

28 (3) A manufacturer shall not do any of the following:

29 (a) Subject to subsection (5), require a wholesaler to provide

1 financial records directly or indirectly related to any of the
2 following:

3 (i) The wholesaler's distribution of the brands manufactured or
4 sold to the wholesaler by another manufacturer.

5 (ii) The compensation of a wholesaler's employees.

6 (iii) The wholesaler's business operations not directly related
7 to the distribution of the brands manufactured or sold to the
8 wholesaler by the manufacturer.

9 (b) Request a wholesaler to submit any of the wholesaler's
10 financial records as a requirement for renewing or retaining an
11 agreement.

12 (c) Require a wholesaler to spend a set amount of resources
13 marketing or promoting the brands manufactured or sold by the
14 manufacturer to the wholesaler that is based on the sales revenue
15 derived by the wholesaler's distribution of the brands manufactured
16 or sold to the wholesaler by the manufacturer.

17 (d) Intentionally ship beer, wine, ~~mixed spirit drink,~~ or
18 mixed wine drink to a wholesaler that exceeds the order placed by
19 the wholesaler or the forecast submitted by the wholesaler. For
20 purposes of this subdivision, a manufacturer is considered to have
21 intentionally taken an action described in this subdivision if the
22 manufacturer has invoiced or initiated an electronic funds transfer
23 for the amount shipped in excess.

24 (e) Prohibit a wholesaler from distributing the brands the
25 manufacturer manufactured or sold to the wholesaler in licensed
26 vehicles that have markings or logos of brands manufactured or sold
27 to the wholesaler by other manufacturers.

28 (f) Prohibit a wholesaler from distributing the brands
29 manufactured or sold to the wholesaler by another manufacturer on a

1 licensed vehicle that has the marking or logos of brands
2 manufactured or sold to the wholesaler by the manufacturer.

3 (g) Require a distributor to pay for the development,
4 installation, or use of reporting software owned or mandated by the
5 manufacturer. This subdivision does not prohibit a manufacturer
6 from requiring a distributor to maintain electronic information
7 systems that are compatible with systems and standards adopted by
8 the manufacturer.

9 (h) Require a wholesaler to pay a fee or penalty, of any
10 description, for noncompliance with a manufacturer requirement.
11 This subdivision does not prohibit a wholesaler from paying damages
12 to a supplier as provided in section 305 or 403.

13 (i) Set or attempt to set the rates of compensation for
14 wholesaler employees, including incentives.

15 (j) Prohibit a wholesaler from utilizing any wholesaler-owned,
16 leased, or controlled property or equipment to market, promote,
17 deliver, or distribute the brands manufactured or sold by another
18 manufacturer to the wholesaler.

19 (4) A manufacturer that violates this section may be ordered
20 to pay a civil fine as follows:

21 (a) For a first violation, a civil fine of not more than
22 \$1,000.00.

23 (b) For a second violation, a civil fine of not more than
24 \$2,000.00.

25 (c) For a third or subsequent violation, a civil fine of not
26 more than \$5,000.00.

27 (5) A manufacturer may request and a wholesaler may provide
28 financial records if any of the following circumstances apply:

29 (a) The wholesaler is attempting to purchase the

1 manufacturer's brands from another wholesaler.

2 (b) The wholesaler and manufacturer are entering into an
3 initial distribution agreement.

4 (c) The financial records are solely related to the brands
5 sold by the manufacturer to the wholesaler.

6 (6) As used in this section, "manufacturer" includes a brewer,
7 micro brewer, wine maker, small wine maker, ~~mixed spirit drink~~
8 ~~manufacturer~~, outstate seller of beer, **or** outstate seller of wine.
9 ~~, or outstate seller of mixed spirit drink.~~

10 Sec. 610. (1) Notwithstanding section 609, a wholesaler,
11 manufacturer, outstate seller of beer, outstate seller of wine,
12 ~~outstate seller of mixed spirit drink~~, vendor of spirits, broker,
13 or retailer may use unpaid social media to advertise any of the
14 following in accordance with all applicable laws and regulations:

15 (a) An on-premises brand promotion.

16 (b) Beer, wine, or spirits tastings under section 537.

17 (c) A product location communication.

18 **(2) Notwithstanding section 609, and subject to subsection**
19 **(3), a supplier may take any of the following actions to assist a**
20 **consumer seeking to have an alcoholic beverage sold by the supplier**
21 **delivered or direct shipped to the consumer's home or designated**
22 **location by a retailer as allowed under section 203:**

23 (a) **Advertise the name and location of all retailers that**
24 **deliver or direct ship to a consumer the alcoholic beverages sold**
25 **by the supplier.**

26 (b) **Provide a link to the website of each retailer that**
27 **delivers or direct ships to a consumer the alcoholic beverages sold**
28 **by the supplier.**

29 (c) **Transmit the consumer's order and payment information to**

1 the retailer that the consumer chooses to fulfill the customer's
2 purchase and perform the delivery or direct shipment.

3 (3) A supplier shall not take any action described in
4 subsection (2) unless both of the following conditions are met:

5 (a) The supplier and retailer do not provide or receive any
6 other valuable thing in consideration for any action described in
7 subsection (2) taken by the supplier. As used in this subdivision,
8 "other valuable thing" means that term as defined in section 609.

9 (b) The supplier provides the consumer a list of retailers,
10 from which the consumer selects, that will sell, deliver, or direct
11 ship the alcoholic beverage to the consumer. The supplier may
12 satisfy the condition under this subdivision by providing the
13 consumer with a list of retailers located in the zip code or
14 nearest zip codes to the consumer's location.

15 (4) ~~(2)~~—As used in this section:

16 (a) "Broker" means that term as defined in section 609.

17 (b) "Consumer" means that term as defined in section 203.

18 (c) ~~(b)~~—"On-premises brand promotion" means a promotion in the
19 manner provided by the order of the commission issued on October
20 27, 1999. That order's prohibition against advertising an on-
21 premises promotion by a party off the licensed premises does not
22 apply to this section.

23 (d) ~~(e)~~—"Product location communication" means a listing or
24 program that allows an individual to determine the availability of
25 a specific product at licensed retailers in a certain geographic
26 area.

27 (e) ~~(d)~~—"Social media" means a service, platform, or website
28 where users communicate with one another and share media, such as
29 pictures, videos, music, and blogs, with other users free of

1 charge. Social media includes the website of a wholesaler,
 2 manufacturer, outstate seller of beer, outstate seller of wine,
 3 ~~outstate seller of mixed spirit drink,~~ vendor of spirits, broker,
 4 or retailer.

5 **(f) "Supplier" means that term as defined in section 603.**

6 Sec. 610a. (1) Subject to subsection (2), a manufacturer,
 7 ~~mixed spirit drink manufacturer,~~ warehouse, wholesaler, outstate
 8 seller of beer, ~~outstate seller of mixed spirit drink,~~ or vendor of
 9 spirits may provide to a retailer signs that promote the brands and
 10 prices of alcoholic liquor, including special event pricing.

11 (2) All of the following apply to a sign allowed under
 12 subsection (1):

13 (a) The sign must not be illuminated.

14 (b) The sign must not have any use beyond the actual
 15 advertising of brands, prices, and events related to the alcoholic
 16 liquor.

17 (c) The sign must not include the name of the retailer.

18 (d) For a sign that is located inside the retailer's licensed
 19 premises, the sign must not be more than 3,500 square inches in
 20 dimension.

21 (3) A retailer may use an illuminated sign to promote the
 22 brand but not the price of alcoholic liquor. A manufacturer, ~~mixed~~
 23 ~~spirit drink manufacturer,~~ warehouse, wholesaler, outstate seller
 24 of beer, outstate seller of wine, ~~outstate seller of mixed spirit~~
 25 ~~drink,~~ or vendor of spirits shall not provide to a retailer a sign
 26 described in this subsection.

27 (4) The signs allowed under this section are in addition to
 28 the advertising items that a manufacturer, ~~mixed spirit drink~~
 29 ~~manufacturer,~~ warehouse, wholesaler, outstate seller of beer,

1 outstate seller of wine, ~~outstate seller of mixed spirit drink,~~ or
2 vendor of spirits may provide another licensee under section
3 609(2).

4 Sec. 611. (1) A refund or credit of the tax on wine ~~or mixed~~
5 ~~spirit drink~~ paid under section 301 and of the tax on beer paid
6 under section 409 ~~shall~~**must** be made by the commission to a brewer,
7 wine maker, outstate seller of beer, outstate seller of wine,
8 ~~outstate seller of mixed spirit drink, manufacturer of mixed spirit~~
9 ~~drink,~~ wholesaler, or retail licensee ~~who~~**that** paid the tax if the
10 wine ~~,~~**or** beer ~~,~~~~or mixed spirit drink~~ was sold to a military
11 installation or Indian reservation in this state or, subject to
12 subsection (2), if the wine ~~,~~**or** beer ~~,~~~~or mixed spirit drink~~ is
13 lost, made unmarketable, or condemned by order of the commission as
14 the result of a fire, flood, casualty, or other occurrence. A
15 refund or credit ~~shall~~**must** not be made as the result of theft.

16 (2) A refund or credit of taxes as provided in subsection (1)
17 ~~shall~~**must** be made for damaged wine ~~,~~**or** beer ~~,~~~~or mixed spirit~~
18 ~~drink~~ only if all of the following circumstances exist:

19 (a) At the time of the fire, flood, casualty, or other
20 occurrence, the wine ~~,~~**or** beer ~~,~~~~or mixed spirit drink~~ was being
21 held for sale by the vendor claiming the refund or credit.

22 (b) The refund or credit of the amount claimed or any part of
23 the amount claimed has not been and will not be claimed for the
24 same wine ~~,~~**or** beer ~~,~~~~or mixed spirit drink~~ under any other law or
25 rule.

26 (c) The vendor claiming the refund or credit is not
27 indemnifiable by any valid claim of insurance or otherwise for the
28 tax on the wine ~~,~~**or** beer ~~,~~~~or mixed spirit drink~~ covered by the
29 claim.

1 (d) The amount claimed for a refund or credit is more than
 2 \$250.00 or the refund or credit is claimed for defective wine ~~, or~~
 3 beer ~~, or mixed spirit drink~~ for which the commission has
 4 authorized a manufacturer, outstate seller of beer, outstate seller
 5 of wine, ~~outstate seller of mixed spirit drink, manufacturer of~~
 6 ~~mixed spirit drink~~, or wholesaler to make an exchange, have
 7 replaced, or be reimbursed.

8 (e) The occurrence was not caused by an intentional act of the
 9 vendor claiming the refund or credit or an agent of that vendor.

10 (3) A claim for a refund or credit of the tax as provided in
 11 subsection (1) ~~shall~~ **must** be made not later than 3 months after
 12 either of the following:

13 (a) The date ~~upon~~ **on** which the damage occurred or was first
 14 discovered.

15 (b) The date of the sale to a military installation or Indian
 16 reservation in this state.

17 (4) A claim for a refund or credit of the tax as provided in
 18 subsection (1) ~~shall~~ **must** be submitted to the commission on a form
 19 approved by the commission. The claim ~~shall~~ **must** contain the
 20 following information, as applicable:

21 (a) The name and business address of the vendor claiming the
 22 refund or credit.

23 (b) The address where the wine ~~, or~~ beer ~~, or mixed spirit~~
 24 ~~drink~~ was lost, made unmarketable, or condemned, if different from
 25 the business address.

26 (c) The address of the military installation or Indian
 27 reservation to which the wine ~~, or~~ beer ~~, or mixed spirit drink~~ was
 28 sold.

29 (d) The kind of wine ~~, or~~ beer. ~~, or mixed spirit drink.~~

1 (e) The size of bottles or containers.

2 (f) The number of bottles or containers.

3 (g) The total amount of wine ~~, or~~ beer ~~, or mixed spirit drink~~
4 that was sold or damaged. The amount ~~shall~~**must** be stated in liters
5 or portions of liters for wine ~~and mixed spirit drink~~ and barrels
6 or portions of barrels for beer.

7 (h) A statement that other claims for a refund or credit of
8 the amount claimed or for any part of the amount claimed have not
9 been and will not be made.

10 (i) A statement that the vendor has not been indemnified by a
11 valid claim of insurance or otherwise for the tax on the wine ~~, or~~
12 beer ~~, or mixed spirit drink~~ covered by the claim.

13 (j) Evidence that the tax on the wine ~~, or~~ beer ~~, or mixed~~
14 ~~spirit drink~~ has been paid.

15 (k) Evidence that the wine ~~, or~~ beer ~~, or mixed spirit drink~~
16 was lost, made unmarketable, or condemned by reason of damage
17 sustained as the result of a fire, flood, casualty, or other
18 occurrence.

19 (l) A statement as to the type and date of the occurrence.

20 (m) A statement that the occurrence was not caused by an
21 intentional act of the vendor claiming the refund or credit or an
22 agent of that vendor.

23 (5) The vendor claiming the refund or credit for damaged wine
24 ~~, or~~ beer ~~, or mixed spirit drink~~ shall support a claim with any
25 evidence, such as an inventory, statement, invoice, bill, record,
26 or label, relating to the quantity of wine ~~, or~~ beer ~~, or mixed~~
27 ~~spirit drink~~ on hand at the time of the fire, flood, casualty, or
28 other disaster and alleged to have been lost, made unmarketable, or
29 condemned as a result of the damage.

1 (6) Before or after a tax refund or credit has been made for
 2 damaged wine ~~, or beer, or mixed spirit drink,~~ the wine ~~, or beer~~ ~~,~~
 3 ~~or mixed spirit drink upon~~ ~~on~~ which the refund or credit is based
 4 shall **must** be removed from this state or destroyed under the
 5 supervision of the commission.

6 (7) In addition to the provisions of this section, the tax
 7 paid on wine ~~or mixed spirit drink pursuant to~~ ~~under~~ section 301
 8 shall **must** be rebated to the person who paid the tax ~~upon~~ ~~on~~ the
 9 presentation of satisfactory proof to the commission that the wine
 10 ~~or mixed spirit drink~~ was shipped outside of this state for sale
 11 and consumption outside of this state.

12 Sec. 914b. (1) Except as otherwise provided in subsection (2),
 13 a person shall not use or offer for use, possess, sell, or offer
 14 for sale marihuana-infused beer, wine, mixed wine drink, ~~mixed~~
 15 ~~spirit drink,~~ or spirits. A person that violates this section is
 16 guilty of a misdemeanor punishable as provided in section 909.

17 (2) This section does not apply to a hospital that operates
 18 primarily for the purpose of conducting scientific research, a
 19 state institution conducting bona fide research, a private college
 20 or university conducting bona fide research, or a pharmaceutical
 21 company or biotechnology company conducting bona fide research.

22 (3) As used in this section:

23 (a) "Marihuana" means that term as defined in section 7106 of
 24 the public health code, 1978 PA 368, MCL 333.7106.

25 (b) "Marihuana-infused beer, wine, mixed wine drink, ~~mixed~~
 26 ~~spirit drink,~~ or spirits" means beer, wine, mixed wine drink, ~~mixed~~
 27 ~~spirit drink,~~ or spirits that contain any amount of marihuana.

28 Sec. 1019. (1) Alcoholic liquor may be served by any hotel
 29 licensed individually under this act in the room of a bona fide

1 guest.

2 (2) A person shall not consume or offer for consumption
3 spirits ~~or mixed spirit drink~~ in any place licensed under this act
4 to sell beer or wine and not licensed to sell spirits. ~~or mixed~~
5 ~~spirit drink.~~

6 Sec. 1025. (1) Except as otherwise provided in subsection (3),
7 and subject to subsection (2), a vendor shall not give away any
8 alcoholic liquor of any kind or description at any time in
9 connection with his or her business, except a vendor that is a
10 manufacturer for consumption on the premises only.

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

12 (a) A vendor of spirits, brewer, ~~mixed spirit drink~~
13 ~~manufacturer,~~ wine maker, small wine maker, outstate seller of
14 beer, **or** outstate seller of wine, ~~or outstate seller of mixed~~
15 ~~spirit drink,~~ or a bona fide market research organization retained
16 by 1 of the persons named in this subdivision, from conducting
17 samplings or tastings of an alcoholic liquor product before it is
18 approved for sale in this state, if the sampling or tasting is
19 conducted pursuant to prior written approval of the commission.

20 (b) A person from conducting any sampling or tasting
21 authorized by rule of the commission.

22 (c) The holder of a farmer's market permit from conducting a
23 tasting authorized under section 415.

24 (d) A person from conducting any sampling or tasting
25 authorized under section 537.

26 (e) A retailer licensed for consumption on the premises from
27 conducting a sampling authorized under section 1027(2).

28 (f) A person from conducting a sampling at a consumer sampling
29 event authorized under section 1027(4) and (5).

1 (g) A class A or B hotel designed to attract and accommodate
2 tourists and visitors in a resort area from giving away alcoholic
3 liquor to an invitee or guest in connection with a business event
4 or as a part of a room special or promotion for overnight
5 accommodations.

6 (3) A wholesaler or manufacturer may give samples of beer or
7 wine to an employee of the wholesaler if all of the following
8 conditions are met:

9 (a) The sampling is for the purpose of educating the employee
10 regarding the beer or wine.

11 (b) The employee is at least 21 years of age.

12 (c) The sampling takes place on the licensed premises of the
13 wholesaler.

14 (4) A vendor shall not sell an alcoholic liquor to an
15 individual in an intoxicated condition.

16 (5) Evidence of any breathalyzer or blood alcohol test results
17 obtained in a licensed establishment, or on property adjacent to
18 the licensed premises and under the control or ownership of the
19 licensee, is not admissible to prove a violation of this section,
20 section 707(1), (2), (3), or (4), or section 801(1). To establish a
21 violation of this section, section 707(1), (2), (3), or (4), or
22 section 801(1), the individual's intoxicated condition at the time
23 of the sale or consumption of alcohol must be proven by direct
24 observation by law enforcement or commission enforcement personnel
25 or through other admissible witness statements or corroborating
26 evidence obtained as part of the standard investigation other than
27 breathalyzer or blood alcohol test results.

28 Sec. 1027. (1) Unless otherwise provided by rule of the
29 commission, a person shall not conduct samplings or tastings of any

1 alcoholic liquor for a commercial purpose except at premises that
2 are licensed by the commission for the sale and consumption of
3 alcoholic liquor on the premises.

4 (2) Notwithstanding section 1025(1) or (2), a retailer
5 licensed by the commission for consumption on the premises may
6 allow customers to sample beer, wine, and spirits if the retailer
7 does not charge for the samples provided to customers. Sample
8 serving sizes must not exceed 3 ounces for beer, 2 ounces for wine,
9 and 1/2 ounce for spirits. A customer must not be provided more
10 than 2 samples within a 24-hour period per licensed premises.

11 (3) This section does not prohibit any of the following:

12 (a) A vendor of spirits, brewer, wine maker, ~~mixed spirit~~
13 ~~drink manufacturer~~, small wine maker, outstate seller of beer, **or**
14 outstate seller of wine, ~~or outstate seller of mixed spirit drink~~,
15 or a bona fide market research organization retained by 1 of the
16 persons named in this subsection, from conducting samplings or
17 tastings of an alcoholic liquor product before it is approved for
18 sale in this state if the sampling or tasting is conducted under
19 prior written approval of the commission.

20 (b) An on-premises licensee from giving a sampling or tasting
21 of alcoholic liquor to an employee of the licensee during the legal
22 hours for consumption for the purpose of educating the employee
23 regarding 1 or more types of alcoholic liquor if the employee is at
24 least 21 years of age.

25 (c) A small distiller licensee from giving a sampling or
26 tasting of brands it manufactures on the licensed premises or an
27 off-site tasting facility operated by that small distiller.

28 (d) A micro brewer, brewpub, or on-premises licensee from
29 allowing the sampling and consumption on the licensed premises of

1 beer, wine, mead, honey-based beer, or cider produced by 1 or more
2 home brewers at a meeting of home brewers, or a club composed
3 primarily of home brewers, under the following circumstances:

4 (i) The sampling or consumption is for the purpose of
5 exhibitions or competitions involving home brewers.

6 (ii) The beer, honey-based beer, or cider is served in portions
7 that do not exceed 3 ounces. The wine or mead is served in portions
8 that do not exceed 2 ounces.

9 (iii) The beer, wine, mead, honey-based beer, or cider produced
10 by the home brewer is only consumed by the home brewer, the home
11 brewer's family, a club member, a judge, or a guest speaker and is
12 not sold to members of the general public.

13 (iv) The participants in the sampling or consumption otherwise
14 comply with applicable state and federal law and applicable
15 regulatory provisions of this act and rules adopted by the
16 commission under this act.

17 (v) The participants in the sampling or consumption are not
18 charged for the sampling or consumption of the beer, wine, mead,
19 honey-based beer, or cider.

20 (4) A vendor of spirits or a manufacturer may conduct a
21 consumer sampling event on the premises of a holder of a specially
22 designated distributor license upon submission of a completed
23 application to the commission.

24 (5) The holder of a consumer sampling event license shall
25 comply with the following:

26 (a) The commission must be notified in writing a minimum of 10
27 working days before the event with the date, time, and location of
28 the event.

29 (b) The consumer sampling event is limited to 3 events per

1 vendor of spirits or manufacturer per specially designated
2 distributor license per month.

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

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

9 (e) Participating specially designated distributor licensees
10 do not receive any fee or other valuable consideration for
11 participating in the event.

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

14 (g) The consumer is not charged for and does not purchase any
15 sample.

16 (h) The alcoholic liquor used in the consumer sampling event
17 is provided by the vendor of spirits or manufacturer, and purchased
18 at the minimum retail selling price fixed by the commission from
19 the specially designated distributor on whose premises the event is
20 located. The vendor of spirits or manufacturer shall remove any
21 unfinished product from the premises at which the event is held
22 upon completion of the event.

23 (i) The consumer sampling event is not allowed if the sale of
24 alcoholic liquor is otherwise prohibited on the premises at which
25 the event is conducted.

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

28 (k) A consumer sampling event may be advertised in any type of
29 media and the advertisements may include the date, time, location,

1 and other information regarding the event.

2 (l) The participating vendor of spirits or manufacturer and
3 specially designated distributor licensees ~~complies~~**comply** with
4 this act and commission rules.

5 (m) The vendor of spirits or manufacturer demonstrates that
6 the individual actually conducting the sampling has successfully
7 completed the server training program in the manner provided for in
8 section 906 and rules promulgated by the commission.

9 (6) Violation of this section subjects the vendor of spirits
10 or manufacturer to the sanctions and penalties as provided for
11 under this act.

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

15 (8) A sampling or tasting of any alcoholic liquor in a home or
16 domicile for other than a commercial purpose is not subject to this
17 section.

18 (9) Before a micro brewer, brewpub, or on-premises licensee
19 allows an event to be held under subsection (3)(d), the micro
20 brewer, brewpub, or on-premises licensee shall enter into a written
21 agreement with the home brewers or home brewers club stating all of
22 the following:

23 (a) The date and time the event will be held.

24 (b) The location of the event.

25 (c) Either of the following:

26 (i) A statement that the micro brewer, brewpub, or on-premises
27 licensee acknowledges that it is not in control of an unregulated
28 alcoholic beverage at its establishment and agrees to assume
29 liability under section 801(2) for the event.

1 (ii) Proof that the home brewers or home brewers club has
2 obtained a bond or liability insurance equal to that required under
3 section 803(1).

4 (10) As used in this section:

5 (a) "Commercial purpose" means a purpose for which monetary
6 gain or other remuneration could reasonably be expected.

7 (b) "Home brewer" means an individual who manufactures beer,
8 wine, mead, honey-based beer, or cider at his or her dwelling.

9 Sec. 1101. (1) Spirits ~~and mixed spirit drink~~ for consumption
10 on the premises, in addition to beer and wine, may be sold by
11 restaurants, hotels, and establishments approved by the commission
12 under this act in the following cities, villages, or townships, if
13 the legislative body of the city, village, or township by
14 resolution of a majority vote of the members elect, votes in favor
15 of allowing that sale. A petition may be filed with the city,
16 village, or township clerk requesting the submission of the
17 question of sale of spirits ~~and mixed spirit drink~~ for consumption
18 on the premises, in addition to beer and wine. ~~In the case of~~ **For** a
19 city or township, the petition ~~shall~~ **must** be signed by a number of
20 the registered and qualified electors ~~which shall be~~ **that is** not
21 less than 35% of the total number of votes cast for all candidates
22 for the office of secretary of state in that city or township at
23 the last general election held for that purpose. ~~In the case of~~ **For**
24 a village, the petition ~~shall~~ **must** be signed by a number of the
25 registered and qualified electors that is not less than 35% of the
26 total number of votes cast for all candidates for the office of
27 president of the village at the last village election held for that
28 purpose. The question ~~shall~~ **must** not be submitted to the electors
29 of a city, village, or township more often than once in every 2

1 years. The city, village, or township clerk shall, within 10 days
 2 after the petition is filed with the clerk, give notice of the
 3 filing by publication of notice setting forth the essential facts
 4 of the petition in a newspaper published or in general circulation
 5 in the city, village, or township. The city, village, or township
 6 clerk shall submit the question at the next regular state election
 7 held in the city, village, or township if the petitions are filed
 8 at least 60 days before the election. Class C licensees in a newly
 9 incorporated city or village ~~shall~~ continue to be licensed by the
 10 commission until the question of the sale of spirits ~~and mixed~~
 11 ~~spirit drink~~ for consumption on the premises, in addition to beer
 12 and wine, is submitted to the electors of the city or village as
 13 provided in this section. The question of the sale of spirits ~~and~~
 14 ~~mixed spirit drink~~ for consumption on the premises, in addition to
 15 beer and wine, ~~shall~~ **must** be submitted by ballot in substantially
 16 the following form:

17 "Shall the sale of spirits ~~and mixed spirit drink~~ in addition
 18 to beer and wine be permitted for consumption on the premises
 19 within the city, village, or township of under the
 20 provisions of the law governing same?

21 Yes

22 No".

23 (2) All votes on the question submitted by ballot under
 24 subsection (1) ~~shall~~ **must** be taken, counted, and canvassed in the
 25 same manner as votes cast in city, village, or township elections,
 26 as applicable, are taken, counted, and canvassed. Ballots ~~shall~~
 27 **must** be furnished by the election commission or similar body of the
 28 respective city, village, or township. If a majority of the
 29 electors voting at an election conducted under this section ~~shall~~

1 ~~vote~~**votes** in favor of the question submitted by ballot under
 2 subsection (1), spirits ~~and mixed spirit drink~~ may be sold under
 3 this act in that city, village, or township for consumption on the
 4 premises, in addition to beer and wine.

5 (3) ~~At any time within~~**Within** 18 months after an election
 6 conducted under this section has resulted in a tie vote, the
 7 question ~~shall~~**must** be resubmitted to the electors ~~upon~~**on** the
 8 filing of a petition with the legislative body of the city,
 9 village, or township. The petition ~~shall~~**must** be signed by a number
 10 of electors not less than that required under subsection (1) for
 11 the calling of an election on an original petition. The question
 12 ~~shall~~**must** be resubmitted to the electors by the city, village, or
 13 township clerk at the next regular election if that election occurs
 14 not less than 30 days and not more than 60 days after the filing of
 15 the petition or at a special election called for that purpose and
 16 to be held within not less than 30 days and not more than 60 days
 17 after the filing of the petition.

18 (4) ~~This section shall not be used by the~~**The** legislative body
 19 of a city, village, or township **shall not use this section** to
 20 nullify the results of a referendum vote of the electors of the
 21 city, village, or township.

22 Sec. 1103. (1) If spirits ~~and mixed spirit drink~~ for
 23 consumption on the premises, in addition to beer and wine, may be
 24 sold by restaurants, hotels, and establishments approved by the
 25 commission in a city, village, or township and all or a part of
 26 that city, village, or township becomes annexed to and a part of a
 27 city or village that does not, at the time of annexation, permit
 28 those sales, class C licensees in that annexed area shall continue
 29 to be licensed by the commission until the next regular, city, or

1 village election, at which election, without the need to file a
 2 petition, the question of the sale of spirits ~~and mixed spirit~~
 3 ~~drink~~ for consumption on the premises, in addition to beer and
 4 wine, ~~shall~~**must** be submitted to the electors of the city or
 5 village to which the territory has been annexed.

6 (2) The form of the ballot, the voting and canvassing of
 7 votes, and the effect of the votes ~~shall~~**must** be as provided in
 8 section 1101.

9 (3) The fact that a vote has been taken upon that question
 10 either in the annexing municipality or in the annexed area, or in
 11 both, within 4 years before the annexation is not a bar to the
 12 submission of the question as provided in this section.

13 Sec. 1105. (1) When the question of the sale of spirits ~~and~~
 14 ~~mixed spirit drink~~ for consumption on the premises is submitted to
 15 and approved by the electors of a city, village, or township, and
 16 immediately after certification of the results of the election, all
 17 currently approved licensed establishments for consumption of beer
 18 and wine on the premises in the city, village, or township ~~shall~~
 19 **must** be licensed to serve spirits ~~and mixed spirit drink~~ in
 20 addition to beer and wine for consumption on the premises ~~upon~~**on**
 21 application to and approval by the commission and payment of the
 22 applicable license fee as specified in section 525.

23 (2) A township having incorporated villages within its
 24 boundaries may submit to the voters in the unincorporated portion
 25 of the township the question of sale of spirits ~~and mixed spirit~~
 26 ~~drink~~ for consumption on the premises and the will of the electors
 27 outside of the incorporated villages shall decide the question for
 28 the unincorporated portion of the township.

29 Sec. 1113. (1) Except as provided in subsection (2), (3), or

1 (5) and subject to subsection (6), a licensee enumerated under
2 section 525 may sell at retail, and a person may buy, spirits ~~or~~
3 ~~mixed spirit drink~~ between the hours of 7 a.m. on Sunday and 2 a.m.
4 on Monday.

5 (2) Unless the legislative body of a county has prohibited the
6 sale of spirits ~~and mixed spirit drink~~ for consumption on the
7 premises between the hours of 7 a.m. and 12 noon on Sunday or
8 between the hours of 7 a.m. on Sunday and 2 a.m. on Monday, by
9 resolution approved by a majority of the legislative body voting on
10 that resolution, spirits ~~and mixed spirit drink~~ may be sold after 7
11 a.m. on Sunday, in an establishment licensed under this act in
12 which the gross receipts derived from the sale of food and other
13 goods and services exceed 50% of the total gross receipts. With
14 respect to an action taken by the legislative body or if the
15 legislative body fails to act, a petition may be filed with the
16 county clerk requesting the submission of the question regarding
17 the prohibition of the sale of spirits ~~and mixed spirit drink~~ for
18 consumption on the premises between the hours of 7 a.m. and 12 noon
19 on Sunday or between the hours of 7 a.m. on Sunday and 2 a.m. on
20 Monday. The petition ~~shall~~**must** be signed by a number of the
21 registered and qualified electors of the county that is not less
22 than 8% of the total number of votes cast for all candidates for
23 the office of secretary of state in the county at the last general
24 election held for that purpose. The question ~~shall~~**must** not be
25 submitted to the electors of a county more than once every 4 years.
26 The county clerk shall submit the question at the next regular
27 state election held in the county if the petitions are filed not
28 less than 60 days before the election. The question regarding the
29 prohibition of the sale of spirits and mixed spirit drink for

1 consumption on the premises ~~shall~~**must** be submitted by ballot in
2 substantially the following forms:

3 (a) For the sale between the hours of 7 a.m. and 12 noon on
4 Sunday:

5 "Shall the sale of spirits ~~and mixed spirit drink~~ for
6 consumption on the premises be prohibited between the hours of 7
7 a.m. and 12 noon on Sunday within the county of under
8 the provisions of the law governing the sale of spirits ~~and mixed~~
9 ~~spirit drink~~ for consumption?

10 Yes

11 No "

12 (b) For the sale between the hours of 7 a.m. on Sunday and 2
13 a.m. on Monday:

14 "Shall the sale of spirits ~~and mixed spirit drink~~ for
15 consumption on the premises be prohibited between the hours of 7
16 a.m. on Sunday and 2 a.m. on Monday within the county of
17 under the provisions of the law governing the sale of spirits ~~and~~
18 ~~mixed spirit drink~~ for consumption?

19 Yes

20 No "

21 (3) Unless the legislative body of a county has prohibited the
22 sale of spirits ~~and mixed spirit drink~~ for consumption off the
23 premises between the hours of 7 a.m. and 12 noon on Sunday or
24 between the hours of 7 a.m. on Sunday and 2 a.m. on Monday by
25 resolution approved by a majority of the legislative body voting on
26 the resolution, spirits ~~and mixed spirit drink~~ may be sold after 7
27 a.m., in a retail establishment licensed under this act. With
28 respect to an action taken by the legislative body or if the
29 legislative body fails to act, a petition may be filed with the

1 county clerk requesting the submission of the question regarding
 2 the prohibition of the sale of spirits ~~and mixed spirit drink~~ for
 3 consumption off the premises, in addition to beer and wine, in a
 4 retail establishment licensed under this act between the hours of 7
 5 a.m. and 12 noon on Sunday or between the hours of 7 a.m. on Sunday
 6 and 2 a.m. on Monday. The petition ~~shall~~**must** be signed by a number
 7 of the registered and qualified electors of the county that is not
 8 less than 8% of the total number of votes cast for all candidates
 9 for the office of secretary of state in the county at the last
 10 general election held for that purpose. The question ~~shall~~**must** not
 11 be submitted to the electors of a county more than once every 4
 12 years. The county clerk shall submit the question at the next
 13 regular state election held in the county if the petitions are
 14 filed not less than 60 days before the election. The question
 15 regarding the prohibition of the sale of spirits ~~and mixed spirit~~
 16 ~~drink~~ for consumption off the premises, in addition to beer and
 17 wine, in a retail establishment licensed under this act ~~shall~~**must**
 18 be submitted by ballot in substantially the following forms:

19 (a) For the sale between the hours of 7 a.m. and 12 noon on
 20 Sunday:

21 "Shall the sale of spirits ~~and mixed spirit drink~~ for
 22 consumption off the premises be prohibited between the hours of 7
 23 a.m. and 12 noon on Sunday in a retail establishment licensed under
 24 the Michigan liquor control code of 1998 within the county of
 25 under the provisions of the law governing the sale of
 26 spirits ~~and mixed spirit drink~~ for consumption?

27 Yes

28 No".

29 (b) For the sale between the hours of 7 a.m. on Sunday and 2

1 a.m. on Monday:

2 "Shall the sale of spirits ~~and mixed spirit drink~~ for
3 consumption off the premises be prohibited between the hours of 7
4 a.m. on Sunday and 2 a.m. on Monday in a retail establishment
5 licensed under the Michigan liquor control code of 1998 within the
6 county of under the provisions of the law governing the
7 sale of spirits ~~and mixed spirit drink~~ for consumption?

8 Yes

9 No"

10 (4) Votes on a question submitted to the electors under this
11 section ~~shall~~ **must** be taken, counted, and canvassed in the same
12 manner as votes cast in county elections are taken, counted, and
13 canvassed. A ballot ~~shall~~ **must** be furnished by the election
14 commission or similar body of the county. If a majority of the
15 electors voting at an election vote in favor of the proposal, the
16 sale of spirits ~~and mixed spirit drink~~ may be prohibited in the
17 county under this act for consumption on the premises or by a
18 retail establishment for consumption off the premises, in addition
19 to beer and wine, between the hours of 7 a.m. and 12 noon on Sunday
20 or between the hours of 7 a.m. on Sunday and 2 a.m. on Monday. The
21 sale of spirits ~~and mixed spirit drink~~ shall ~~shall~~ **must** not be permitted
22 in a city, village, or township in which the sale of spirits ~~and~~
23 ~~mixed spirit drink~~ is prohibited under this act. A violation of
24 this section is a misdemeanor. This section does not apply to
25 spirits ~~and mixed spirit drink~~ served to a bona fide guest in the
26 residence of a person or sold or furnished for medicinal purposes
27 as provided for in this act.

28 (5) A licensee enumerated under section 525 or any other
29 person shall not sell at retail, and a person shall not knowingly

1 and willfully buy, alcoholic liquor between the hours of 11:59 p.m.
 2 on December 24 and 12 noon on December 25. The legislative body of
 3 a city, village, or township, by resolution or ordinance, may
 4 prohibit the sale of alcoholic liquor on a legal holiday, primary
 5 election day, general election day, municipal election day, between
 6 the hours of 7 a.m. and 12 noon on Sunday, or between the hours of
 7 7 a.m. on Sunday and 2 a.m. on Monday.

8 (6) The sale of spirits ~~or mixed spirit drink~~ in any county
 9 between the hours of 7 a.m. and 12 noon on Sunday or between the
 10 hours of 7 a.m. on Sunday and 2 a.m. on Monday ~~shall~~ **must** not be
 11 prohibited under ~~the provisions of~~ subsections (1) ~~through to~~ (5)
 12 as applied to a motorsports entertainment complex located in more
 13 than 1 county if a resolution or referendum under this section
 14 results in the question's failing to pass in 1 county but passing
 15 in another. Under those circumstances, the commission shall
 16 determine the issue of the sale of spirits ~~and mixed spirit drink~~
 17 in the motorsports entertainment complex in those counties between
 18 the hours of 7 a.m. and 12 noon on Sunday or between the hours of 7
 19 a.m. on Sunday and 2 a.m. on Monday. As used in this section,
 20 "motorsports entertainment complex" means a closed-course
 21 motorsports facility, and its ancillary grounds and facilities,
 22 that satisfies all of the following:

23 (a) Has at least 70,000 fixed seats for race patrons.

24 (b) Has at least 4 scheduled days of motorsports events each
 25 calendar year.

26 (c) Serves food and beverages at the motorsports entertainment
 27 complex during motorsports events each calendar year through
 28 concession outlets ~~, which~~ **that** are staffed by individuals who
 29 represent or are members of 1 or more nonprofit civic or charitable

1 organizations that directly benefit from the concession outlets'
2 sales.

3 (d) Engages in tourism promotion.

4 (e) Has permanent exhibitions of motorsports history, events,
5 or vehicles within the motorsports entertainment complex.

6 (7) Any prohibitions on the sale of alcoholic liquor between
7 the hours of 7 a.m. and 12 noon on Sunday or between the hours of 7
8 a.m. on Sunday and 2 a.m. on Monday adopted by a county, city,
9 village, or township before ~~the effective date of the amendatory~~
10 ~~act that added this subsection shall~~ **May 16, 2011** remain in effect.

11 Sec. 1114. (1) Notwithstanding R 436.1403 and R 436.1503 of
12 the Michigan ~~administrative code~~ **Administrative Code** and except as
13 otherwise provided under this act or rule of the commission, an on-
14 premises and an off-premises licensee shall not sell, give away, or
15 furnish alcoholic liquor between the hours of 2 a.m. and 7 a.m. on
16 any day.

17 (2) Subsection (1) does not prevent any local governmental
18 unit from prohibiting the sale of beer and wine between the hours
19 of 7 a.m. and 12 noon on Sunday or between the hours of 7 a.m. on
20 Sunday and 2 a.m. on Monday under section 1111 and does not prevent
21 any local governmental unit from prohibiting the sale of spirits
22 ~~and mixed spirit drink~~ between the hours of 7 a.m. and 12 noon on
23 Sunday or between the hours of 7 a.m. on Sunday and 2 a.m. on
24 Monday under section 1113. A licensee selling alcoholic liquor
25 between 7 a.m. and 12 noon on Sunday shall obtain a permit and pay
26 to the commission an annual fee of \$160.00.

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

29 Sec. 1115. (1) A licensee ~~who~~ **that** elects to sell spirits ~~or~~

1 ~~mixed spirit drink~~ between the hours of 12 noon on Sunday and 2
2 a.m. on Monday under section 1113 shall not do so until ~~he or she~~
3 **the licensee** first obtains a permit and pays to the commission an
4 additional fee in the amount of 15% of the fee charged for the
5 issuance of his or her 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~~ **must** be deposited with the state treasurer in a
9 special fund to be used only by the department of ~~public health~~ **and**
10 **human services** in programs for the treatment of alcoholics. Any
11 other revenue resulting from the additional \$160.00 license fee as
12 described in section 1114 for sales of alcoholic liquor permitted
13 under sections 1111 and 1113 ~~shall~~ **must** be deposited into the
14 general fund.

15 Enacting section 1. This amendatory act does not take effect
16 unless all of the following bills of the 101st Legislature are
17 enacted into law:

18 (a) Senate Bill No. 142.

19

20 (b) Senate Bill No. 141.

21

22 (c) Senate Bill No. 143.

23