

MICHIGAN LIQUOR CONTROL CODE OF 1998 (EXCERPT)

Act 58 of 1998

Chapter 10

436.2001 Armories, air bases, naval installations and state military reservation.

Sec. 1001.

The commanding general of the Michigan national guard may publish by general order such regulations and restrictions as to the transportation, possession, sale, and use of alcoholic liquor in armories, air bases, and naval installations owned or leased by the state or provided by the federal government by lease, license, or use permit and used by outside parties of a nonmilitary or state governmental nature and on the state military reservation during the field training periods of the Michigan national guard, either in state or federal service, as he or she determines are for the best interests of the military service.

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998

436.2003 False or fraudulent statements.

Sec. 1003.

A person who makes a false or fraudulent statement to the commission, orally or in writing, for the purpose of inducing the commission to act or refrain from taking action or for the purpose of enabling or assisting a person to evade the provisions of this act is guilty of a violation of this act and is punishable in the manner provided for in section 909.

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998

436.2005 Adulterated, misbranded, or refilled liquors.

Sec. 1005.

(1) A licensee who, by himself or herself or by his or her agent or employee, sells, offers for sale, exposes for sale, or possesses alcoholic liquor that is adulterated, misbranded, or in bottles that have been refilled is guilty of a violation of this act.

(2) For purposes of this section, alcoholic liquor is adulterated if it contains any liquid or other ingredient that was not placed there by the original manufacturer or bottler.

(3) For purposes of this section, alcoholic liquor is misbranded if it is not plainly labeled, marked, or otherwise designated.

(4) For purposes of this section, alcoholic liquor bottles have been refilled when the bottles contain any liquid or other ingredient not placed in the bottles by the original manufacturer or bottler.

(5) This section does not apply to beer containers.

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998

436.2007 Alcoholic liquor as contraband.

Sec. 1007.

All alcoholic liquor that is manufactured, transported, sold, or possessed without the consent of the commission is hereby declared contraband and shall be disposed of by order of the commission.

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998

436.2009 Delivery of seized alcoholic liquor; bankruptcy; payment.

Sec. 1009.

(1) If alcoholic liquor is seized under a judgment rendered against a licensee or if a licensee becomes insolvent, the officer seizing that alcoholic liquor or the trustee in bankruptcy of the insolvent licensee shall deliver to the commission all alcoholic liquor found in the licensee's possession.

(2) Within 1 month after the date of delivery of alcoholic liquor to the commission by an officer or trustee in bankruptcy under this section, the commission shall pay over to the officer or trustee in bankruptcy the purchase price, less 10%, paid by the licensee to the commission for all legal alcoholic liquor seized and the value, less 10%, as established by the commission, of other legally acquired alcoholic liquor delivered to the commission under this section. Alcoholic liquor delivered to the commission under this section that was illegally acquired by the licensee shall be disposed of by order of the commission and payment shall not be made for that alcoholic liquor.

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998

436.2011 Printed price list; posting.

Sec. 1011.

Alcoholic liquor for consumption on the premises shall be sold only in accordance with a printed price list that is readily available to customers.

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998

436.2013 Sale or purchase of alcoholic liquor for cash; exceptions.

Sec. 1013.

A sale or purchase of alcoholic liquor made in a state liquor store and by all types of licensees shall be for cash only, except for the following:

(a) A customer's charge account with a specially designated merchant who is not a holder of a license authorizing sale of alcoholic liquor for consumption on the premises.

(b) A sale to a bona fide registered guest of a class B hotel or class A hotel, if the extension of credit does not exceed 30 days.

(c) A sale to an industrial account if the extension of credit does not exceed 30 days.

(d) A sale to a person holding an authorized credit card from a credit card agency.

(e) A sale to a professional account, or an industrial account of class C licensee or a tavern, whose major business is food, if the extension of credit does not exceed 30 days.

(f) A sale by a private club to a bona fide member.

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998

436.2014 Sale of unlimited quantity of alcoholic liquor at specific price; conditions; sale of 3 or more identical drinks containing alcoholic liquor for 1 price; prohibition; "private function" defined.

Sec. 1014.

(1) An on-premises licensee shall not sell, offer to sell, or advertise the sale of an unlimited quantity of alcoholic liquor at a specific price unless all of the following conditions are met:

(a) The sale, offer, or advertisement is in connection with a private function.

(b) The on-premises licensee has entered into a written agreement with the organizer of the private function stating all of the following:

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

(ii) The location of the event.

(iii) The terms under which alcohol will be sold and served during the event.

(c) The on-premises licensee makes available to the commission and local law enforcement, on notice, the written agreement described in subdivision (b).

(2) An on-premises licensee shall not sell, offer to sell, or advertise the sale of 3 or more identical drinks containing alcoholic liquor to an individual for the individual's consumption for 1 price. If 3 or more identical drinks containing alcoholic liquor are served to an individual at 1 time, the price charged for the third and each additional drink must be the same as the price charged for the first drink. Except on prior written order by the commission, an on-premises licensee shall not sell alcoholic liquor to an individual under this subsection for a price that is less than the on-premises licensee's cost for the alcoholic liquor.

(3) As used in this section, "private function" means an event that meets all of the following conditions:

(a) It is a prearranged private party, private function, or private event for a specific social or business occasion.

(b) Attendance is only by invitation or reservation.

(c) It is not open to the general public.

(d) The guests are served in an outdoor service area or room that is well-defined and clearly marked and designated and used exclusively for the event.

History: Add. 2015, Act 47, Imd. Eff. June 9, 2015 ;-- Am. 2020, Act 126, Imd. Eff. July 1, 2020

436.2015 Awarding unopened alcoholic liquor pursuant to lawful fund raising activity.

Sec. 1015.

(1) A nonlicensee, or a person who holds either a special license or a club license under this act, may offer and award unopened alcoholic liquor having a value of less than \$200.00 to a person 21 years of age or older in a drawing or raffle or as a door prize, pursuant to a lawful fund raising activity. The alcoholic liquor awarded shall not be consumed on the premises at which it is awarded.

(2) A person who holds either a special license or a club license under this act and who has purchased alcoholic liquors to be awarded as provided for in subsection (1) shall be exempt from sections 1021(2) and 1025 for those purchases.

(3) A person who holds either a special license or a club license under this act shall not sell or award alcoholic liquor to a person who is in an intoxicated condition.

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998

436.2017 Sterilization of glass; method and manner.

Sec. 1017.

Alcoholic liquor shall not be served to a person for consumption on the premises unless the glass in which the alcoholic liquor is to be served has been sterilized by a method and in a manner as prescribed by the commission.

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998

436.2019 Sales in hotel rooms.

Sec. 1019.

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

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

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998

436.2021 Selling or serving food; removal of liquor from premises; removal of partially consumed bottle of wine from premises; class A or B hotel; consumption of wine brought into premises by consumer.

Sec. 1021.

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

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

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

(4) This act and rules promulgated under this act do not prevent a class A or B hotel designed to attract and accommodate tourists and visitors in a resort area from allowing its invitees or guests to possess or consume, or both, on or about its premises alcoholic liquor purchased by the invitee or guest from an off-premises retailer and does not prevent a guest or invitee from entering and exiting the licensed premises with alcoholic liquor purchased from an off-premises retailer.

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

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998 ;-- Am. 2002, Act 725, Imd. Eff. Dec. 30, 2002 ;-- Am. 2005, Act 21, Imd. Eff. May 19, 2005 ;-- Am. 2013, Act 235, Eff. Mar. 14, 2014 ;-- Am. 2020, Act 124, Imd. Eff. July 1, 2020

436.2023 Pinball machines.

Sec. 1023.

The commission shall not prohibit licensees from allowing pinball machines on the premises for the purpose of amusement.

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998

436.2024 Automatic teller machine; preventing access to cash benefits from Michigan bridge card; definitions.

Sec. 1024.

(1) A retailer shall work with the department of human services and with persons that provide automatic teller machine services on the retailer's premises to prevent an individual's access to cash benefits from Michigan bridge cards through a point of sale device or withdrawal from an automatic teller machine on the retailer's premises. For purposes of this section only, a retailer does not include a retail food store.

(2) As used in this section:

(a) "Michigan bridge card" means the card that is used to distribute cash benefits by the department of human services.

(b) "Retail food store" means that term as defined in 7 USC 2012.

History: Add. 2013, Act 197, Eff. Feb. 1, 2014

436.2025 Giving away alcoholic liquor prohibited; exception; sale to intoxicated individual prohibited; inadmissibility of breathalyzer or blood alcohol test results.

Sec. 1025.

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

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

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

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

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

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

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

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

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

(3) A wholesaler or manufacturer may give samples of beer or wine to an employee of the wholesaler if all of the

following conditions are met:

- (a) The sampling is for the purpose of educating the employee regarding the beer or wine.
- (b) The employee is at least 21 years of age.
- (c) The sampling takes place on the licensed premises of the wholesaler.
- (4) A vendor shall not sell an alcoholic liquor to an individual in an intoxicated condition.
- (5) Evidence of any breathalyzer or blood alcohol test results obtained in a licensed establishment, or on property adjacent to the licensed premises and under the control or ownership of the licensee, is not admissible to prove a violation of this section, section 707(1), (2), (3), or (4), or section 801(1). To establish a violation of this section, section 707(1), (2), (3), or (4), or section 801(1), the individual's intoxicated condition at the time of the sale or consumption of alcohol must be proven by direct observation by law enforcement or commission enforcement personnel or through other admissible witness statements or corroborating evidence obtained as part of the standard investigation other than breathalyzer or blood alcohol test results.

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998 ;-- Am. 2002, Act 725, Imd. Eff. Dec. 30, 2002 ;-- Am. 2008, Act 11, Imd. Eff. Feb. 29, 2008 ;-- Am. 2010, Act 213, Imd. Eff. Nov. 17, 2010 ;-- Am. 2017, Act 88, Imd. Eff. July 12, 2017 ;-- Am. 2019, Act 131, Imd. Eff. Nov. 21, 2019

436.2027 Samplings or tastings of alcoholic liquor; consumption on premises; holding of consumer sampling event; violation; rule or order; sampling for other than commercial purpose; written agreement; definitions.

Sec. 1027.

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

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

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

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

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

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

(d) A micro brewer, brewpub, or on-premises licensee from allowing the sampling and consumption on the licensed premises of beer, wine, mead, honey-based beer, or cider produced by 1 or more home brewers at a meeting of home brewers, or a club composed primarily of home brewers, under the following circumstances:

- (i) The sampling or consumption is for the purpose of exhibitions or competitions involving home brewers.
- (ii) The beer, honey-based beer, or cider is served in portions that do not exceed 3 ounces. The wine or mead is served in portions that do not exceed 2 ounces.
- (iii) The beer, wine, mead, honey-based beer, or cider produced by the home brewer is only consumed by the home brewer, the home brewer's family, a club member, a judge, or a guest speaker and is not sold to members of the general public.

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

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

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

- (5) The holder of a consumer sampling event license shall comply with the following:
- (a) The commission must be notified in writing a minimum of 10 working days before the event with the date, time, and location of the event.
 - (b) The consumer sampling event is limited to 3 events per vendor of spirits or manufacturer per specially designated distributor license per month.
 - (c) The vendor of spirits or manufacturer conducting the consumer sampling event must have a licensed representative present at the specially designated distributor's establishment.
 - (d) Licensed representatives or an authorized representative may distribute merchandise, not to exceed \$100.00 in value, to consumers 21 years of age or older during the event.
 - (e) Participating specially designated distributor licensees do not receive any fee or other valuable consideration for participating in the event.
 - (f) Each consumer is limited to 3 samples, which total no more than 1/3 ounce of spirits per serving.
 - (g) The consumer is not charged for and does not purchase any sample.
 - (h) The alcoholic liquor used in the consumer sampling event is provided by the vendor of spirits or manufacturer, and purchased at the minimum retail selling price fixed by the commission from the specially designated distributor on whose premises the event is located. The vendor of spirits or manufacturer shall remove any unfinished product from the premises at which the event is held upon completion of the event.
 - (i) The consumer sampling event is not allowed if the sale of alcoholic liquor is otherwise prohibited on the premises at which the event is conducted.
 - (j) Samples are not offered to, or allowed to be consumed by, any person under the legal age for consuming alcoholic liquor.
 - (k) A consumer sampling event may be advertised in any type of media and the advertisements may include the date, time, location, and other information regarding the event.
 - (l) The participating vendor of spirits or manufacturer and specially designated distributor licensees complies with this act and commission rules.
 - (m) The vendor of spirits or manufacturer demonstrates that the individual actually conducting the sampling has successfully completed the server training program in the manner provided for in section 906 and rules promulgated by the commission.
- (6) Violation of this section subjects the vendor of spirits or manufacturer to the sanctions and penalties as provided for under this act.
- (7) The commission, by rule or issuance of an order, may further define eligibility for licensure and processes for conducting consumer sampling events.
- (8) A sampling or tasting of any alcoholic liquor in a home or domicile for other than a commercial purpose is not subject to this section.
- (9) Before a micro brewer, brewpub, or on-premises licensee allows an event to be held under subsection (3)(d), the micro brewer, brewpub, or on-premises licensee shall enter into a written agreement with the home brewers or home brewers club stating all of the following:
- (a) The date and time the event will be held.
 - (b) The location of the event.
 - (c) Either of the following:
 - (i) A statement that the micro brewer, brewpub, or on-premises licensee acknowledges that it is not in control of an unregulated alcoholic beverage at its establishment and agrees to assume liability under section 801(2) for the event.
 - (ii) Proof that the home brewers or home brewers club has obtained a bond or liability insurance equal to that required under section 803(1).
- (10) As used in this section:
- (a) "Commercial purpose" means a purpose for which monetary gain or other remuneration could reasonably be expected.
 - (b) "Home brewer" means an individual who manufactures beer, wine, mead, honey-based beer, or cider at his or her dwelling.

History: 1998, Act 58, Imd. Eff. Apr. 14, 1998 ;-- Am. 2001, Act 46, Imd. Eff. July 23, 2001 ;-- Am. 2008, Act 218, Imd. Eff. July 16, 2008 ;-- Am. 2010, Act 175, Imd. Eff. Sept. 30, 2010 ;-- Am. 2010, Act 213, Imd. Eff. Nov. 17, 2010 ;-- Am. 2011, Act 219, Imd. Eff. Nov. 10, 2011 ;-- Am. 2019, Act 131, Imd. Eff. Nov. 21, 2019

436.2028 Special license for spirits tasting; qualified organization; application; requirements; rebate on

purchase of spirits; designated supervisor; definitions.

Sec. 1028.

(1) The commission may issue a special license under this section to a qualified organization conducting a spirits tasting. The application must conform to all of the following:

(a) The application must be submitted by a qualified organization.

(b) The spirits tasting involves an event having for its primary purpose the showcasing of spirits and the spirits' production and or mixability.

(c) The application must be accompanied by a fee of \$25.00 per day of the event described in subdivision (b).

(2) The holder of a special license issued under this section shall not allow more than 6 events per calendar year conforming to the requirements of subsection (1).

(3) A holder of a special license issued under this section may purchase the spirits for an event described in subsection (1) under R 436.582 of the Michigan Administrative Code.

(4) A holder of a special license issued under this section may receive a rebate on the purchase of spirits subject to all of the following:

(a) The rebate must be the difference of the purchase price the special licensee paid to the specially designated distributor and the sum of the following:

(i) The price the commission paid for the spirits before establishing the price to determine the gross profit under section 233.

(ii) Fifteen percent of the price under subparagraph (i).

(iii) Specific taxes calculated on the price of the spirits established under section 233.

(b) The special licensee shall submit 1 combined request for a rebate by March 1 of each year for all spirit tasting events for which it was issued a special license under this section in the previous calendar year.

(c) The special licensee shall submit its request for a rebate on a form prescribed by the commission. The special licensee shall include all of the following information with its request for a rebate:

(i) The date or dates of the spirits tasting events for which a rebate is being requested.

(ii) The name and license number of the specially designated distributor from which the spirits were purchased.

(iii) The purchase price paid per bottle to the specially designated distributor.

(iv) The quantity of bottles purchased less any bottles returned under section 609d.

(v) The special licensee shall submit a copy of the receipt or invoice that shows the price it paid for the spirits to the specially designated distributor and any products returned under section 609d.

(d) By June of each year, the commission shall issue a combined rebate to the special licensee for each of the events in the previous calendar year for which the special licensee submitted a request for a rebate. The rebate for any 1 event must not exceed \$10,000.00.

(5) A holder of a special license issued under this section and the member vendors of spirits, small distillers, authorized distribution agents, and brokers whose vendor representatives, salespersons, or agents are licensed by the commission, may pour and serve spirits, with or without mixers.

(6) A qualified organization shall designate a supervisor on each shift and during all hours when alcoholic liquor is served who has successfully completed a server training program as described in section 906 and in the rules promulgated by the commission.

(7) As used in this section:

(a) "Qualified organization" is a nonprofit association established for the primary purpose of representing the interests of vendors of spirits, craft distillers, and brokers whose membership includes at least 15 primary members and consists of at least 3 of the following that are licensed by the commission:

(i) Vendors of spirits.

(ii) Small distillers.

(iii) Brokers. As used in this subparagraph, "broker" means that term as defined in section 609.

(iv) Authorized distribution agents.

(b) "Spirits tasting" means an event at which spirits are showcased to the general public and at which the general public can purchase and sample the spirits being showcased for consumption on the licensed premises.

History: Add. 2020, Act 24, Imd. Eff. Feb. 4, 2020

436.2029 Packaging of nonalcoholic carbonated beverages with spirits.

Sec. 1029.

(1) The commission, by promulgation of a rule, issuance of an order, or execution of a memorandum of understanding with the department of treasury, or any combination thereof, may allow the conduct by a manufacturer or outstate seller of spirits of a preapproved program for marketing spirits by inclusion of nonalcoholic carbonated beverages to be packaged with spirits. The commission may, in conjunction with the department of treasury, adopt a program that disallows the redemption of returnable containers from the commission but otherwise allows redemption of Michigan-sold returnable containers at other venues, and shall allow for a system of appropriate allocation of funds under 1976 IL 1, MCL 445.571 to 445.576, by means of the issuance of an order or by adoption of a rule.

(2) The commission shall provide for a system of non-mail-in or instant coupon transactions that does not diminish the spirit product margins allocated to the state under this act by means of the issuance of an order or by adoption of a rule.

History: Add. 2010, Act 175, Imd. Eff. Sept. 30, 2010

436.2030 Repealed. 2017, Act 166, Eff. Feb. 11, 2018.

Compiler's Notes: The repealed section pertained to sale of keg beer.

436.2031 "Wine auction license" defined; issuance of license; restrictions; payment of taxes; delivery, storage, warehousing, and delivery of wine; sale and resale of wine purchases at auction.

Sec. 1031.

(1) As used in this section, "wine auction license" means a license issued by the commission to sell wine by auction, subject to the following:

(a) The wine is sold through an auction by a person that is licensed as a specially designated merchant or through a seller that is a partner with a specially designated merchant, as evidenced by a written agreement of the parties.

(b) The owner of the wine is not licensed under this act.

(c) The wine is part of a private collection owned by a person that is not licensed under this act.

(d) The specially designated merchant ensures that each bottle sold from the private collection has a permanently affixed tag or label stating that the wine was acquired from a private collection.

(2) If it receives a completed application and the license fee described in section 525(1)(aa), the commission shall issue a wine auction license to a person licensed as a specially designated merchant, or a seller that is a partner with a specially designated merchant, who is arranging for the sale of wine by an owner that is not licensed under this act. The commission shall issue the license for a term of 1 year. The license allows the licensee to hold not more than 12 auctions per license year.

(3) The license restrictions prescribed under this section and under this act are in addition to those requirements and prescriptions imposed by any local law or ordinance, or resolution of the local unit of government.

(4) The holder of the wine auction license is responsible for the payment of any applicable sales or excise taxes regarding the sale of the wine by auction.

(5) The holder of the wine auction license is responsible for the delivery, storing, and warehousing of the wine offered for sale and for the delivery of the wine to the purchasers.

(6) A person that is licensed to sell wine at wholesale or retail may purchase any wine offered at an auction under this section and may resell that wine in accordance with the terms of the license, if at the time of sale the tag or label remains permanently affixed to the bottle.

(7) The sale and resale of wine purchased at auction is subject to this act and any rules of the commission promulgated under this act.

History: Add. 2010, Act 175, Imd. Eff. Sept. 30, 2010 ;-- Am. 2014, Act 194, Imd. Eff. June 24, 2014

