

# SENATE BILL No. 57

January 24, 2007, Introduced by Senator PAPPAGEORGE and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending sections 537 and 1025 (MCL 436.1537 and 436.2025), section 537 as amended by 2005 PA 269 and section 1025 as amended by 2002 PA 725.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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

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

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

7           (c) Clubs where beer, wine, mixed spirit drink, and spirits

1 may be sold for consumption on the premises only to bona fide  
2 members where consumption is limited to these members and their  
3 bona fide guests, who have attained the age of 21 years.

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

6 (e) Hotels of class A where beer and wine may be sold for  
7 consumption on the premises and in the rooms of bona fide  
8 registered guests. Hotels of class B where beer, wine, mixed spirit  
9 drink, and spirits may be sold for consumption on the premises and  
10 in the rooms of bona fide registered guests.

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

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

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

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

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

24 (i) Class C.

25 (ii) Tavern.

26 (iii) Class A hotel.

27 (iv) Class B hotel.

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

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

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

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

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

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

24 (3) A wine maker, with the prior written approval of the  
25 commission, may conduct wine tastings of wines made by that wine  
26 maker and may sell the wine made by that wine maker for consumption  
27 off the premises at a location other than the premises where the

1 wine maker is licensed to manufacture wine, under the following  
2 conditions:

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

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

7 (c) The wine tasting locations shall be considered licensed  
8 premises.

9 (d) Wine tasting does not take place between the hours of 2  
10 a.m. and 7 a.m. Monday through Saturday, or between 2 a.m. and 12  
11 noon on Sunday.

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

14 (4) NOTWITHSTANDING SECTION 1025(1), A SPECIALLY DESIGNATED  
15 MERCHANT, WHO DOES NOT HOLD A LICENSE ALLOWING THE CONSUMPTION OF  
16 ALCOHOLIC LIQUOR ON THE PREMISES AT THE SAME LICENSED ADDRESS, MAY  
17 CONDUCT WINE TASTINGS ON THE LICENSED PREMISES UNDER THE FOLLOWING  
18 CONDITIONS:

19 (A) A CUSTOMER IS NOT CHARGED FOR THE TASTING OF WINE.

20 (B) THE TASTING SAMPLES PROVIDED TO A CUSTOMER DO NOT EXCEED 1  
21 OUNCE PER SERVING AND NOT MORE THAN 6 SERVINGS FOR A TOTAL OF 6  
22 OUNCES ARE PROVIDED TO A CUSTOMER WITHIN A 24-HOUR PERIOD.

23 (C) THE LICENSEE HAS FIRST OBTAINED A WINE TASTING PERMIT  
24 APPROVED BY THE COMMISSION AND PAID A \$50.00 ANNUAL FEE PER  
25 LOCATION.

26 (5) DURING THE TIME A WINE TASTING CONDUCTED UNDER SUBSECTION  
27 (4) IS CONDUCTED, THE LICENSEE, OR AN AGENT OR EMPLOYEE OF THE

1 LICENSEE, WHO HAS SUCCESSFULLY COMPLETED A SERVER TRAINING PROGRAM  
2 AS PROVIDED FOR IN SECTION 906 SHALL DEVOTE FULL TIME TO THE WINE  
3 TASTING ACTIVITY AND SHALL PERFORM NO OTHER DUTIES, INCLUDING THE  
4 SALE OF ALCOHOLIC LIQUOR FOR CONSUMPTION OFF THE LICENSED PREMISES.  
5 WINE USED FOR THE TASTING MUST COME FROM THE SPECIALLY DESIGNATED  
6 MERCHANT'S INVENTORY, AND ALL OPEN BOTTLES MUST BE REMOVED FROM THE  
7 PREMISES ON THE SAME BUSINESS DAY OR RESEALED AND STORED IN A  
8 LOCKED, SEPARATE STORAGE COMPARTMENT ON THE LICENSED PREMISES WHEN  
9 NOT BEING USED FOR THE ACTIVITIES ALLOWED BY THE PERMIT.

10 (6) A MANUFACTURER, WHOLESALER, OUTSTATE SELLER OF WINE, WINE  
11 MAKER, OR SALESPERSON IS PROHIBITED FROM CONDUCTING OR  
12 PARTICIPATING IN WINE TASTINGS ALLOWED BY THE PERMIT CREATED IN  
13 SUBSECTION (4).

14 (7) A WINE TASTING UNDER SUBSECTION (4) MAY ONLY BE CONDUCTED  
15 DURING THE LEGAL HOURS FOR SALE OF ALCOHOLIC LIQUOR BY THE  
16 LICENSEE.

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

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

22 (a) A vendor of spirits, brewer, mixed spirit drink  
23 manufacturer, wine maker, small wine maker, outstate seller of  
24 beer, outstate seller of wine, or outstate seller of mixed spirit  
25 drink, or a bona fide market research organization retained by 1 of  
26 the persons named in this subsection, from conducting samplings or  
27 tastings of an alcoholic liquor product before it is approved for

1 sale in this state, if the sampling or tasting is conducted  
2 pursuant to prior written approval of the commission.

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

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

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