

SENATE BILL No. 32

January 19, 2011, Introduced by Senator HANSEN and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 537 (MCL 436.1537), as amended by 2010 PA 213.

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
4 on the premises only.

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

7 (c) Clubs, where beer, wine, mixed spirit drink, and spirits
8 may be sold for consumption on the premises only to bona fide
9 members where consumption is limited to these members and their

1 bona fide guests, who have attained the age of 21 years.

2 (d) Direct shippers, where wine may be sold and shipped
3 directly to the consumer.

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

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

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

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

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

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

22 (i) Class C.

23 (ii) Tavern.

24 (iii) Class A hotel.

25 (iv) Class B hotel.

26 (k) Micro brewers and brewers selling less than 200,000
27 barrels of beer per year, where beer produced by the micro brewer

1 or brewer may be sold to a consumer for consumption on or off the
2 brewery premises.

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

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

11 (n) Motorsports event ~~license~~-**LICENSEE**, where beer and wine
12 may be sold for consumption on the premises during sanctioned
13 motorsports events only.

14 (o) Wine maker, where wine may be sold by direct shipment, at
15 retail on the licensed premises, and as provided for in subsections
16 (2), ~~and~~ (3), (4), **AND (10)**.

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

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

26 **(R) FARMERS MARKET LICENSEE, WHERE WINE MAY BE SAMPLED AND**
27 **SOLD AT A FARMERS MARKET FOR CONSUMPTION OFF THE LICENSED PREMISES.**

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

6 (3) A wine maker, with the prior written approval of the
7 commission, may conduct wine tastings of wines made by that wine
8 maker on the premises where the wine maker is licensed to
9 manufacture wine. The wine maker may charge for the samples.

10 (4) A wine maker, with the prior written approval of the
11 commission, may conduct wine tastings of wines made by that wine
12 maker and may sell the wine made by that wine maker for consumption
13 off the premises at a location other than the premises where the
14 wine maker is licensed to manufacture wine, under the following
15 conditions:

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

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

20 (c) The wine tasting locations shall be considered licensed
21 premises, and the wine maker may include a charge for the samples.

22 (d) Wine tasting takes place during the legal hours for the
23 sale of alcoholic liquor by the licensee.

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

26 (5) Notwithstanding section 1025(1), an outstate seller of
27 beer, an outstate seller of wine, a wine maker, a brewer, a micro

1 brewer, or a specially designated merchant, or an agent of any of
2 those persons, who does not hold a license allowing the consumption
3 of alcoholic liquor on the premises at the same licensed address,
4 may conduct beer and wine tastings on the licensed premises of a
5 specially designated merchant under the following conditions:

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

7 (b) The tasting samples provided to a customer do not exceed 3
8 servings at up to 3 ounces per serving of beer or 3 servings at up
9 to 2 ounces of wine. A customer shall not be provided more than a
10 total of 3 samples of beer or wine within a 24-hour period per
11 licensed premises.

12 (c) The specially designated merchant, outstate seller of
13 beer, outstate seller of wine, wine maker, micro brewer, or brewer
14 has first obtained an annual beer and wine tasting permit approved
15 by the commission.

16 (d) The commission is notified, in writing, a minimum of 10
17 working days prior to the event, regarding the date, time, and
18 location of the event.

19 (6) During the time a beer or wine tasting is conducted under
20 subsection (5), **A** specially designated merchant, outstate seller of
21 beer, outstate seller of wine, wine maker, micro brewer, or brewer,
22 or its agent or employee who has successfully completed a server
23 training program as provided for in section 906, shall devote full
24 time to the beer and wine tasting activity and shall perform no
25 other duties, including the sale of alcoholic liquor for
26 consumption off the licensed premises. Beer and wine used for the
27 tasting must come from the specially designated merchant's

1 inventory, and all open bottles must be removed from the premises
2 on the same business day or resealed and stored in a locked,
3 separate storage compartment on the licensed premises when not
4 being used for the activities allowed by the permit.

5 (7) A wholesaler is prohibited from conducting or
6 participating in beer and wine tastings allowed by the permit
7 created in subsection (5).

8 (8) A beer and wine tasting under subsection (5) may only be
9 conducted during the legal hours for sale of alcoholic liquor by
10 the licensee.

11 (9) A brandy manufacturer or small distiller, with the prior
12 written approval of the commission, may conduct tastings of brandy
13 and spirits made by that brandy manufacturer or small distiller and
14 may sell the brandy and spirits made by that brandy manufacturer or
15 small distiller for consumption off the licensed premises at a
16 location other than the licensed premises where the brandy
17 manufacturer or small distiller is licensed to manufacture brandy
18 or spirits under the following conditions:

19 (a) The premises upon which the brandy and spirits tastings
20 occur conform to local and state sanitation requirements.

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

23 (c) The brandy and spirits tasting locations shall be
24 considered licensed premises.

25 (d) Brandy and spirits tasting shall take place during the
26 legal hours for selling alcoholic liquor by the licensee.

27 (e) The premises and the license comply with and are subject

1 to all applicable rules promulgated by the commission.

2 (10) THE COMMISSION MAY ISSUE FARMERS MARKET LICENSES FOR WINE
3 MAKERS FOR THE PURPOSES OF ALLOWING WINE TASTING AND THE SALE OF
4 WINE PRODUCED, BY THAT WINE MAKER, AT A FARMERS MARKET, FOR
5 CONSUMPTION OFF THE LICENSED PREMISES. THE COMMISSION SHALL CHARGE
6 A LICENSE FEE OF \$25.00 PER DAY, FOR UP TO 20 NONCONSECUTIVE DAYS
7 PER CALENDAR YEAR. SECTION 503 DOES NOT APPLY TO THE APPLICATION OR
8 ISSUANCE OF A LICENSE UNDER THIS SUBSECTION. IN ISSUING A FARMERS
9 MARKET LICENSE UNDER THIS SECTION, THE COMMISSION SHALL REQUIRE THE
10 FOLLOWING:

11 (A) THAT THE WINE TASTING AND SALES BE LIMITED TO AN AREA
12 UNDER THE CONTROL OF THE WINE MAKER.

13 (B) THAT THE APPLICANT DEMONSTRATE IN A MANNER ACCEPTABLE TO
14 THE COMMISSION THAT THE LOCAL POLICE AGENCY HAS APPROVED THE
15 PROPOSED LICENSED ACTIVITY.

16 (11) AS USED IN THIS SECTION, "FARMERS MARKET" MEANS A GROUP
17 OF FARMERS WHO ASSEMBLE AT A DEFINED COMMUNITY-SPONSORED OR
18 MUNICIPALLY SPONSORED LOCATION FOR THE PURPOSE OF SELLING, DIRECTLY
19 TO CONSUMERS, PRODUCE PRODUCED BY THOSE FARMERS.