

SENATE BILL No. 279

March 20, 2013, 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 2011 PA 298.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 537. (1) The following classes of vendors may sell
2 alcoholic liquor 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
10 bona fide guests, who are 21 years of age or older.

11 (d) Direct shippers, where wine may be sold and shipped

1 directly to the consumer.

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

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

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

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

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

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

20 (i) Class C.

21 (ii) Tavern.

22 (iii) Class A hotel.

23 (iv) Class B hotel.

24 (k) Micro brewers and brewers, where beer produced by the
25 micro brewer or brewer may be sold to a consumer for consumption on
26 or off the brewery premises.

27 (l) Class G-1 ~~license~~**LICENSEE**, where beer, wine, mixed spirit

1 drink, and spirits may be sold for consumption on the premises only
2 to members required to pay an annual membership fee and consumption
3 is limited to these members and their bona fide guests.

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

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

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

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

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

23 **(R) A SMALL WINE MAKER OR AN OUT-OF-STATE ENTITY THAT IS THE**
24 **SUBSTANTIAL EQUIVALENT OF A SMALL WINE MAKER, THAT HOLDS A FARMER'S**
25 **MARKET PERMIT, WHERE WINE MAY BE SAMPLED AND SOLD AT A FARMER'S**
26 **MARKET FOR CONSUMPTION OFF THE LICENSED PREMISES.**

27 (2) A wine maker may sell wine made by that wine maker in a

1 restaurant for consumption on or off the premises if the restaurant
2 is owned by the wine maker or operated by another person under an
3 agreement approved by the commission and located on the premises
4 where the wine maker is licensed.

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

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

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

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

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

21 (d) The wine tasting takes place during the legal hours for
22 the sale of alcoholic liquor by the licensee.

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

25 (5) Notwithstanding section 1025(1), an outstate seller of
26 beer, an outstate seller of wine, a wine maker, a brewer, a micro
27 brewer, or a specially designated merchant, or an agent of any of

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

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

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

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

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

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

1 on the same business day or resealed and stored in a locked,
2 separate storage compartment on the licensed premises when not
3 being used for the activities allowed by the permit.

4 (7) A wholesaler shall not conduct or participate in beer and
5 wine tastings allowed under a permit issued under subsection (5).

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

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

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

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

21 (c) The brandy and spirits tasting locations are considered
22 licensed premises.

23 (d) The brandy and spirits tasting takes place during the
24 legal hours for the sale of alcoholic liquor by the licensee.

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

27 Enacting section 1. This amendatory act takes effect 90 days

1 after the date it is enacted into law.

2 Enacting section 2. This amendatory act does not take effect
3 unless Senate Bill No. 79 of the 97th Legislature is enacted into
4 law.