

SENATE BILL NO. 512

September 03, 2025, Introduced by Senators SINGH, HAUCK, BELLINO, MCMORROW, HOITENGA, LAUWERS, SANTANA, WOJNO, BUMSTEAD, HERTEL, POLEHANKI, WEBBER and DAMOOSE and referred to Committee on Regulatory Affairs.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending sections 105, 303, 526, 607, 609b, and 1025 (MCL
436.1105, 436.1303, 436.1526, 436.1607, 436.1609b, and 436.2025),
section 105 as amended by 2022 PA 226, section 303 as amended by
2018 PA 154, section 526 as amended by 2020 PA 111, section 607 as
amended by 2018 PA 417, section 609b as added by 2016 PA 81, and
section 1025 as amended by 2019 PA 131, and by adding section 412.

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,

1 but does not mean ethyl or industrial alcohol, diluted or not, that
2 has been denatured or otherwise rendered unfit for beverage
3 purposes.

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

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

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

16 (a) An arrangement in which 2 or more wine makers or small
17 wine makers take turns using the same space and equipment to
18 manufacture wine under section 603(9)(a) and in accordance with 27
19 CFR 24.136.

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

23 (5) "Approved tasting room" means a tasting room that is
24 approved by the commission. A licensee with an approved tasting
25 room is not a retail licensee as that term is used in this act and
26 the rules promulgated under this act except for sections 701, 801,
27 803, 815, 905, and 906.

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

1 (a) To store spirits owned by a supplier of spirits or the
2 commission.

3 (b) To deliver spirits sold by the commission to retail
4 licensees.

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

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

10 (8) "Beer" means ~~a~~**both of the following:**

11 (a) **A beverage obtained by alcoholic fermentation of an**
12 **infusion or decoction of barley, malt, hops, sugar, or other cereal**
13 **in potable water that contains at least 0.5% of alcohol by volume.**

14 (b) **A beverage obtained by alcoholic fermentation of an**
15 **infusion or decoction of barley, malt, hops, or other cereal in**
16 **potable water that contains less than 0.5% of alcohol by volume,**
17 **including a beverage that contains 0.0% of alcohol by volume.**

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

23 (10) "Brand" means any word, name, group of letters, symbol,
24 trademark, or combination ~~thereof~~**of any word, name, group of**
25 **letters, symbol, or trademark** adopted and used by a supplier to
26 identify a specific beer, malt beverage, wine, mixed wine drink, or
27 mixed spirit drink product and to distinguish that product from
28 another beer, malt beverage, wine, mixed wine drink, or mixed
29 spirit drink product that is produced or marketed by that or

1 another supplier. As used in this subsection, "supplier" means a
2 brewer, micro brewer, an outstate seller of beer, a wine maker, a
3 small wine maker, an outstate seller of wine, a manufacturer of
4 mixed wine drink, an outstate seller of a mixed wine drink, a mixed
5 spirit drink manufacturer, or an outstate seller of mixed spirit
6 drink.

7 (11) "Brand extension" means any brand that incorporates all
8 or a substantial part of the unique features of a preexisting
9 brand, regardless of whether the extension is beer, wine, mixed
10 wine drink, or mixed spirit drink.

11 (12) "Brandy" means an alcoholic liquor as defined in 27 CFR
12 ~~5.22(d)~~.—**5.145**.

13 (13) "Brandy manufacturer" means a wine maker or a small wine
14 maker licensed under this act to manufacture brandy. A wine maker
15 or small wine maker authorized to manufacture brandy shall not
16 manufacture any other spirits. The commission may approve a brandy
17 manufacturer to sell brandy that it manufactures at retail in
18 accordance with section 537.

19 (14) "Brewer" means a person located in this state that is
20 licensed to manufacture beer and sell at retail in accordance with
21 section 537 and to licensed wholesalers beer manufactured by the
22 person.

23 (15) "Brewpub" means a license issued in conjunction with a
24 class C, tavern, class A hotel, or class B hotel license that
25 authorizes the person licensed with the class C, tavern, class A
26 hotel, or class B hotel **license** to manufacture and brew not more
27 than 18,000 barrels of beer per calendar year in this state and
28 sell at its licensed premises the beer produced for consumption on
29 or off the licensed brewery premises in the manner provided for in

1 sections 405, 407, and 537.

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

9 (a) As a nonvoting member, the director of the department of
10 agriculture and rural development or ~~his or her~~ **the director's**
11 **designee and the commission's business manager or the business**
12 **manager's designee.**

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

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

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

20 (iii) Two representatives of wine makers.

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

23 (v) A representative of ~~large brewers~~ **a micro brewer or a**
24 **brewer that is not a micro brewer.**

25 (vi) One of the following:

26 (A) A representative of micro brewers.

27 (B) A representative of brewpub license holders.

28 (vii) A representative of small distillers.

29 (viii) A representative of distillers that manufacture more than

1 60,000 gallons of spirits per year.

2 (2) The following apply to a member of the council appointed
3 under subsection (1)(b):

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

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

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

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

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

27 (6) The council shall maintain accurate books and records, and
28 all money received by the council shall be used to implement and
29 enforce this section. The council may accept money from any source

1 for the purpose of carrying out this section. All money received by
2 the council shall be forwarded to the state treasurer for deposit
3 into the Michigan craft beverage council fund created in section
4 303a.

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

8 (a) Research into both of the following:

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

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

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

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

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

28 (iii) Provide for market surveys and analyses for purposes of
29 expanding existing markets and creating new and larger markets for

1 Michigan agricultural products such as fruits, hops, and barley,
2 that are used in the production of wine, cider, beer, spirits, and
3 mixed spirit drinks.

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

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

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

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

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

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

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

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

1 implied powers necessary or desirable to secure that financial or
2 other aid or cooperation in the carrying out of any of the purposes
3 of this section.

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

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

14 (d) Prepare and adopt an annual budget.

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

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

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

26 (11) The council may promulgate rules ~~pursuant to~~ **in**
27 **accordance with** the administrative procedures act of 1969, 1969 PA
28 306, MCL 24.201 to 24.328, for the purposes of implementing and
29 enforcing this section. However, the council shall not promulgate a

1 rule that conflicts with a rule promulgated by the commission under
2 section 215.

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

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

16 (14) As used in this section:

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

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

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

1 by the same person are treated as a single facility.

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

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

6 **Sec. 412. (1) The legislature finds that the availability of**
7 **nonalcoholic beverages, including nonalcoholic beer at tasting**
8 **rooms, promotes public health and safety when done through a**
9 **regulated structure that minimizes minor access to nonalcoholic**
10 **beer.**

11 (2) The legislature further finds that the 3-tier distribution
12 system remains the most effective balance of increasing competition
13 and variety and access to market against public health and safety.
14 The ability of a wholesaler to sell nonalcoholic products to a
15 brewer operating a tasting room under this section must not be used
16 to undermine the 3-tier distribution system.

17 (3) Notwithstanding anything in this act to the contrary, a
18 wholesaler may sell beer as defined in section 105(8)(b) to a
19 brewer or micro brewer to sell at the brewer's or micro brewer's
20 approved tasting room for consumption on or off the licensed
21 premises.

22 (4) A micro brewer or a brewer that is not a micro brewer that
23 purchases beer as defined in section 105(8)(b) under subsection (3)
24 shall not do either of the following:

25 (a) Sell or transfer the beer to another licensee.

26 (b) If the micro brewer or the brewer that is not a micro
27 brewer has multiple licensed locations with approved tasting rooms,
28 transfer the beer to any of the brewer's or micro brewer's licensed
29 locations.

1 Sec. 526. (1) The commission may issue a special license under
2 this section to an organization conducting a beer festival. The
3 application must conform to the following:

4 (a) Be submitted by a nonprofit entity composed primarily of
5 brewers, micro brewers, and brewpubs, as determined by the
6 commission.

7 (b) Involve an event having for its primary purpose the
8 showcasing of beer and its production.

9 (c) Be accompanied by a fee of \$25.00 per day of the event.

10 (2) The special license must not allow more than 6 events per
11 calendar year conforming to the requirements of subsection (1). For
12 purposes of this subsection, a beer festival that spans 2 or more
13 consecutive days is considered 1 event.

14 (3) A holder of a special license issued under this section
15 may buy a quantity of beer directly from any licensed brewpub or
16 wholesaler or directly from a micro brewer eligible to self-
17 distribute to the beer festival for consumption only at the
18 licensed event.

19 (4) ~~Beer~~ **Notwithstanding anything in this act to the contrary,**
20 **beer** that is dispensed to consumers for showcasing beer at a beer
21 festival is considered a sample. A holder of a special license
22 issued under this section may offer beer described in this
23 subsection without consideration.

24 (5) A member, who is 18 years of age or older, of an
25 organization that holds a special license issued under this section
26 may serve beer at the event.

27 (6) As used in this section and section 413, "beer festival"
28 means an event at which the various types and kinds of beer and the
29 production of that beer are showcased to the general public and at

1 which the general public can purchase and sample the beer being
2 showcased for consumption on the licensed premises.

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

17 (2) A specially designated distributor or specially designated
18 merchant or any other retailer shall not hold a mixed spirit drink
19 manufacturer, wholesale, warehouse, outstate seller of beer,
20 outstate seller of mixed spirit drink, or outstate seller of wine
21 license. Beginning December 23, 2007, a specially designated
22 distributor or specially designated merchant shall not hold a wine
23 maker or small wine maker license in addition to being prohibited
24 from holding any other license described in this subsection. Any
25 specially designated distributor or specially designated merchant
26 holding a wine maker or small wine maker license on December 23,
27 2007 may continue to hold a wine maker or small wine maker license.

28 (3) A brewer, warehouser, or wholesaler ~~shall~~**must** not be
29 licensed as a specially designated merchant. This subsection does

1 not affect the operation of a brewery hospitality room.

2 (4) A wholesaler may sell or deliver beer, **wine, mixed wine**
3 **drink**, and ~~alcoholic liquor~~ **mixed spirit drink** to hospitals,
4 military establishments, governments of federal Indian
5 reservations, **a border store or airport store as defined in 19 USC**
6 **1555(b) (8); a trade association exempt from taxation under section**
7 **501(c) (6) of the internal revenue code of 1986, 26 USC 501, whose**
8 **members are licensed under this act and where the beer, wine, mixed**
9 **wine drink, or mixed spirit drink is for on-premises consumption**
10 **and not for resale;** and churches requiring sacramental wines and
11 may sell to the wholesaler's own employees to a limit of 2 cases of
12 24 12-ounce units or its equivalent of malt beverage per week, or 1
13 case of 12 1-liter units or its equivalent of wine, **mixed wine**
14 **drink**, or mixed spirit drink per week.

15 Sec. 609b. (1) A vendor representative and salesperson of a
16 vendor of spirits, **a manufacturer of beer, a manufacturer of wine,**
17 **a mixed spirit drink manufacturer, an** outstate seller of beer, **an**
18 outstate seller of wine, **an outstate seller of mixed spirit drink,**
19 or **a** wholesaler shall maintain accurate records of expenditures for
20 each call on a retail licensee. The records must be maintained for
21 4 years and must be made available for commission inspection.

22 (2) A vendor representative or salesperson of spirits or wine,
23 for promotional purposes, may purchase 1 drink for each customer of
24 an on-premises licensee. A drink purchased under this subsection
25 must be of the brand represented by the vendor representative or
26 salesperson.

27 (3) A vendor representative or salesperson of a manufacturer
28 of beer, **a mixed spirit drink manufacturer,** a wholesaler of beer **or**
29 **mixed wine drink, an outstate seller of mixed spirit drink, or an**

1 outstate seller of beer, for promotional purposes, may purchase 1
2 drink for each customer of an on-premises retail licensee subject
3 to a total spending limit of \$100.00 per day. A drink purchased
4 under this subsection must be of the brand represented by the
5 vendor representative or salesperson.

6 (4) A vendor representative or salesperson of a manufacturer
7 of beer, **a mixed spirit drink manufacturer**, a wholesaler of beer **or**
8 **mixed wine drink, an outstate seller of mixed spirit drink**, or an
9 outstate seller of beer shall not purchase a drink under subsection
10 (3) more than twice per month at the same on-premises retail
11 licensed location.

12 (5) A licensee employed to deliver alcoholic liquor shall not
13 purchase a drink of alcoholic liquor for a retail licensee while on
14 duty or in the course of employment.

15 Sec. 1025. (1) Except as otherwise provided in subsection (3),
16 and subject to subsection (2), a vendor shall not give away any
17 alcoholic liquor of any kind or description at any time in
18 connection with ~~his or her~~ **the vendor's** business, except a vendor
19 that is a manufacturer for consumption on the premises only.

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

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

29 (b) A person from conducting any sampling or tasting

1 authorized by rule of the commission.

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

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

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

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

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

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

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

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

21 (c) The sampling takes place on the licensed premises of the
22 wholesaler.

23 **(4) A micro brewer or a brewer that is not a micro brewer may**
24 **give samples of beer to an employee of another brewer or micro**
25 **brewer if all of the following conditions are met:**

26 **(a) The sampling is for the purpose of research or of**
27 **educating the employee regarding the beer.**

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

29 **(c) The sampling takes place on the licensed premises of the**

1 **other micro brewer or the other brewer that is not a micro brewer.**

2 (5) ~~(4)~~—A vendor shall not sell an alcoholic liquor to an
3 individual in an intoxicated condition.

4 (6) ~~(5)~~—Evidence of any breathalyzer or blood alcohol test
5 results obtained in a licensed establishment, or on property
6 adjacent to the licensed premises and under the control or
7 ownership of the licensee, is not admissible to prove a violation
8 of this section, section 707(1), (2), (3), or (4), or section
9 801(1). To establish a violation of this section, section 707(1),
10 (2), (3), or (4), or section 801(1), the individual's intoxicated
11 condition at the time of the sale or consumption of alcohol must be
12 proven by direct observation by law enforcement or commission
13 enforcement personnel or through other admissible witness
14 statements or corroborating evidence obtained as part of the
15 standard investigation other than breathalyzer or blood alcohol
16 test results.

17 Enacting section 1. This amendatory act does not take effect
18 unless all of the following bills of the 103rd Legislature are
19 enacted into law:

20 (a) Senate Bill No. ____ (request no. S01013'25) or House Bill
21 No. ____ (request no. H01013'25).

22 (b) Senate Bill No. 514.