



LEGISLATIVE SUMMARIES

SB942:

Introduced by: Senator Nesbitt (R – District 26)

Date Introduced: 5/28/20

Summary: SB942 contains a number of items that would amend the Michigan Liquor Control Code to do the following:

- Allow an on-premises retail licensee to purchase 120 liters of spirits from an off-premises licensee per calendar year, subject to monthly reporting if spirits purchases are made. Currently, the allowable amount is capped monthly at 9 liters (108 per year). MLCC will establish a method of electronic reporting (simple form).
- Provides on-premises licensees with a 23% discount on spirits purchased via the state system for a 12-month period upon enactment. Currently, the discount is set at 17%.
- Allows on-premises licensees to offer two-for-one pricing on drinks, but not a greater number of drinks for one price. The total dollar amount for the promotion must remain at or above cost.
- Allows small distillers/distillers to sell mixed spirits drinks to go and allows them to provide samples of mixed spirits drinks for consumption on the licensed premises.
- Creates an exception to the aid and assistance rule and allows manufacturers to refund a wholesaler up to the amount the wholesaler paid for beer or wine if:
 - The wholesaler purchased the beer or wine from the manufacturer and the wholesaler refunded to the retailer the amount the retailer paid for that beer or wine or replaced that beer or wine.
 - The beer or wine that the wholesaler purchased from the manufacturer has gone out of date while in possession of the wholesaler.

HB5811:

Introduced by: Representative Anthony (D – District 68)

Date Introduced: 5/28/20

Summary:

- Allows on-premises licensees to sell alcohol to go, in a qualified container, for consumption off the licensed premises. (Until December 31, 2025.)
 - The qualified licensee or his or her agent or employee does not fill a qualified container in advance of the sale.
 - The qualified licensee or his or her agent seals the qualified container.

- The qualified licensee complies with all applicable rules promulgated by the MLCC.
 - Qualified container would mean a clean, sealable container that is for the sale of alcoholic liquor for consumption off the premises, that has a liquid capacity that does not exceed one gallon, and that is sealed after filling with a substance or device that fully closes off the container securely with no perforations or straw holes.
 - The qualified licensee complies with all laws of the state, including the prohibition on alcohol sales to minors.
 - Alcoholic liquor means any spirituous, vinous, malt, or fermented liquor, powder, liquids, and compounds, whether or not medicated, proprietary, or patented, and by whatever name called, containing 1/2 of 1% or more of alcohol by volume that are for use as a food or a beverage as defined and classified by the MLCC according to alcoholic content as belonging to one of the varieties defined in chapter 1 of the code.
- Allows for on-premises licensees to deliver alcohol, in a qualified container, to Michigan consumers under certain conditions. (Until December 31, 2025.)
 - In addition, and also notwithstanding anything in the code to the contrary, a qualified licensee could deliver alcoholic liquor to a consumer in the state under all of the following conditions:
 - The qualified licensee complies with all laws of the state, including the prohibition on alcohol sales to minors.
 - The qualified licensee stamps, prints, or labels the outside of the qualified container with the words “Contains Alcohol. Must be delivered to a person 21 years of age or older.” (The recipient would have to provide identification to verify his or her age at the time of delivery.)
 - The qualified licensee or his or her agent seals the qualified container.
 - If the qualified licensee is a retailer, the alcoholic liquor is delivered by an employee of the qualified licensee or by a third party facilitator service.
 - If the qualified licensee is a manufacturer, the alcoholic liquor is delivered by an employee of the qualified licensee.

A qualified licensee could not sell alcoholic liquor in its original packaging under these provisions, except as otherwise allowed under the code.

HB5781:

Introduced by: Representative Webber (R – District 45)

Date Introduced: 5/19/20

Summary:

- Through December 31, 2024, a qualified licensee would be able to obtain a permit to sell and dispense alcohol to customers for consumption in the commons area of a social district.
 - Qualified licensee would mean either of the following:
 - A retailer that holds a license, other than a special license, to sell alcoholic liquor for consumption on the licensed premises.

- A manufacturer that has an on-premises tasting room permit, off-premises tasting room license, or joint off-premises tasting room license issued under the code.
- **Commons area:** Currently, an on-premises license allows the licensee to sell alcohol for consumption only on the licensed premises. The bill would allow the governing body of a local governmental unit to designate a social district containing a commons area that could be used by a qualified licensee that obtained a social district permit.
- **Local governmental unit** would mean a city, township, village, or charter authority.
- **Commons area** would mean an area within a social district that is clearly designated and clearly marked by the governing body of the local governmental unit and that is shared by and contiguous to the premises of at least two qualified licensees. A commons area would not include the licensed premises of any qualified licensee.
- **The governing body** could not designate a social district that closed a road without the prior approval of the road authority with jurisdiction. The governing body of the local governmental unit would have to define and clearly mark the commons area with signs and submit to the MLCC local management and maintenance plans for the commons area, including hours of operation. The governing body would have to maintain the commons area in a way that protected the safety and health of the community. The governing body could revoke the social district designation, after at least one public hearing on the proposed revocation, if it determined that the commons area was a public nuisance or threatened the health, safety, or welfare of the public. A designation or a revocation would have to be filed with the MLCC.
- **Social district permit:** A qualified licensee whose licensed premises were shared by and contiguous to a commons area in a designated social district could obtain an annual social district permit from the MLCC. A social district permit would allow the permittee to sell alcohol for consumption within the confines of a commons area as long as the permittee only sold and served alcoholic liquor on its licensed premises and only served alcohol to be consumed in the commons area in a container meeting all of the following:
 - It is not glass.
 - Its liquid capacity does not exceed 16 ounces.
 - It prominently displays a logo or other mark unique to the commons area.
 - It prominently displays the permittee's trade name or logo or some other mark unique to the permittee under its on-premises license.
- A person who bought a container of alcoholic liquor from a social district permittee as described above could take the container from the permittee's premises and into the commons area but could not take it out of the commons area or onto the licensed premises of another social district permittee. Alcohol consumption in the commons area as allowed by the bill would be limited to the legal hours for the sale of alcohol by the permittee.
- A social district permit would have to be issued for the same period and be renewed in the same manner as an applicant's on-premises license. The MLCC would have to develop an application for a social district permit. The permit fee would be \$250, which would be deposited into the Liquor Control Enforcement and License Investigation Revolving Fund. The governing body of the local governmental unit where the applicant's place of business is located would have to approve a permit before an application could be made to, or a permit granted by, the MLCC.
- Finally, if the MLCC issued a special license to a special licensee located in a social district, the special licensee could not sell and serve alcohol under the special district permit while the special license was in effect.
- The bill's provisions would no longer apply after December 31, 2024.