



Michigan Department of Licensing & Regulatory Affairs
MICHIGAN LIQUOR CONTROL COMMISSION (MLCC)
7150 Harris Drive, P.O. Box 30005
Lansing, Michigan 48909-7505

Michigan Brewer & Micro Brewer Requirements and General Information

A “Brewer” license, as defined by MCL 436.1105(11), is issued by the Michigan Liquor Control Commission (“Commission”) to a person located in Michigan to manufacture and sell to licensed wholesalers, beer produced at the licensed brewery facility.

- May sell beer it manufactures to licensed Michigan wholesalers who may resell it to licensed Michigan retailers.
- May have multiple brewing facilities. Each brewing facility located in Michigan requires a separate Brewer license. Each license must be issued in the same legal entity.
- A Brewer may sell to consumers for on-premises consumption from one, and only one, brewing facility in Michigan.
- May offer free samples to consumers from the brewery facility.
- May sell beer it manufactures to consumers for off-premises consumption (take-out) from the brewery premises with no additional license.
- May not sell beer directly to retail licensees. All distribution to retailers must be done through licensed wholesalers.
- Must enter into exclusive territory agreement with each wholesaler.
- Must obtain a “Brewer’s Notice” from the Alcohol, Tobacco, Tax & Trade Bureau (TTB).
- Initial license fee for Brewers and Micro Brewers is \$50.00. Subsequent renewal fee is based on previous year’s production. License must be renewed annually by May 1.

A “Micro Brewer” license, as defined by MCL 436.1109(3), is issued by the Commission to a person located in Michigan to manufacture no more than 30,000 barrels per year and sell to licensed wholesalers, beer produced at the licensed brewery facility.

- May sell beer it manufactures to licensed Michigan wholesalers who may resell it to licensed Michigan retailers.
- May have multiple brewing facilities. Each brewing facility located in Michigan requires a separate Micro Brewer license. Each license must be issued in the same legal entity.
- In determining the 30,000-barrel limit for a Micro Brewer, the combined production of all brewing facilities, including those located outside Michigan shall be considered.
- May offer free samples to consumers from the brewery facility.
- May sell beer it manufactures to consumers for on-premises consumption from the brewery premises without any additional license.
- May sell beer it manufactures to consumers for off-premises consumption (take-out) from the brewery premises with no additional license.
- May not sell beer directly to retail licensees. All distribution to retailers must be done through wholesalers.
- Must enter into an exclusive territory agreement with each wholesaler.
- Must obtain a “Brewer’s Notice” from the Alcohol, Tobacco, Tax & Trade Bureau (TTB).
- Initial license fee for Brewers and Micro Brewers is \$50.00. Subsequent renewal fee is based on previous year’s production. License must be renewed annually by May 1. License must be renewed annually by May 1.

How to Apply for a Brewer or Micro Brewer License:

Applicants for a Brewer or Micro Brewer licensed must submit the following documents:

- LICENSE APPLICATION - “Application for New License, or Application of Buyers For Transfer of Ownership or Interest in License” (Form LC-687). Additional documents required for corporate, LLC & partnership applicants (see pages 2 & 3).

- **INSPECTION FEE** - A \$70.00 nonrefundable inspection fee is required to authorize the field investigation. (Check payable to "State of Michigan".)
- **LICENSE FEE** – License fee is due and payable at the time of filing the initial application. Initial Micro Brewer fee: \$50.00 (Check payable to "State of Michigan". You may submit one check for both the inspection and license fee.)
- **BOND APPLICATION** – Surety Bond (Form MW-816) executed by an insurance company authorized to do business in Michigan in the amount of \$1,000.00 for the first year licensed. Subsequent year's surety bond will be the greater of average monthly beer excise tax or \$1,000.00. Bond application will be mailed to applicant upon Commission approval of application.
- **PROOF OF FINANCIAL RESPONSIBILITY** - statutory requirement to provide security for liability of not less than \$50,000. May be in the form of cash, unencumbered securities, liquor liability insurance, constant value bond, or membership in a group self-insurance pool authorized by law that provides security for liability under Section 436.803 of the Liquor Control Code. Proof of Financial Responsibility Form LC-95 & instructions will be mailed to applicant upon Commission approval of application.
- **FEDERAL PERMIT** – "Brewer's Notice", issued by the Alcohol, Tobacco Tax and Trade Bureau ("TTB"). The Federal Basic Permit does not have to be submitted with the initial application. Issuance of this Permit by TTB will need to be verified prior to the Commission issuing a license.

For Brewer's Notice info contact:

Alcohol and Tobacco Tax and Trade Bureau
550 Main St. Room 8002
Cincinnati, OH 45202
(800) 398-2282
www.ttb.gov

In addition to the preceding documents required by all applicants, **CORPORATIONS** shall submit the following information per Rule 436.1109:

- Copy of current, filed Articles of Incorporation.
- Current "Certificate of Good Standing" from the state where incorporated, if incorporated outside of this state.
- "Report of Corporate Officers, Board of Directors & Stockholders" (Form LC-52).
- "Individual Stockholder/Corporate Stockholder Questionnaire" (Form LC-621), completed by each stockholder holding 10% or more stock interest.
- "Limited Partners, Stockholders & Members Statement" (Form LC-38), completed by each stockholder holding less than 10% stock interest.
- Note: All stockholders holding 10% or more corporate stock in applicant corporation will be required to be fingerprinted by local law enforcement agency. The Commission office will release necessary forms and instruct you to contact local law enforcement agency.

In addition to the LC-687 and other documents required by all applicants, **LIMITED LIABILITY COMPANIES** ("LLC") shall submit the following information pursuant to Rule 436.1110:

- Copy of Articles of Organization and copies of any amendments to the Articles of Organization.
- Copy of Certificate of Authority to do business in Michigan, if the LLC is a non-Michigan LLC.
- Copy of Operating Agreement entered into by members.
- Copy of most recent annual statement filed with the Michigan Department of Licensing & Regulatory Affairs, Bureau of Commercial Services. Newly organized LLC's will not have filed any such document yet.
- "Report of Limited Liability Company Members, Managers and Assignees" (Form LC-52A).
- "Individual Stockholder or Corporate Stockholder Questionnaire" Form (LC-621), completed by each member holding 10% or more of the total interest in LLC. Also, Form LC-621 should be completed for an assignee of a membership interest or a manager with a percentage distribution of 10% or more in the LLC.
- "Limited Partners, Stockholders or Members Statement" (Form LC-38), completed by member holding less than 10% of the total interest in the LLC. Also, Form LC-38 should be completed for an assignee of a membership interest or a manager with a percentage distribution of less than 10% in the LLC.

- Note: All members holding 10% or more interest in LLC and assignees of membership interest or managers with 10% or more percentage distribution will be required to be fingerprinted by the local law enforcement agency. The Commission office will release the necessary forms and instruct you how to contact the appropriate agency.

In addition to the preceding documents required by all applicants, **PARTNERSHIPS** shall submit the following information per R436.1111:

- Partnership Agreement (required for limited partnerships).
- "Application for New Licenses or Application of Buyers for Transfer of Ownership or Interest in License" (Form LC-687) completed by each general partner.
- "Limited Partners, Stockholders or Members Statement" (Form LC-38), completed by each limited partner. In the case where the limited partner is a corporation or a limited liability company, an "Individual Stockholder or Corporate Stockholder Questionnaire" Form (LC-621), should be completed by each of the limited partners.
- Note: All general partners will be required to be fingerprinted by local law enforcement agency. The Commission office will release necessary forms and instruct you to contact local law enforcement agency.

Send all applications to: Michigan Liquor Control Commission
Manufacturers & Wholesalers Section
P.O. Box 30005
Lansing, MI 48909-7505
(517) 322-1415
www.michigan.gov/lcc

Licensing Process:

An investigation for a new license or transfer of an existing license is initiated by the applicant submitting an "Application for New License, or Application of Buyers For Transfer of Ownership or Interest in License" (Form LC-687), and the appropriate corporate, LLC or partnership documents, along with a \$70.00 inspection fee for each license applying for and the initial license fee. Upon receipt of this information, the Commission's Licensing Division will authorize an investigation and forward the file to the Commission's Enforcement Division. An investigator from the Enforcement Division will contact the applicant; advise them of the documentation necessary to be provided for review; and schedule an appointment with the applicant(s) to conduct the investigation. The investigation will cover a variety of areas including but not limited to ownership structure; background of individuals; projected cost of the project/transaction; source of finances, including source of any money lender's finances; present ownership verification; and physical inspection of the facility, if the physical premises is built and available for inspection. Upon completion of the investigation, the investigator will submit a report to the Commission.

The Commission office will also release forms and fingerprint cards to the local law enforcement agency and a resolution form to the local governing body. The local law enforcement agency's investigation is independent of the Commission's investigation. It is the responsibility of the applicant to follow-up with the local law enforcement agency and the local governing body to ensure that their recommendations are forwarded to the Commission.

The Commission will issue a formal order approving, denying, or holding the application for additional information. The applicant will be advised of the Commission's decision, provided with a copy of the Commission's order and, if approved, provided with a check sheet listing any additional requirements or documentation necessary to be submitted to the Commission prior to issuance of the license and a contract for signatures. If the application is denied, the applicant will have the opportunity to appeal the denial.

License Fee:

The initial license fee for a Brewer or a Micro Brewer is \$50.00. The annual renewal fee for a Brewer or Micro Brewer will be \$50.00 for manufacturers of less than 15,000 barrels during the preceding calendar year. The renewal fee for manufacturers of more than 15,000 barrels during the preceding calendar year shall be \$50.00 per 1,000 barrels, or fraction of a barrel, produced annually with a maximum fee of \$1,000.00. Licensing year is May 1 - April 30. Prorating of licensing fee not allowed. License fee is payable upon MLCC approval of your application.

- MCL 436.1525

Age:

A person must be 21 years of age or older to have any ownership interest in a Brewer or Micro Brewer license.

A person must be 18 years of age or older to sell, serve or promote alcoholic beverages for a Brewer or Micro Brewer.

- Rule 436.1009, Rule 436.1105(1)(a)

Manufacturing & Labeling:

Beer must be manufactured in accordance with federal beer regulations published in the Code of Federal Regulations (CFR) Title 27, Part 25. Contact the TTB for details.

- Rule 436.1611

Label Registration:

All beer products sold in Michigan must have labels approved by the Commission prior to being sold. All beer sold in Michigan must be labeled in accordance with TTB regulations. The Commission uses an on-line label registration process which requires prior registration with the TTB. Upon licensure, you will be provided with a password and instructions to access the on-line registration site. There is no fee for Michigan label registration.

- Rule 436.1611

Mandatory Label Information (Pursuant to TTB Regulations):

- Brand name.
- Class, type or, in lieu of, a truthful & adequate statement of composition shall appear on the brand label of the product.
- Name and address of bottler or packer where bottled or packed.
- Net contents.
- Government Warning Statement.
- Alcohol content by volume is optional.

Container Deposits:

Beer, mixed wine drink (wine coolers) & mixed spirit drink (spirit coolers) sold in containers of one (1) gallon or less must comply with the Beverage Container Act (Initiated Law of 1976) by requiring a deposit of not less than 10 cents per container when sold to consumers. Containers must be clearly labeled with the name of this state and the deposit amount. "MI" or "MICH" are acceptable abbreviations for Michigan. The wholesaler who sells the returnable containers to their retail customers initiates the container deposit.

- MCL 445.571 – MCL 445.576

Beer Excise Tax Reports:

Michigan beer excise tax rate is \$6.30 per barrel. A barrel contains 31 gallons. The excise tax equates to approximately 46 cents for a case containing 24/12 ounce containers. Brewers and Micro Brewers are responsible for paying the Michigan beer excise tax on all beer sold in this state. Taxes are collected on a monthly basis (biweekly if your monthly tax liability averages \$50,000 or more). Sales and shipments made to military installations, Indian reservations or out-of-state by Brewers/Micro Brewers are nontaxable. Beer that is provided as samples in a hospitality room of a brewery or beer damaged in the process of brewing is also nontaxable. Beer that is sold for on-premise consumption by a Micro Brewer is subject to the beer excise tax.

A report of operations (copy of TTB - Report of Operations) is due in the Commission's Lansing office not later than the fifteenth day of the month for the preceding month's activity. Copies of invoices verifying sales to Michigan wholesalers or a summary report of wholesaler sales are submitted with your monthly beer excise tax report. Payment of the beer excise tax shall accompany the report. Monthly reporting forms and instructions will be supplied to each applicant upon licensure. Wholesalers must be supplied with two copies of each invoice.

Brewers & Micro Brewers who manufacture less than 50,000 barrels of beer per year, are eligible for a credit against future beer excise taxes in the amount of \$2.00 per barrel for the first 30,000 barrels per year.

- MCL 436.1409, Rule 436.1621

Sales to Wholesalers:

Brewers and Micro Brewers must grant each of their wholesalers with an exclusive sales territory. A Brewer or Micro Brewer must give each of their wholesalers a written agreement specifying the brand or brands to be distributed and the territory where exclusive sales are granted. There can be no overlapping of sales territories between wholesalers of similar brands.

Brewers and Micro Brewers are prohibited from selling alcoholic beverages directly to retail licensees. All

sales must be made through licensed wholesalers. Brewers and Micro Brewers are prohibited from holding a Wholesale license or retail license.

There is no prohibition against offering wholesalers quantity discounts as long as the discounts are uniformly offered to all wholesalers. All sales made to wholesalers must be for cash only.

- MCL 436.1105(10), MCL 436.1109(2), MCL 436.1401, MCL 436.1403

Sale to Consumers by the Glass:

A Micro Brewer may sell beer it manufactures to consumers for on-premises consumption at each of their brewery locations.

A Brewer may sell beer it manufactures to consumers for on-premises consumption at one and only one of its licensed Michigan locations.

- MCL 436.1109(2), MCL 436.1411

Take-Out Sales from Brewery:

A Micro Brewer by definition may sell beer that it produces to consumers for off-premises consumption (take-out).

- MCL 436.1109(2), MCL 436.1607(3)

A Brewer may sell beer that it produces to consumers for off-premises consumption (take-out).

- MCL 436.1537 (k)

Sales for Cash Only:

The Liquor Control Code requires the sale and purchase of all alcoholic beverages to be for cash only, at the time of delivery to wholesalers. Consumers may use bona-fide credit cards to pay for purchases from the brewery.

- MCL 436.2013

Hospitality Room – Sampling by Consumers:

A Brewer or Micro Brewer may allow persons 21 years of age or older to sample beer manufactured by that brewery in a hospitality room located on the brewery premises. The brewery may be open to the public Monday through Saturday from 7:00 A.M. until 2:00 A.M.; and Sunday from 12:00 Noon until 2:00 A.M. Beer may not be served to persons in an intoxicated condition.

- MCL 436.2025, Rule 436.1613

Barrel Deposits:

Manufacturers of beer are required to collect a barrel deposit of \$30.00 for all barrels, 1/2 barrels and 1/4 barrels of beer sold to wholesalers. A refund of \$30.00 shall be made to a licensee who has made the deposit and returned the barrels for refund. The Rule does not allow a deposit in excess of \$30.00.

- Rule 436.1629

Interest in Another License:

Michigan statute strictly prohibits a Brewer/Micro Brewer from holding any interest, directly or indirectly, in a wholesale or retail license. Examples of prohibited interests include: stock ownership, leasing real estate to/from a wholesale or retail licensee; interlocking officers or directors between licensees; financial interest such as a moneylender with a wholesale or retail licensee. The Commission may approve a Brewer or Micro Brewer participating with one or more Brewers or Micro Brewers in an alternating proprietor operation subject to the written approval of the Alcohol, Tobacco, Tax and Trade Bureau (TTB), in accordance with 27 CFR part 25, subpart F, section 25.52. A Brewer or Micro Brewer may hold multiple licenses for other brewery locations if all licenses are issued in the same legal entity. The combined production from all facilities owned by a Micro Brewer may not exceed 30,000 barrels per calendar year.

- MCL 436.1603

Salesperson License:

Any person employed by a Brewer/Micro Brewer to sell, deliver, promote, or otherwise assist in the sale of alcoholic liquor in this state is required to hold a Salesperson license issued by the Commission. Employees who work exclusively at the brewery premises and have no personal contact with wholesalers, retailers or consumers, off brewery premises, do not need a Salesperson license. Salesperson licenses are available from the Manufacturers & Wholesalers Section. Salesperson licenses are currently \$35.00 for a three-year licensure period. Salespersons must be at least 18 years of age. Licensed Salespersons are prohibited from being employed by a retail licensee on a paid or any other basis.

- MCL 436.1853

Aid & Assistance Prohibition:

Michigan statute and rules prohibits a licensee such as a Brewer/Micro Brewer from aiding and assisting any other licensee by "gift of loan or money or property of any description or other valuable thing or by giving premiums or rebates". Brewers/Micro Brewers are prohibited from giving anything of value to retailers or wholesalers.

- MCL 436.1609, Rule 436.1035

Record Retention:

All licensees are required to maintain all sales, purchase and salesperson expense records for a minimum of four (4) years. Records may be maintained electronically or otherwise as long as a hard copy of the record can be created upon demand.

- Rule 436.1007, Rule 436.1641, Rule 436.1865

Consumer Participatory Brewery ("Brew-On-Premise") Operation:

The Michigan Liquor Control Code ("Code") requires a license to manufacture and sell beer. While the Code does allow for home brewing for personal consumption, the home brewing must be done at a person's residence. Therefore, a Brew-On-Premise operation whereby a person provides a facility and equipment allowing consumers to participate in the brewing process is not recognized as home brewing and is allowable in Michigan only under a Micro Brewer or Brewer license. The Commission recognizes the licensed Brewer or Micro Brewer to be the manufacturer of the beer and holds that licensee accountable for all actions on its licensed premises. The licensee may not lease out their licensed premises or equipment to any person; however, consumers may participate in the brewing process under the supervision of the licensee. The Commission recognizes the licensee to be selling the finished beer product to the participating consumer. The licensee may however collect the money up-front from the participating consumer. The licensee will be responsible for paying the appropriate beer excise taxes on all beer manufactured and sold in this state. The licensee will also be responsible for registering all beer brands with TTB and the Commission and labeling all containers in accordance with TTB standards. The Commission will allow Brew-On-Premise operations to register a 'generic label' approved by TTB and registered with the Commission with the very basic required information (name and address of bottler, net contents & government warning statement), and allow such labels to be further customized by the customer or licensee with additional brand name or fanciful name addition.

Inspection of Premises and Books & Records:

A licensee must make the licensed premises available for inspection and search by a Commission Investigator or any law enforcement officer empowered to enforce the Commission's rules and code during regular business hours or when the premises is occupied. The Commission or its duly authorized agent may examine the books, records or papers of a licensee.

- MCL 436.1217, Rule 436.1645

Other Manufacturing licenses:

A Micro Brewer may obtain other manufacturing licenses including a Small Wine Maker, Brandy Manufacturer, Manufacturer of Spirits, Manufacturer of Mixed Spirit Drink or a Small Distiller which allows the manufacture and sale of wine, brandy, mixed spirit drinks or distilled spirits.

- MCL 436.1111(9), MCL 436.1109 (6), MCL 436.1113(9)

Beer and Wine Sampling Permit:

A Micro Brewer may obtain a Beer and Wine Sampling Permit which allows beer and wine tastings to be conducted on licensed off-premises accounts that hold a Specially Designated Merchant (SDM) license. There is a one time \$70.00 fee for this permit. Upon issuance of this permit notification of sampling events must be received at least 10 days prior to the event and all employees or licensed agents conducting the sampling event must have successfully completed a server training program approved by the MLCC.

- MCL 436.1537

Advertising and Promotions:

Inside signs advertising alcoholic liquor must not exceed 3,500 square inches in dimension. Alcoholic beverage advertising provided by suppliers and wholesalers to retailers promoting anything other than or in addition to their alcoholic beverage products requires prior commission approval. Point-of-sale advertising may not contain the name of any retail licensee or promote anything other than your products. Advertising on anything having any secondary value, use or purpose other than advertising, requires prior

Commission approval.

- Rule 436.1301 – Rule 436.1339

Samples:

Brewers, Micro Brewers and Wholesalers are allowed to sample their products with on-premises or off-premises retail licensees and the retailer's employees. All containers used to sample products with retailers must be marked with the word "Sample" with lettering at least ½-inches high and may not be sampled by consumers. Samples from multiple beverages may be offered, however only one (1) sample container of 750 ml size or smaller may be left with a retail licensee for sampling by the retailer and their staff. A sample container must be removed from the premises within 24 hours.

- Rule 436.1001, Rule 436.1421, Rule 436.1511, Rule 436.1513, Rule 436.1863

Purchasing Drinks for Consumers:

A licensed Salesperson of beer, for promotional purposes, may purchase one (1) drink for each customer of an on premises retail licensee only. Maximum spending limit of \$50.00 per day at one account; and not more than twice per month at the same licensed retail location. The drink shall be purchased from the on-premises licensee and shall be of a brand represented by the salesman.

- Rule 436.1865

Permits:

There are additional permits that a Brewer or Micro Brewer might want to apply for to be held in conjunction with their primary license.

- Outdoor Service Permit - Permit allows the sale and consumption of alcoholic beverage in outdoor patio areas. The area must be under the control of the licensee.
- Official Permit - Permit required to remain open for business after the legal closing hour of 2:00am, or to be open for business before 7:00am Monday through Saturday, or to open before 12:00 noon on Sunday, for the sale of food.
- Direct Connection - Technically this is not a Permit but rather permission from the Commission to maintain a direct connection between licensed premises and nonlicensed premises. This permission will be required if your operations include multiple license holders who maintain inside connections to either nonlicensed premises or licensed premises under the control of another licensee.
- Living Quarters Permit - Permit required when living quarters are directly connected to the licensed premises.
- Dance Permit - Permit required for dancing by customers on the licensed premises. Dance floor must be clearly marked, void of tables and chairs when in use and a minimum of 100 square feet in dimension. Permit allows for dancing during the legal hours for the sale of alcoholic liquor only.
- Entertainment Permit - Permit required for monologues, dialogues, motion pictures, still slides, closed circuit television, contests, or other performances for public viewing on the licensed premises. An Entertainment Permit does not allow topless entertainment. Permit allows for entertainment only during the legal hours for the sale of alcoholic liquor. You do not need an Entertainment Permit for live bands.
- Topless Activity Permit - Permit required for topless entertainment on the licensed premises only during the legal hours for the sale of alcoholic liquor.

Server Training:

A licensee authorized to sell or sample alcoholic beverages for on-premises consumption is required to have present on the licensed premises, at a minimum, supervisory personnel on each shift and during all hours in which alcoholic liquor is served who have successfully completed a server training program approved by the Commission.

- MCL 436.1501, MCL 436.1906

Church and School:

A new application to sell alcoholic beverages at retail (including manufacturers), or a request to transfer location of an existing license, may be denied if the contemplated location is within 500' of a church or school. The Commission may waive the church/school provision if the church or school does not file an objection to the proposed license. If the church or school files an objection, the Commission will hold a hearing before making a decision on the issuance of the license.

- MCL 436.1503

Contract Brewing:

A Brewer or Micro Brewer may contract brew beer for another person. Such contract-brewed beer is basically treated like any other beer. The Brewer or Micro Brewer producing the beer is responsible for registering the product and trade name with TTB and the Commission; paying the beer excise taxes to the Commission for the beer sold in Michigan; assigning sales territories to wholesalers; and selling the beer only to licensed Michigan wholesalers. Contract brewed beer is no different than any other beer except that some one else may own the trade name, formula and label rights. Brewers may produce private labeled beer for retail licensees under this scenario.

- [Rule 436.1615](#)

Food Establishment License:

The Michigan Food Law (Act 92, P.A. of 2000) requires all food establishments, including processing operations such as wineries and breweries, to obtain the appropriate food establishment license. Contact the Michigan Department of Agriculture (“MDA”) for details on the specific food establishment license required for your operation.

MDA
525 West Allegan St.
P.O. Box 30017
Lansing, MI 48909
(800) 292-3939 www.michigan.gov/mda

How to Contact Tobacco Tax and Trade Bureau (“TTB”): www.ttb.gov

Federal Basic Permits:

TTB
550 Main St. Room 8002
Cincinnati, OH 45202
(800) 398-2282

Federal Label Approvals:

TTB
Alcohol Labeling & Formulation
650 Massachusetts Ave., N.W.
Washington, DC 20226
(866) 927-2533

How to Contact the Michigan Liquor Control Commission:

Questions relating to Brewer/Micro Brewer licenses and other non-retail licenses may be directed to:

Michigan Liquor Control Commission
Manufacturers & Wholesalers Section
P.O. Box 30005
Lansing, MI 48909-7505
(517) 322-1415 (517) 322-5046 (fax)
whiteheadt@michigan.gov
www.michigan.gov/lcc