

Michigan Department of Licensing and Regulatory Affairs Liquor Control Commission (MLCC) Constitution Hall – 525 W. Allegan, Lansing, MI 48933 Mailing Address: PO Box 30005, Lansing, MI 48909 Toll Free 866-813-0011 – www.michigan.gov/lcc

Manufacturer and Wholesaler License Types

Brewer - License issued by the Commission to manufacture an unlimited quantity of beer. The Brewer must be located in Michigan, although they may have other brewing facilities located outside of this state. A Brewer may obtain additional Brewer or other manufacturing licenses for facilities located in Michigan. Michigan statute prohibits a Brewer from holding any interest in a retailer or wholesaler license. A Brewer may hold interest in another licensed entity in the supplier tier under the provisions of MCL 436.1603(8). Brewers may sell beer they produce to licensed wholesalers who may resell the beer to licensed retailers. Brewers may not sell beer directly to licensed retailers. Brewers may sell their beer to consumers for consumption on or off the premises at no more than two of the Brewer's licensed locations in Michigan in an approved tasting room located on the manufacturing premises that has been issued an On-Premises Tasting Room Permit and may sell or give away samples of products it manufactures for consumption on the premises in an approved tasting room. An investigation by the Commission's Enforcement Division is required along with local governmental approval if the licensee is also requesting an On-Premises Tasting Room Permit. Annual license fee is \$50.00 for brewers producing less than 15,000 barrels per year; \$50.00 plus \$50.00 for each 1,000 barrels production over 15,000 barrels per year up to a maximum annual fee of \$1,000.00. Annual license fee is based on previous year's production.

Micro Brewer - License issued by the Commission to manufacture up to 60,000 barrels of beer annually. A Micro Brewer must be located in Michigan, although they may have other brewing facilities located outside of this state. A Micro Brewer may obtain additional Micro Brewer or other manufacturing licenses for facilities located in Michigan. Total combined production of all locations may not exceed 60,000 barrels per year. Michigan statute prohibits a Micro Brewer from holding any interest in a retailer or wholesaler license. A Micro Brewer may hold interest in another licensed entity in the supplier tier under the provisions of MCL 436.1603(8). Micro Brewers may sell beer they manufacture to licensed wholesalers who may resell the beer to licensed retailers. Micro Brewers may not sell beer directly to licensed retailers unless they meet the definition of a "qualified Micro Brewer" who produces less than 1,000 barrels of beer per year. A Micro Brewer that self-distributes to retailer licensees must file a schedule of net cash prices to retailers with the Commission, must have employees deliver the beer, must obtain a decal from the Commission for all vehicles used in making deliveries, and cannot deliver beer in a sales territory that the qualified Micro Brewer granted to a wholesaler. Micro Brewers may sell beer to consumers in an approved tasting room located on the manufacturing premises that has been issued an On-Premises Tasting Room Permit for consumption on or off the premises and may sell or give away samples of products it manufactures for consumption on the premises in an approved tasting room. An investigation by the Commission's Enforcement Division is required along with local governmental approval if the licensee is also requesting an On-Premises Tasting Room Permit. Annual license fee is \$50.00 for brewers producing less than 15,000 barrels per year; \$50.00 plus \$50.00 for

each 1,000 barrels production over 15,000 barrels per year up to a maximum annual fee of \$800.00. Annual license fee is based on previous year's production.

Brewpub — A Brewpub license is a retailer-tier license, even though it manufacturers beer. A Brewpub may manufacture up to 18,000 barrels of beer annually. A Brewpub cannot be issued without the licensee first being approved for and issued an on-premises retailer license (Class C, Tavern, A-Hotel, or B-Hotel) issued by the Commission. A Brewpub must operate a full-service restaurant with at least 25% gross sales from non-alcoholic items. Brewpubs may sell beer they manufacture to consumers only for either on-premises consumption or for take-out. Brewpubs may not sell beer they manufacture to wholesalers or other retailers. A person may have interest in up to five Brewpubs with the total combined production of all locations not to exceed 18,000 barrels per year. Brewpubs may not hold interest in any license in the supplier (manufacturer) or wholesaler licensing tiers. An investigation by the Commission's Enforcement Division is required along with local governmental approval. Annual license fee is \$100.00.

Wine Maker - License issued by the Commission to manufacture an unlimited quantity of wine in Michigan. A Wine Maker may obtain additional winery or other manufacturing licenses for facilities located in Michigan. Wine Makers may sell wine they manufacture to licensed wholesalers, licensed retailers, or directly to consumers in an approved tasting room located on the manufacturing premises that has been issued an On-Premises Tasting Room Permit for consumption on or off the premises and may sell or give away samples of products it manufactures for consumption on the premises in an approved tasting room. An investigation by the Commission's Enforcement Division is required along with local governmental approval if the licensee is also requesting an On-Premises Tasting Room Permit. Annual license fee is \$100.00.

Small Wine Maker - License issued by the Commission to manufacture up to 50,000 gallons of wine annually. A Small Wine Maker may obtain additional small wine maker or other manufacturing licenses for facilities located in Michigan. Total combined production of all locations may not exceed 50,000 gallons per year. Small Wine Makers may sell wine to licensed wholesalers, licensed retailers, or directly to consumers in an approved tasting room located on the manufacturing premises that has been issued an On-Premises Tasting Room Permit for consumption on or off the premises and may sell or give away samples of products it manufactures for consumption on the premises in an approved tasting room. An investigation by the Commission's Enforcement Division is required along with local governmental approval if the licensee is also requesting an On-Premises Tasting Room Permit. Annual license fee is \$25.00.

Brandy Manufacturer - License issued by the Commission to manufacture brandy as defined by the Alcohol, Tobacco, Tax & Trade Bureau (TTB) regulations. A Brandy Manufacturer must be located in Michigan and must hold a Wine Maker or Small Wine Maker license at the same location and in same legal entity. A Brandy Manufacturer may sell brandy it manufactures directly to consumers in an approved tasting room located on the manufacturing premises that has been issued an On-Premises Tasting Room Permit for consumption on or off the premises and may sell or give away samples of products it manufactures for consumption on the premises in an approved tasting room. Sales to

consumers for take-out must be for not less than the uniform price set by the Commission. An investigation by the Commission's Enforcement Division is required along with local governmental approval if the licensee is also requesting an On-Premises Tasting Room Permit. Annual license fee is \$100.00.

Mixed Spirit Drink Manufacturer - License issued by the Commission to manufacture mixed spirit drinks, commonly known as spirit coolers, that are spirit based beverages containing 10% or less alcohol by volume. A Mixed Spirit Drink Manufacturer may sell mixed spirit drinks to licensed Michigan Wholesalers who may resell to licensed Michigan retailer licensees. A Mixed Spirit Drink Manufacturer not sell directly to retailer licensees. or consumers. A Mixed Spirit Drink Manufacturer may sell products it manufactures directly to consumers in an approved tasting room located on the manufacturing premises that has been issued an On-Premises Tasting Room Permit for consumption on or off the premises and may sell or give away samples of products it manufactures for consumption on the premises in an approved tasting room. An investigation by the Commission's Enforcement Division is required along with local governmental approval if the licensee is also requesting an On-Premises Tasting Room Permit. Annual license fee is \$100.00.

Distiller (Manufacturer of Spirits) - License issued by the Commission to manufacture spirits. The Distiller must be located in Michigan. The Commission acts as the wholesaler of spirits and resells to Michigan retailer licensees. A Distiller may sell products it manufactures directly to consumers in an approved tasting room located on the manufacturing premises that has been issued an On-Premises Tasting Room Permit for consumption on or off the premises and may sell or give away samples of products it manufactures for consumption on the premises in an approved tasting room. An investigation by the Commission's Enforcement Division is required along with local governmental approval if the licensee is also requesting an On-Premises Tasting Room Permit. Annual license fee is \$1,000.00.

Small Distiller – License issued by the Commission to manufacture spirits, also includes the manufacturing of brandy, not exceed 60,000 gallons annually of all brands combined. A Small Distiller must be located in Michigan. A Small Distiller may sell products it manufactures directly to consumers in an approved tasting room located on the manufacturing premises that has been issued an On-Premises Tasting Room Permit for consumption on or off the premises and may sell or give away samples of products it manufactures for consumption on the premises in an approved tasting room. A Small Distiller cannot sell directly to any retailer licensee. A Small Distiller may sell spirit products to the Liquor Control Commission to be sold through the spirit distribution system. An investigation by the Commission's Enforcement Division is required along with local governmental approval if the licensee is also requesting an On-Premises Tasting Room Permit. Annual license fee is \$100.00.

Off-Premises Tasting Room License – License issued by the Commission to a person that holds a Wine Maker, Small Wine Maker, Brandy Manufacturer, Distiller, and/or Small Distiller license to operate an approved tasting room located off the manufacturing premises where the licensee manufactures its products. The premises of Off-Premises Tasting Room license must be under the control of the licensee and may not be operated

in conjunction with a retailer-tier licensee. A licensee may have up to five (5) Off-Premises Tasting Room licenses (including any Joint Off-Premises Tasting Room licenses) where it may sell and serve full drinks of its wine, brandy, or spirits products for consumption on the premises and may sell or give away samples of any size for consumption on the premises. A licensee may have an unlimited number of Off-Premises Tasting Room licenses where it may sell or give away samples of it wine, brandy, or spirits in limited quantities per sample: 3 ounces of wine per sample and ½ ounce of brandy or spirits per sample. The licensee may sell wine, brandy, or spirit products to consumers for off-premises consumption at any of its Off-Premises Tasting Room licensed locations. An investigation by the Commission's Enforcement Division is required and local governmental approval is required for this type of license. Annual license fee is \$100.00.

Joint Off-Premises Tasting Room License - License issued by the Commission to a person that holds a Wine Maker, Small Wine Maker, Brandy Manufacturer, Distiller, and/or Small Distiller license to operate an approved tasting room located off the manufacturing premises where the licensee manufactures its products jointly with one or more other licensees holding Wine Maker, Small Wine Maker, Brandy Manufacturer, Distiller, and/or Small Distiller license and also licensed with a Joint Off-Premises Tasting Room license at the same location. A licensee may have up to five (5) Joint Off-Premises Tasting Room licenses (including any Off-Premises Tasting Room licenses) where it may sell and serve full drinks of its wine, brandy, or spirits products for consumption on the premises and may sell or give away samples of any size for consumption on the premises. A licensee may have an unlimited number of Joint Off-Premises Tasting Room licenses where it may sell or give away samples of it wine, brandy, or spirits in limited quantities per sample: 3 ounces of wine per sample and ½ ounce of brandy or spirits per sample. The licensee may sell wine, brandy, or spirit products to consumers for off-premises consumption at any of its Joint Off-Premises Tasting Room licensed locations. Each licensee with Joint Off-Premises Tasting Room license at the same licensed location must hold the same permits and approvals. A violation by any licensee at a location with multiple Joint Off-Premises Tasting Room licenses will be considered a violation by all the licensees at that location. An investigation by the Commission's Enforcement Division is required and local governmental approval is required for this type of license for each applicant for a Joint Off-Premises Tasting Room license. Annual license fee is \$100.00.

Outstate Seller of Beer (OSSB) - License issued by the Commission to ship beer into Michigan and sell to licensed Michigan Wholesalers who may resell to licensed Michigan retailers. OSSB must be located in the United States and may not sell or ship beer directly to Michigan retail licensees or directly to consumers. An OSSB can not hold interest in any wholesale or retail license. In addition to the OSSB they may obtain any other license in the supplier tier. The Commission may issue an OSSB license to an importer of foreign beer; to a domestic manufacturer of beer located outside of Michigan; or to a person appointed by a domestic manufacturer as the Exclusive Sales Agent (ESA) for the State of Michigan. There is a 5,000-barrel annual limit per brewery for an ESA. If the facility is located in Michigan, a full investigation by the Commission's Enforcement Division is required. No local approval is required for this type of license. Annual license fee is \$1,000.00.

Outstate Seller of Wine (OSSW) - License issued by the Commission to ship wine into Michigan and sell to licensed Michigan Wholesalers who may resell to Michigan licensed retailers. OSSW must be located in the United States and may not sell or ship wine directly to Michigan retailer licensees or directly to consumers. An OSSW can not hold interest in any wholesale or retailer license. In addition to the OSSW they may obtain any other license in the supplier tier. The Commission may issue OSSW license to an importer of foreign wine; to a domestic manufacturer of wine; to a Purchaser of a domestic manufacturer of wine (150,000-liter annual limit per winery); or to an Exclusive Sales Agent for the entire United States for a domestic manufacturer of wine. If facility is located in Michigan, a full investigation by the Commission's Enforcement Division is required. No local approval is required for this type of license. Annual license fee is \$300.00.

Direct Shipper – License issued by the Commission required for in-state and out-of-state wineries to ship domestic wine directly to Michigan consumers. You must be the manufacturer of the wine to be eligible for this license. A Direct Shipper cannot directly ship more than 1,500 (9-liter cases) or 13,500 liters in total of wine in a calendar year to consumers located in Michigan. Direct shipment of <u>imported</u> wines is prohibited. The Direct Shipper is responsible for verifying that the person placing the order is at least 21 years of age through obtaining a copy of photo identification issued by the State of Michigan, another state or the federal government or by utilizing an identification verification service. No investigation is required for this type of license. No investigation required for this type of license. Annual license fee is \$100.00.

Outstate Seller of Mixed Spirit Drink (OSSMS) - License issued by the Commission to ship mixed spirit drinks, having an alcoholic content of 10% or less by volume, into Michigan and sell to licensed Michigan Wholesalers. OSSMS must be located in the United States and may not sell or ship mixed spirit drinks directly to Michigan retail licensees or Michigan consumers. An OSSMS cannot hold interest in any wholesale or retailer license. In addition to the OSSMS they may obtain any other license in the supplier tier. The Commission may issue an OSSMS license to the importer of foreign mixed spirit drink; a domestic manufacturer of mixed spirit drink; a Purchaser of a domestic manufacturer of mixed spirit drink (150,000-liter annual limit per winery); or an Exclusive Sales Agent for the entire United States for a domestic manufacturer of mixed spirit drinks. An OSSMS may sell mixed spirit drinks to licensed Michigan Wholesalers who may resell to licensed Michigan retailers who hold a SDD. If facility is located in Michigan, a full investigation by the Commission's Enforcement Division is required. No local approval is required for this type of license. Annual license fee is \$300.00.

Wholesaler – License issued by the Commission to purchase beer, wine, or mixed spirit drinks from licensed suppliers (Brewer, Micro Brewer, Wine Maker, Small Wine Maker, Mixed Spirit Drink Manufacturer, Outstate Seller of Beer, Wine, or Mixed Spirit Drink) and resell to retailer licensees. May also sell beer, wine, and mixed spirit drinks to hospitals, military installations and the governments of Indian reservations, and may sell wine to churches for sacramental purposes. One year of Michigan residency is required for individuals, stockholders, members, or partners of the Wholesaler licensed entity. Territory agreements are required from licensed suppliers. Wholesalers may only sell to retailers located in the territory authorized by their supplier territory agreements. An

investigation by the Commission's Enforcement Division is required. <u>No local</u> approval is required for this type of license. Annual license fee is \$300.00, plus \$50.00 for each additional vehicle used to deliver alcoholic beverages to retailer licensees.

Warehouser – License issued by the Commission to store alcoholic beverages. May not sell or deliver to retailer licensees unless Warehouser also holds a Wholesalee or applicable manufacturer license. May not sell or deliver to consumers. Retailer licensees are prohibited from holding a Warehouser license. An investigation by the Commission's Enforcement Division is required. No local approval is required for this type of license. Annual license fee is \$50.00.

Industrial Manufacturer – License issued by the Commission to purchase alcohol, normally 190-proof grain alcohol, and bulk alcoholic liquor for use in manufacturing products for non-beverage purposes. Must be located in Michigan. May purchase alcohol from the Commission or a licensed Seller of Alcohol. An investigation by the Commission's Enforcement Division is required. No local approval is required for this type of license. Annual license fee is \$10.00.

Limited Alcohol Buyer – License issued by the Commission to purchase alcohol, normally 190-proof grain alcohol, for medicinal, mechanical, chemical or scientific purposes. Must be located in Michigan. Issued to hospitals & pharmacies that use alcohol in preparing medicines and to laboratories, chemical companies and a variety of other businesses that use alcohol for scientific experiments, sterilization, mechanical purposes, etc. The Limited Alcohol Buyer license differs from an Industrial Manufacturer License use in that the alcohol is not in the final product. May purchase alcohol directly from the Commission or from a licensed Seller of Alcohol. No investigation or local approval is required. Annual license fee is \$10.00.

Seller of Alcohol – License issued by the Commission to sell 190-proof grain alcohol or pure alcohol to licensed distillers, a manufacturer of wine for fortifying, or blending purposes, Industrial Manufacturers, and Limited Alcohol Buyers. Must be located in the United States. No investigation or local approval is required. Annual license fee is \$10.00.

Salesperson - License issued by the Commission to individuals who sells, delivers, promotes, or otherwise assists in the sale of alcoholic liquor to a retailer licensee in Michigan on behalf of a manufacturer, wholesaler, or broker licensee. Based on the type of licensee that the Salesperson licensee represents, the Salesperson licensee may be required to complete a salesperson accreditation program before being licensed or renewing a license. A Salesperson license is not required for a person who works exclusively in the warehouse or office of a wholesaler or supplier or who works on the manufacturing premises of a manufacturer serving customers. A Salesperson must be at least 18 years of age. A Salesperson may not be employed by a retailer licensee on a paid or voluntary basis. License fee is \$35.00 for a three-year period.

Vendor Representative - License issued by the Commission to an individual who represents a Vendor of Spirits with the Commission. Each Vendor of Spirits must have

one and only one Vendor Representative. Other persons representing the Vendor of Spirits may obtain a Salesperson license to promote their products. A Vendor Representative must be at least 18 years of age. A Vendor Representative may not be employed by a retailer licensee on a paid or voluntary basis. License fee is \$50.00 for a three-year period.

Broker - License issued by the Commission to a company who is either employed by or represents an alcoholic beverage supplier or wholesaler in the sale, delivery or promotion of alcoholic liquor. Normally issued to brokers representing Vendors of Spirits or to a promotional agency that assists in the promotion of alcoholic liquor on behalf of a Vendor of Spirits, a supplier or a wholesaler. The broker or promotional company must obtain a separate Broker license for each company they are representing. Each individual working for the Broker is then required to obtain a Salesperson license to represent the Broker licensee. Each individual Salesperson can then promote any product for which the Broker has a license to represent. Wholesaler licensees are not required to obtain a Broker license for each supplier they represent as their Wholesale license covers all suppliers they represent. License fee is \$35.00 for a three-year period.

Farmer's Market Permit – permit for a qualified Small Wine Maker who manufactures or bottles not more than 5,000 gallons of wine in one calendar year combining all licensed locations, to conduct free wine tastings and sell, for consumption off the licensed premises, wine produced by that Small Wine Maker licensee at a farmers' market. Permit fee is \$25.00 for each farmers' market location.

Hospital Permit - Permit issued by the Commission to hospitals allowing them to purchase spirits from the Commission to be used for medicinal purposes, such as a doctor prescribing an alcoholic beverage drink to a patient. This permit is not the same as a Limited Alcohol Buyer license that is issued to purchase grain alcohol or pure alcohol to make medicines. There is no fee for a Hospital Permit.

Military Permit - Permit issued by the Commission to military installations allowing them to purchase spirits from the Commission. These locations must be located on military grounds such as Air Force Bases, Coast Guard Bases, National Guard Bases, etc. and allow the base to purchase spirits from the Commission for resale in their clubs or stores. There is no fee for a Military Permit.

Indian Casino Permit - Permit issued by the Commission to the governments of Indian Tribes who operate casinos on tribal territory, allowing them to purchase spirits from the Commission and resell to consumers. The Tribe must submit a copy of their Compact signed by the Governor and Secretary of Interior. This permit is available only to Indian Tribes who operate a casino approved through a Compact. There is no fee for an Indian Casino Permit.

Vendor of Spirits – Person selling spirits to the Commission. This is neither a license nor a permit. The Vendor of Spirits must register all products with the Commission, file price quotations, contract with an Authorized Distribution Agent to deliver their products and license an individual as their Vendor Representative.

Authorized Distribution Agent (ADA) - A Certification issued by the Commission to a company who acts as a delivery agent for spirit products. The ADA must have a written agreement with the Vendor of Spirits to deliver spirit products to retailer licensees. The ADA takes orders, delivers spirit products and collects payment on behalf of the Commission. An ADA may be a wholesaler but may not have any interest in a retailer license or be a Vendor of Spirits.