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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN LIQUOR CONTROL COMMISSION
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CHAIRPERSON

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May 2014

Dear Subscriber:

Enclosed, please find your next update of the Michigan Liquor Control Code, Administrative Rules and Related Laws. The pages included herein replace those already present in your book. For an updated electronic copy of this publication, please visit the Documents Library section of the Commission's website at www.michigan.gov/lcc.

The following provides a brief review of the changes that have occurred since your last update:

- MICHIGAN LIQUOR CONTROL CODE AMENDMENT
 - (HB-4709) P.A. 42 of 2014, Effective March 25, 2014.
 - Amends MCL 436.1109 (Section 109)
 - This law amends the Code to redefine "micro brewer" as a brewer that makes less than 60,000 barrels of beer per year, rather than less than 30,000 barrels.
- MICHIGAN LIQUOR CONTROL CODE AMENDMENT
 - (SB-329) P.A. 45 of 2014, Effective March 25, 2014.
 - Amends MCL 436.1605 (Section 605)
 - This law amends the Code to extend to a wine maker, distiller, and brandy manufacturer, a provision that allows a brewer to acquire, develop, sell, lease, finance, maintain, operate, or promote real property occupied by another vendor (except a wholesaler) under certain circumstances. In addition, the law limits to seven the number of those real property arrangements allowed for each brewer, wine maker, distiller, or brandy manufacturer, and removes a requirement that a State or Federal agency designate the property as being in an urban, commercial, or community redevelopment area.
- MICHIGAN LIQUOR CONTROL CODE AMENDMENT
 - (SB-505) P.A. 47 of 2014, Effective March 25, 2014.
 - Amends MCL 436.1609 (Section 609)
 - This law amends the Code by: allowing manufacturers, sellers, and distributors of alcohol to give another licensee advertising items that promote brands and prices of alcohol; allowing a retailer to possess and use certain brand logoed barware that advertises spirits, as long as the items are purchased from a manufacturer of spirits, vendor of spirits, broker or salesperson, or barware

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retailer; allowing a retailer to possess and use certain brand logoed barware that advertises beer or wine, as long as the items are purchased from a barware retailer; defining what items constitute "barware" and allows the Liquor Control Commission (LCC) to alter that definition by rule; and prescribing a fine of up to \$2,500 for a manufacturer, seller, or distributor that provides or sells barware in violation of the Code.

- MICHIGAN LIQUOR CONTROL CODE AMENDMENT

- (HB-4710) P.A. 43 of 2014, Effective March 25, 2014.

- Amends MCL 436.1603 (Section 603)

- This law amends the Code by allowing a brewpub to have an interest in up to five other brewpubs (rather than up to two), as long as the combined production of all locations does not exceed 18,000 barrels of beer per year (rather than 5,000 barrels).

- MICHIGAN LIQUOR CONTROL CODE AMENDMENT

- (SB-504) P.A. 46 of 2014, Effective March 25, 2014.

- Amends MCL 436.1925 (Section 925)

- This law amends the Code by revising the provision on how it must be construed and by providing for the severability of any provision of the Code found to be unconstitutional.

- MICHIGAN LIQUOR CONTROL CODE AMENDMENT

- (SB-506) P.A. 48 of 2014, Effective March 25, 2014.

- Amends MCL 436.1409 (Section 409)

- This law amends the Code by: requiring the tax on beer manufactured outside of Michigan to be paid by the wholesaler assigned to distribute the beer, beginning on February 1, 2015; allowing an in-State brewer to designate a wholesaler to pay the tax on behalf of the brewer, beginning on February 1, 2015; specifying that the beer tax may not be collected on beer that is damaged in the process of distribution (in addition to beer damaged in the process of brewing, packaging, and storage) and is not offered for sale; specifying that the beer tax credit available to certain brewers may be claimed regardless of whether the tax is remitted by the brewer or a designated wholesaler; requiring the LCC to establish by rule a method for collecting the beer tax and reporting requirements for verification of the remission of taxes; and prohibiting the LCC from requiring the beer tax to be paid in less than monthly intervals.

- MICHIGAN LIQUOR CONTROL CODE AMENDMENT

- (HB-4711) P.A. 44 of 2014, Effective March 25, 2014.

- Amends MCL 436.1411 (Section 411)

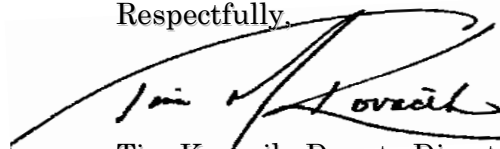
- This law amends the Code to allow a brewer not licensed as a micro brewer to sell its beer for on-premises consumption at up to two locations on its licensed brewery premises, rather than at just one location. The new law also allows micro brewers to sell beer for on-premises consumption at multiple licensed locations.

- MICHIGAN LIQUOR CONTROL CODE AMENDMENT
 - (SB-507) P.A. 49 of 2014, Effective March 25, 2014.
 - Amends MCL 436.1301 (Section 301)
 - This law amends the Code by: requiring the taxes on wine and mixed spirit drink manufactured outside of Michigan to be paid by the wholesaler assigned to distribute the wine or mixed spirit drink, beginning on February 1, 2015; allowing an in-State wine maker or manufacturer of a mixed spirit drink to designate a wholesaler to pay the tax on behalf of the wine maker or manufacturer, beginning on February 1, 2015; requiring the LCC to establish by rule a method for collecting the wine and mixed spirit drink taxes and reporting requirements for verification of the remission of the taxes; and prohibiting the LCC from requiring the wine and mixed spirit drink taxes to be paid in less than monthly intervals.

- MICHIGAN LIQUOR CONTROL CODE AMENDMENT
 - (SB-650) P.A. 50 of 2014, Effective March 25, 2014.
 - Amends MCL 436.1203 (Section 203)
 - This law amends the Code by allowing a "qualified micro brewer", or an out-of-State entity that is the substantial equivalent of a micro brewer, to sell and deliver beer to a retailer in Michigan if certain conditions are met.

- UPDATED REFERENCE SECTIONS
 - An updated Table of Contents reflecting the above-noted code amendments.

Respectfully,



Tim Kovacik, Deputy Director
Executive Services
Michigan Liquor Control Commission

Enclosure: May 2014 Update Page Replacements