



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

\* \* \* \* \*

In the matter of )  
**LICENSING REQUIREMENTS FOR** )  
**INDUSTRIAL MANUFACTURER LICENSES,** )  
**SELLER OF ALCOHOL LICENCES, AND** )  
**LIMITED ALCOHOL BUYER LICENSES** )  
\_\_\_\_\_ )

At the February 10, 2017 meeting of the Michigan Liquor Control Commission in Lansing, Michigan.

PRESENT: Andrew J. Deloney, Chairman  
Teri L. Quimby, Commissioner  
Dennis Olshove, Commissioner

**ADMINISTRATIVE ORDER NO. 2017-02 - CORRECTED**  
**LICENSING REQUIREMENTS FOR INDUSTRIAL MANUFACTURER LICENSES,**  
**SELLER OF ALCOHOL LICENSES, AND LIMITED ALCOHOL BUYER LICENSES**

Article IV, Section 40, of the Michigan Constitution (1963), permits the legislature to establish a Liquor Control Commission, which shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. MCL 436.1201(2) provides the Commission with the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the manufacture, importation, possession, transportation and sale thereof.

Pursuant to MCL 436.1207(h), an Industrial Manufacturer licensee shall pay an annual \$10.00 license fee and furnish a bond or bonds as the Commission requires.

Pursuant to administrative R 436.1811(2)(b), an Industrial Manufacturer license shall be issued to a person who has paid the annual fee and furnished the surety bond set by written order of the Commission.

Pursuant to administrative R 436.1809(2)(b), a Seller of Alcohol license shall be issued to a person who has paid the annual fee and furnished the surety bond set by written order of the Commission.

Pursuant to administrative rule R 436.1813(2), a Limited Alcohol Buyer license shall be issued to a person who has paid the annual fee set by written order of the Commission.

Pursuant to MCL 436.1801(1)(a), a manufacturer of beer, a manufacturer of wine, a mixed spirit drink manufacturer, an outstate seller of beer, and outstate seller of wine, or an outstate seller of mixed spirit drink shall make, execute, and deliver a bond to the Commission.

Commission records reflect that under Administrative Order OR-79-3 from 1979 the Commission set the annual license fee for an Industrial Manufacturer license at \$10.00 and the annual license fees for a Seller of Alcohol license and a Limited Alcohol Buyer license at \$5.00. Since that time, the annual license fees for the Seller of Alcohol license and Limited Alcohol Buyer license have been increased to \$10.00. The Commission cannot find a more recent administrative order that increased the annual license fees to the current level.

Commission records further reflect that under Administrative Order OR-79-3 from 1979 the bond amounts for an Industrial Manufacturer license and Seller of Alcohol license were set at \$1,000.00 pending further Commission order. Since that time, Commission practice has changed and a bond has not been required for these licenses. The Commission cannot find a more recent order that modified the bond amount or eliminated the requirement to furnish a bond.

The Commission finds that under the provisions of administrative rules R 436.1809(2)(b) and R 436.1813(2), the Commission has the authority to set the annual license fees for the Seller of Alcohol and Limited Alcohol Buyer licenses by written order. The Commission finds that the annual license fees for these licenses should be set at \$10.00 to reflect the current fees collected for these licenses. Furthermore, the Commission finds that MCL 436.1207(h) sets the annual license fee for an Industrial

Manufacturer license, which supersedes the provisions of administrative rule R 436.1811(2)(b).

The Commission finds that under the provisions of MCL 436.1207(h) and administrative rules R 436.1811(2)(b) and R 436.1809(2)(b), the Commission has the authority to set the surety bond for Industrial Manufacturer licenses and Seller of Alcohol licenses by written order. The Commission finds that the provisions of MCL 436.1207(h) regarding the furnishing of a bond are at the discretion of the Commission. Further, the Commission finds that a person licensed under an Industrial Manufacturer license or a Seller of Alcohol license is not required to furnish a bond pursuant to the provisions of MCL 436.1801(1)(a), which conflicts with the provisions of MCL 436.1207(h) and supersedes the provisions of administrative rules 436.1811(2)(b) and R 436.1809(2)(b).

After review and discussion of the issues at the meeting, the Commission finds that annual license fees for a Seller of Alcohol license and Limited Alcohol Buyer license and the elimination of the requirement for an Industrial Manufacturer license or Seller of Alcohol license to furnish a bond should be approved subject to the provisions in the Michigan Liquor Control Code, the administrative rules, and as provided in this Administrative Order.

THEREFORE, IT IS ORDERED that:

- A. Administrative Order OR-79-3 from 1979 is RESCINDED, effective immediately.
- B. Any orders, bulletins, policies, directives, memoranda, or other communications regarding the licensing requirements for Industrial Manufacturer licenses, Seller of Alcohol licenses, or Limited Alcohol Buyer licenses shall be RESCINDED, effective immediately.
- C. The annual license fee for a Seller of Alcohol license shall be \$10.00, pursuant to the provisions of administrative rule R 436.1809(2)(b).
- D. The annual license fee for a Limited Alcohol Buyer license shall be \$10.00, pursuant to the provisions of administrative rule R 436.1813(2).

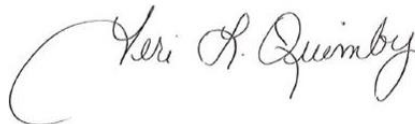
- E. A person licensed under an Industrial Manufacturer license or a Seller of Alcohol license is not required to furnish a bond pursuant to the provisions of MCL 436.1801(1)(a).

MICHIGAN LIQUOR CONTROL COMMISSION



---

Andrew J. Deloney, Chairman



---

Teri L. Quimby, Commissioner



---

Dennis Olshove, Commissioner

D3

Correction Note: Incorrect and extraneous text was erroneously included in the third paragraph of page 3 of the original order and has been deleted. The correction has no substantive effect on the decision made by the Commission.