



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

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In the matter of)
Payments for Spirits Purchases)

General Wine & Liquor Company, Inc.)
373 Victor Avenue)
Highland Park, MI 48203)

NWS Michigan, LLC)
13000 Eckles Road)
Livonia, MI 48150)

Imperial Beverage Company)
3825 Emerald Drive)
Kalamazoo, MI 49001)

Licensees)

At the September 23, 2021 meeting of the Michigan Liquor Control Commission
(Commission) in Lansing, Michigan.

PRESENT: Pat Gagliardi, Chairman
Dennis Olshove, Commissioner
Geraldyn A. Lasher, Commissioner

ADMINISTRATIVE ORDER NO. 2021-11
PAYMENT FOR SPIRITS BY ELECTRONIC FUNDS TRANSFER

Article IV, Section 40, of the Constitution of Michigan (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. Further, in accordance with the provisions of MCL 436.1231, the Commission may buy, possess, and sell in its own name all alcoholic liquor as provided by statute.

The Commission uses Authorized Distribution Agents (ADAs) to warehouse and deliver distilled spirits and, by order, prescribes business operating procedures for them to follow, see Mich Admin Code, R 436.1802(14). The ADAs collect payment from purchasers and currently accept payment in two forms: legal tender (cash) and electronic funds transfer (EFT).

The Commission finds that permitting ADAs to accept cash payments presents security concerns regarding the State's spirits revenue. The need to count cash also hampers an ADA driver's ability to complete deliveries in a timely and efficient manner.

After reviewing and discussing these issues at the meeting, the Commission finds that this Administrative Order should be approved to prohibit ADAs from accepting cash and to require all payments for spirits purchased from the Commission to be made by electronic funds transfer.

THEREFORE, IT IS ORDERED THAT:

- A. Beginning on November 1, 2021, ADAs may not accept cash payments for spirits purchased from the Commission.
- B. All licensees purchasing spirits from the Commission must pay only by EFT beginning with products received on November 1, 2021.
- C. ADAs are encouraged to remind licensees of this change during deliveries before November 1, 2021.

- D. All licensees who intend to receive spirits from the Commission on or after November 1, 2021, must first authorize the Commission to make EFTs, if they have not already done so. Licensees that have not yet authorized EFTs must complete and submit the form for Electronic Fund Transfer (EFT) Authorization for Spirits Purchases by Liquor Licensee that is available on the Commission's website.
- E. Licensees are advised that the EFT authorization is not effective immediately upon submitting the form to the Commission. After the form is submitted, acceptance by financial institutions takes at least 3 business days. Licensees are encouraged to begin the process as soon as possible to prevent delays in receiving spirits products.

MICHIGAN LIQUOR CONTROL COMMISSION



Pat Gagliardi, Chairman



Dennis Olshove, Commissioner



GERALYN A. LASHER, Commissioner