STATE OF MICHIGAN

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LIQUOR CONTROL COMMISSION

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In the matter of	)
PAYMENTS FOR BEER, WINE, & MIXED	)
SPIRIT DRINK PRODUCTS BY ELECTRONIC	)
FUNDS TRANSFER (EFT)	)
	)
All Retailer Licensees	)
	)
All Wholesaler Licensees	)

At the January 19, 2023 meeting of the Michigan Liquor Control Commission in Lansing, Michigan.

PRESENT: Pat Gagliardi, Chair
Dennis Olshove, Commissioner

ADMINSTRATIVE ORDER NO. 2023-01
PAYMENT FOR BEER, WINE, AND MIXED SPIRIT DRINK BY ELECTRONIC FUNDS TRANSFER (EFT)

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 within this state, including the manufacture, importation, possession, transportation and sale thereof.

The Commission finds that requiring retailer licensees to pay for beer, wine, and mixed spirit drink purchases from Wholesaler licensees through electronic funds transfer (EFT) payments, except in certain limited situations, will further modernize and make uniform the method of payment for alcoholic liquor purchases in Michigan, while helping ensure the safety of delivery drivers and personnel. History has demonstrated when delivery drivers carry cash it exposes them to unnecessary risk and harm. MCL

436.1925(1) expressly states; “This act shall be construed to effect the intent and purposes set forth in this act and to protect the public health, safety, and welfare of the citizens of this state.” Further, the Commission finds that many retailer licensees already pay for beer, wine, and mixed spirit drink orders from Wholesaler licensees through EFT payments. Additionally, all retailer licensees that purchase spirits products from the Commission do so through EFT payments. The Commission also finds EFT payments limit the amount of time needed to count payments at the time of delivery making the delivery system more efficient and safer.

After reviewing and discussing these issues at the meeting, the Commission finds that this Administrative Order should be approved to require retailer licensees to pay for all beer, wine, and mixed spirit drink purchased from a Wholesaler licensee by electronic funds transfer (EFT) payment.

THEREFORE, IT IS ORDERED THAT:

A. Beginning March 31, 2023, except as provided in Section C, all payments by retailer licensees to Wholesaler licensees for the purchase of beer, wine, or mixed spirit drink must be made by electronic funds transfer (EFT) payment.
B. All EFT payments must comply with the following provisions:
    1. The Wholesaler licensee must initiate the EFT payment transmittal by initiating the withdrawal of the funds from the retailer’s account.
    2. The EFT payment transmittal to the banking institution must occur no later than the next banking business day from the date of the delivery of the beer, wine, or mixed spirit drink order to the retailer licensee.
    3. A single EFT payment may be made to a Wholesaler licensee making deliveries to multiple locations of a chain retailer on the same business day. Retailer and wholesaler must maintain a store-by-store detailed record to ensure that individual delivery invoices may be traced to the EFT payment.
C. A Wholesaler licensee may only accept cash, check, or money order in the following instances:
    1. When accepting payment for a non-sufficient funds EFT payment.
    2. During temporary service interruptions of the third-party payment processing

company.

3. By written order of the Commission, Hearing Commissioner, or Administrative Law Judge.
4. Sales to the holder of a Special License.
5. For thirty (30) days following the issuance of a license to a retailer.

D. To maintain control of its ability to receive payment, the Wholesaler licensee must be solely responsible for selecting a third-party payment processing company to facilitate the EFT payments in accordance with the provisions set forth in the order. A Wholesaler licensee must not select a third-party payment processing company to facilitate EFT payments that does not meet the requirements of this order or that requires more than thirty (30) days' notice from the Wholesaler licensee to terminate its agreement with the third-party payment processing company.

E. A retailer licensee making a non-sufficient funds EFT payment to a Wholesaler is subject to a violation under MCL 436.1903b.

MICHIGAN LIQUOR CONTROL COMMISSION

Pat Gagliardi, Chair

Dennis Olshove, Commissioner