



Michigan Department of Licensing and Regulatory Affairs  
Liquor Control Commission (MLCC)  
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## **Brewer or Micro Brewer Licensing Requirements & General Information**

A Brewer license, as defined by MCL 436.1105(14), is issued by the Michigan Liquor Control Commission to a person located in Michigan to manufacture and sell to licensed wholesalers, beer produced at the licensed brewery facility, and to customers for consumption on or off the premises at a tasting room located on its manufacturing premises where it also holds an On-Premises Tasting Room Permit.

A Micro Brewer license, as defined by MCL 436.1109(5), is issued by the Commission to a person located in Michigan to manufacturer no more than 60,000 barrels per year and sell to licensed wholesalers, beer produced at the licensed brewery facility, and to customers for consumption on or off the premises at a tasting room located on its manufacturing premises where it also holds an On-Premises Tasting Room Permit. A qualified Micro Brewer licensee that manufactures fewer than 1,000 barrels a year may also self-distribute its beer to retailer licensees.

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### **How to Apply**

All applicants requesting a new Brewer or Micro Brewer license, seeking to transfer ownership of a Brewer or Micro Brewer license, or transferring interest (stock or membership interest) in a Brewer or Micro Brewer license must submit the following:

- **Application Form**

For a new Brewer or Micro Brewer license or to transfer a Brewer or Micro Brewer license - [Manufacturer License & Permit Application \(LCC-150\)](#)

To transfer interest in a Brewer or Micro Brewer license – [License Interest Transfer Application \(LCC-101\)](#)

- **Inspection Fee** - A \$70.00 nonrefundable inspection fee is required for each license requested in an application. For example, if an applicant has requested a new Micro Brewer license in conjunction with a new Small Wine Maker license, the inspection fee would be \$140.00.
- **Local Approval** – If the applicant intends to sell beer it manufactures under its Brewer or Micro Brewer license in an approved tasting room located on the manufacturing premises under an On-Premises Tasting Room Permit, it must obtain the approval of the local legislative body of the local governmental unit where it will be licensed. The Manufacturer License & Permit Application (LCC-150) contains a Local Governmental Approval Form (LCC-106a) that can be used by the local governmental unit to approve or disapprove the request for the On-Premises Tasting Room Permit. Local approval is not necessary for the Commission to consider approval and issuance of a Brewer

or Micro Brewer license when the applicant does not intend to sell its beer to customers on the premises where it manufactures the beer and has not applied for an On-Premises Tasting Room Permit; however, applicants will still need to comply with any local ordinances specific to manufacturing operations.

- **License & Permit Fees** – The initial and annual renewal fee for a Brewer or Micro Brewer license is \$50.00. Additional fees will vary based upon whether additional licenses and permits are requested in conjunction with a Brewer or Micro Brewer license. If the Brewer or Micro Brewer license applicant plans to sell its beer at retail on its manufacturing premises in a tasting room, it must also apply for an On-Premises Tasting Room Permit, for which the initial and annual renewal fee is \$100.00.
- **Livescan Fingerprints** – Applicants that have never been licensed through the Michigan Liquor Control Commission must submit fingerprints through the Livescan fingerprinting process - [Livescan Fingerprint Background Request \(LCC-105\)](#).
- **Property Document** – Applicants must provide documentation that demonstrates they will have control over the property that comprises the proposed licensed premises. Property documents include deeds, land contracts, and lease agreements.
  - A provision to reassign the license in the event of a default on a land contract or termination of a lease agreement may be included, but may only provide for the reassignment subject to Commission approval.
  - If the applicant is a company and its members or stockholders own the real estate as individuals or under another company, a lease agreement is needed.
  - If the applicant is an individual and he or she owns the real estate with a spouse or someone else who will not be named on the license, a lease between the applicant and the owners of the real estate is needed.
- **Federal Brewer's Notice** – Applicants must provide a copy of the federal Brewer's Notice issued by the federal Alcohol and Tobacco Tax and Trade Bureau (TTB) prior to issuance of the Brewer or Micro Brewer license. This is not required to be submitted at the time of application with the Commission, but should be applied for through the TTB as soon as possible, as the TTB process may take longer to complete than the Michigan licensing process.
- **Purchase Agreement** – Applicants requesting to transfer a license from another licensee must submit an executed purchase agreement or other documentation signed by both the applicant and the current licensee, which details the sale of the liquor license(s) and other business assets.
  - Purchase agreements must specifically indicate that the liquor license is being sold and provide the purchase price and terms of the sale.
  - Purchasers of on-premises licenses must have at least 10% of the purchase price of the business, excluding real estate.
  - Purchase agreements that are not for cash only sales and include real estate must list the personal property, including the licenses, and real estate with the terms and price for each.

- If the personal property and real estate are being purchased by separate people or entities, the purchase agreement must indicate those names and who is purchasing which items.
- If the applicant will not pay the full purchase price at closing, the balance due may be covered by a security agreement or promissory note. Alcoholic beverage inventory cannot be included on a security agreement or promissory note.

**In addition to the documents required by all applicants:**

**Corporations** must submit the following information per Administrative Rule R 436.1109:

- Copy of current, filed Articles of Incorporation.
- Current Certificate of Good Standing from the state where incorporated and Certificate of Authority to Do Business in Michigan, if incorporated outside of this state.
- Certified copy of the minutes of a meeting of its board of directors or a statement signed by an officer of the corporation naming the persons authorized by corporate resolution to sign the application and other documents required by the Commission (or Part 3 of Form LCC-301).
- [Report of Stockholders/Members/Partners \(LCC-301\)](#)

**Limited Liability Companies (LLC)** must submit the following information pursuant to Administrative Rule R 436.1110:

- Copy of Articles of Organization and copies of any amendments to the Articles of Organization.
- Current Certificate of Authority to Do Business in Michigan, if the LLC is a non-Michigan LLC.
- Copy of Operating Agreement entered into by members.
- Copy of most recent annual statement filed with the Corporations Division, if an existing LLC.
- Statement signed by a manager of the limited liability company or by at least 1 member if management is reserved to the members naming the person authorized to sign the application and other documents required by the Commission (or Part 3 of Form LCC-301).
- [Report of Stockholders/Members/Partners \(LCC-301\)](#)

**Partnerships** must submit the following information per Administrative Rule R 436.1111:

- Partnership Agreement, if a Limited Partnership.
- [Report of Stockholders/Members/Partners \(LCC-301\)](#)

**Licensing Process**

- The Licensing Division reviews the application and corresponding documents for completeness and verifies the appropriate fees have been received. If additional documents, fees, or corrections to documents are needed, Licensing will notify the applicant.

- Once all the necessary documents have been received Licensing will submit the request to the Enforcement Division for its investigation.
  - The Enforcement Division will contact the applicant to schedule an interview with the applicant (and current licensee for license transfers). At this meeting an investigator will review with the applicant documents, including:
    - purchase agreement
    - financial documents
    - property documents
    - other items pertaining to the application
  - After the interview, the investigator will prepare a report for the Commission regarding the investigation and submit the request back to Licensing for further processing.
  - Licensing reviews the report from Enforcement and any additional documents received during the interview process. The request is prepared for the Commission to consider and placed on a docket for an upcoming licensing meeting.
  - The Commission considers the request, including:
    - the liquor license operating history of the applicant (if a current or prior licensee)
    - the arrest and conviction record of the applicant
    - whether the applicant meets the requirements for a license
    - the applicant's financial information
    - opinions of the local legislative body or police department, if received.
  - The Commission will approve or deny the request based on these factors. Occasionally, the Commission will request more information from the applicant before making a final decision.
  - After the Commission makes a decision on the request, the file is returned to Licensing for final processing.
    - Approval orders are sent to the applicant requesting any final items before the issuance of the license.
    - Denial orders are sent to the applicant and the applicant may appeal the decision.
  - When all the final items are received by Licensing, the completed request is forwarded to the Renewal Unit for the issuance of the physical license documents.
    - Any changes in financial provisions at the time of closing which do not conform to the terms previously indicated and investigated may require submission of new forms and possible additional investigation.
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## **Permits, Permissions, and Authorizations**

**On-Premises Tasting Room Permit** – This permit allows the Brewer or Micro Brewer licensee to sell beer it manufactures to customers for consumption on or off in an approved tasting room located on the manufacturing premises. If the licensee is also

licensed to manufacture wine, spirits, or mixed spirit drink products at the same location where it is licensed with a Brewer or Micro Brewer license, it may also sell those products in the approved tasting room that is issued this permit.

A licensee issued an On-Premises Tasting Room Permit must maintain Proof of Financial Responsibility, or liquor liability insurance, as required by MCL 436.1536(7)(e) and MCL 436.1803 - see [Proof of Financial Responsibility \(LC-95\)](#) - and must comply with the minimum [server training requirements](#) for retail sales as required by MCL 436.1535(7)(d) and MCL 436.1906.

On-Premises Tasting Room Permit limits for Brewer or Micro Brewer licenses:

- A Brewer may have no more than 2 On-Premises Tasting Room Permit locations.
- A Micro Brewer making fewer than 30,000 barrels of beer per year may have an On-Premises Tasting Room Permit at any of its separate manufacturing premises.
- A Micro Brewer making 30,000 barrels of beer or more a year may have an On-Premises Tasting Room Permit at no more than 3 of its manufacturing premises.
- If a Brewer or Micro Brewer has more than one On-Premises Tasting Room Permit location it may sell beer it made at any of its manufacturing premises at any of its On-Premises Tasting Room Permit locations under one of the following conditions:
  - Beer made at another location by the same Brewer or Micro Brewer is transferred to be sold at an On-Premises Tasting Room Permit location that has an installed and functional multivessel system capable of producing and fermenting at least 3 barrels of wort in a single batch
  - Beer made at another location by the same Brewer or Micro Brewer is transferred to be sold at an On-Premises Tasting Room Permit location where the Brewer or Micro Brewer manufactures at least 50% of the volume of beer at that location that is sold to consumers at that location
  - Beer made at another location by the same Brewer or Micro Brewer is transferred to be sold at an On-Premises Tasting Room Permit location that was approved by the Commission under an application received prior to October 1, 2018
- May sell beer for consumption off the premises.
- May sell and serve full size drinks.
- No size or number limit on tasting samples.
- May serve food or have a restaurant in conjunction with the On-Premises Tasting Room Permit.

**Sunday Sales Permit (A.M.)** - A permit that allows the sale of beer on Sunday mornings between 7:00am and 12:00 noon, if allowed by the local unit of government. A Sunday Sales Permit (P.M.) is not required for beer sales after 12:00 noon on Sunday.

**Specific Purpose Permit** - A permit that allows specific types of activities (such as the service of food, sporting activities, meetings, etc.) to occur on the licensed premises outside the legal hours for the sale of alcohol. A specific purpose permit does not allow the sale of alcohol outside of the legal hours of sale.

**Dance Permit** - Allows dancing by patrons of a business with an on-premises license. Often combined with an Entertainment Permit.

**Entertainment Permit** - Permits certain types of live entertainment at a business with an on-premises license. An entertainment permit does not allow topless activity. Often combined with a Dance Permit.

**Extended Hours Permit** - A permit held in conjunction with a Dance or Entertainment Permit (or both) that allows dancing or entertainment on the licensed premises outside the legal hours for the sale of alcohol. An Extended Hours Permit does not allow the sale of alcohol outside of the legal hours of sale.

**Catering Permit** - Authorizes a holder of a Brewer or Micro Brewer license to sell, deliver, and serve beer, and wine in the original containers at private events. A licensee must have a food service establishment license or retail food establishment license to qualify for this permit.

**Beer & Wine Tasting Permit** - A permit that allows for a Brewer or Micro Brewer licensee to conduct a beer tasting event at the licensed premises of a Specially Designated Merchant (SDM) licensee. A Salesperson licensee representing the Brewer or Micro Brewer licensee must conduct the tasting event.

**Living Quarters Permit** - Allows living quarters to be directly connected to the licensed premises.

**Direct Connection permission** - Allows connections from the licensed premises to unlicensed premises.

**Outdoor Service authorization** - Authorization granted by the Commission for a license to sell alcohol outdoors in an area controlled by the licensee. This can be a patio area next to the licensed premises or a space as large as a golf course

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## **Churches & Schools**

A new application to sell alcoholic beverages at retail under an On-Premises Tasting Room Permit, or a request to transfer location of an existing license that intends to sell alcoholic beverages under an On-Premises Tasting Room Permit, may be denied if the contemplated location is within 500 feet of a church or school. The Commission may waive the church/school provision if the church or school does not file an objection to the proposed license. If the church or school does file an objection, the Commission shall hold a hearing before making a decision on the issuance of the license.

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## **Michigan Department of Agriculture & Rural Development Requirements**

Facilities that manufacture alcoholic products in Michigan must be licensed through the Michigan Department of Agriculture & Rural Development (MDARD) in addition to licensure through the Commission. You may contact MDARD regarding the licensing

requirements for the type of establishment for which you are applying by calling, toll-free, 800-292-3939 or visiting [www.michigan.gov/mdard](http://www.michigan.gov/mdard).

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### **Manufacturing & Labeling**

Beer must be manufactured in accordance with federal beer regulations published in the Code of Federal Regulations (CFR) Title 27, Part 25, pursuant to R 436.1611.

All beer products sold in Michigan must have labels approved by the Commission prior to being sold. All beer sold in Michigan must be labeled in accordance with TTB regulations. The Commission uses an on-line label registration process through the [Michigan Wholesale Product Registry \(MWPR\)](#), which requires prior registration with the TTB. Upon licensure, the applicant will be provided with a password and instructions to access the on-line registration site. There is no fee for Michigan label registration.

Mandatory label information, pursuant to TTB regulations:

- Brand name.
- Class, type or, in lieu of, a truthful & adequate statement of composition shall appear on the brand label of the product.
- Name and address of bottler or packer where bottled or packed.
- Net contents.
- Government Warning Statement.
- Alcohol content by volume is optional.

For federal labeling information contact the TTB at 866-927-2533 or [www.ttb.gov](http://www.ttb.gov).

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### **Beverage Deposit & Container Law**

Under Michigan's Beverage Containers Act (also known as the "Bottle Bill"), a dealer, meaning a person who sells beverage containers to consumers, cannot sell a consumer a beverage in a nonreturnable container. A "nonreturnable container" means a beverage container upon which no deposit has been paid. "Beverage" includes beer, ale, malt drink, mixed wine drink, or mixed spirit drink, in addition to nonalcoholic carbonated drinks. Thus, a licensee who sells products that fall within the definition of "beverage" in a container that does not exceed 1 gallon must collect a deposit of at least 10 cents during the sale. If a person returns a container to the licensee, the licensee generally must refund the deposit, even to a non-customer, as long as the licensee offers that brand for sale. For more information on the Bottle Bill, please contact the Michigan Department of Treasury's Miscellaneous Taxes and Fees Unit at 517-636-0515.

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## **Beer Excise Tax Reports**

Michigan beer excise tax rate is \$6.30 per barrel. A barrel contains 31 gallons. Brewers and Micro Brewers shall pay the Michigan beer excise tax or may designate a wholesaler to pay the tax on their behalf for all beer manufactured and sold in this state. A Brewer or Micro Brewer licensee is required to submit a Michigan Beer Tax Report and Michigan Brewer or Micro Brewer Report of Sales no later than the 15<sup>th</sup> day after the end of each quarter (April 15, July 15, October 15, and January 15) regardless of whether a wholesaler has been designated to pay the taxes. Sales and shipments made to military installations, Indian reservations or out-of-state by Brewers or Micro Brewers are nontaxable.

Beer that is sold for consumption in an approved tasting room or self-distributed by the licensee to retailer licensee is subject to the beer excise tax and must be submitted by the Brewer or Micro Brewer licensee regardless if a wholesaler has been designated to pay tax on wholesale shipments to retailers.

For further questions relating to beer tax, please contact our Financial Management Division at: 517-284-6260. Tax forms and instructions may be located on the [Commission website](#).

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## **Sales to Wholesalers**

All sales must be made through licensed wholesalers (except retail sales to customers at an approved tasting room with an On-Premises Tasting Room Permit). A Micro Brewer licensee may self-distribute to a retailer licensee if the Micro Brewer licensee does not sell more than 2,000 barrels of beer a year (see self-distribution information below).

A Brewer or Micro Brewer licensee must grant each of its wholesalers an exclusive sales territory. A Brewer or Micro Brewer licensee must enter into a written agreement each of the wholesalers specifying the brand or brands to be distributed and the territory where exclusive sales are granted. There can be no overlapping of sales territories between wholesalers of similar brands.

There is no prohibition against offering wholesalers quantity discounts as long as the discounts are uniformly offered to all wholesalers. The Liquor Control Code requires the sale and purchase of all alcoholic beverages to be for cash only, at the time of delivery to wholesalers.

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## **Self-Distribution of Beer**

A Micro Brewer may self-distribute beer to a retailer if it does not sell more than 2,000 barrels of beer per year. Beer sold for consumption in a Micro Brewer's tasting room does not count toward calculating the 2,000-barrel threshold. All brands of the Micro Brewer licensee, whether brewed in this state or outside of Michigan, shall be combined to



determine the 2,000-barrel threshold. A Micro Brewer that self-distributes to retailer licensees must comply with the following:

- [The licensee must file a schedule of net cash prices to retailer licensees.](#)
  - The beer must conform to the bottle deposit requirements of [1976 IL 1, MCL 445.571 to 445.576, commonly referred to as the “Bottle Bill”](#), as applicable.
  - The licensee must register the beer on the [Michigan Wholesale Product Registry \(MWPR\)](#) and [must report and pay the applicable taxes on the products sold.](#)
  - The licensee cannot self-distribute to retailer licensees in a sales territory where it has granted exclusive rights to a Wholesaler licensee for the sale of any brand or brands of beer.
  - The deliveries must be made by the licensee’s own employees. The employees must be individually licensed with a Salesperson license, unless otherwise exempt under the law. Please visit the [Salesperson License Information webpage](#) on the MLCC website for more details on Salesperson license requirements.
  - The deliveries must be made in vehicles owned by the licensee. These vehicles must have been issued a delivery vehicle decal by the MLCC. The licensee may apply for vehicle decals using the [Delivery Vehicle Decal Application \(LCC-351\)](#).
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### **Barrel Deposits**

Manufacturers of beer are required to collect a barrel deposit of \$30.00 for all barrels, 1/2 barrels, and 1/4 barrels of beer sold to wholesalers. A refund of \$30.00 shall be made to a licensee who has made the deposit and returned the barrels for refund. The Rule does not allow a deposit in excess of \$30.00.

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### **Salesperson Licenses**

Any person employed by a Brewer or Micro Brewer licensee to sell, deliver, promote, or otherwise assist in the sale of alcoholic liquor in this state is required to hold a Salesperson license issued by the Commission. Employees who work exclusively at the brewery premises and have no contact with wholesalers, retailers, or consumers off the licensed premises do not need a Salesperson license. Salesperson licensees must be at least 18 years of age and are prohibited from being employed by a retailer-tier licensee on a paid or any other basis. For more details on Salesperson licensee requirements and exceptions to the requirements for certain employees please visit the [Commission’s webpage for Salesperson licensing information](#).

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### **Record Retention and Inspection of Premises and Records**

All licensees are required to maintain all sales, purchase, and Salesperson licensee expense records for a minimum of four years. Records may be maintained electronically or otherwise as long as a hard copy of the record can be created upon demand.

A licensee must make the licensed premises available for inspection and search by a Commission Investigator or any law enforcement officer empowered to enforce the Commission's rules and code during regular business hours or when the premises is occupied. The Commission or its duly authorized agent may examine the books, records, or papers of a licensee.

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### **Consumer Participatory Brewery ("Brew-On-Premises") Operation**

The Michigan Liquor Control Code requires a license to manufacture and sell beer. While the Code does allow for home brewing for personal consumption, the home brewing must be done at a person's residence. Therefore, a Brew-On-Premises operation whereby a person provides a facility and equipment allowing consumers to participate in the brewing process is not recognized as home brewing and is allowable in Michigan only under a Micro Brewer or Brewer license. The Commission recognizes the licensed Brewer or Micro Brewer to be the manufacturer of the beer and holds that licensee accountable for all actions on its licensed premises. The licensee may not lease out their licensed premises or equipment to any person; however, consumers may participate in the brewing process under the supervision of the licensee. The Commission recognizes the licensee to be selling the finished beer product to the participating consumer. The licensee may however collect the money up-front from the participating consumer. The licensee will be responsible for paying the appropriate beer excise taxes on all beer manufactured and sold in this state. The licensee will also be responsible for registering all beer brands with TTB and the Commission and labeling all containers in accordance with TTB standards. The Commission will allow Brew-On-Premises operations to register a 'generic label' approved by TTB and registered with the Commission with the very basic required information (name and address of bottler, net contents & government warning statement), and allow such labels to be further customized by the customer or licensee with additional brand name or fanciful name addition.

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### **Contract Brewing**

A Brewer or Micro Brewer licensee may contract brew beer for a retailer licensee that desires to have a "private label". Such contract-brewed beer is basically treated like any other beer. The Brewer or Micro Brewer licensee producing the beer is responsible for registering the product and trade name with TTB and the Commission; paying the beer excise taxes to the Commission for the beer sold in Michigan; assigning sales territories to wholesalers; and selling the beer only to licensed Michigan wholesalers. Contract brewed beer is no different than any other beer except that someone else may own the trade name, formula, and label rights.