

## **Alternating Proprietorship Application Instructions**

Pursuant to MCL 436.1603(9)(a), the Commission may approve an alternating proprietorship under which one Wine Maker or Small Wine Maker licensee (referred to as the "tenant licensee") may contract with another Wine Maker or Small Wine Maker licensee (referred to as the "host licensee") to manufacture wine on the host licensee's premises using its equipment.

Pursuant to MCL 436.1603(9)(b), the Commission may approve an alternating proprietorship under which one Brewer or Micro Brewer licensee (referred to as the "tenant licensee") may contract with another Brewer or Micro Brewer licensee (referred to as the "host licensee") to manufacture beer on the host licensee's premises using its equipment.

# Both licensees in an alternating proprietorship must be licensed under the appropriate license type and must comply with all federal Alcohol and Tobacco Tax and Trade Bureau (TTB) requirements for manufacturing. Both licensees must have their own separate licensed premises as defined in administrative rule R 436.1001(1)(i).

The equipment of the host licensee will be used by the tenant licensee, but all the ingredients, the bottles, the labels, and any other items necessary for the manufacturing of the beer or wine will need to be owned by the tenant licensee for use at the host licensee's premises. Federal law allows the tenant licensee to hire the services of the host licensee's production and office employees to facilitate the making of the beer or wine as part of the alternating proprietorship agreement. During the time that the tenant licensee is employing the services of the host licensee's employees, the tenant licensee must be the one directing their work and is responsible for all the steps of the production of the beer or wine, pursuant to the terms of the alternating proprietorship agreement. At the end of the process, the finished beer or wine will be wholly owned by the tenant licensee and will not be purchased from the host licensee.

For details on the federal regulations related to alternating proprietorships, please review the following TTB guidance documents: <u>Industry Circular 2005-2</u> for beer and <u>Industry Circular 2008-4</u> for wine.

Checklist of documentation to submit to the Commission for consideration of an alternating proprietorship:

Completed Alternating Proprietorship Application (LCC-155), attached.

Alternating proprietorship agreement signed by both the tenant licensee and host licensee. The agreement must contain the terms of the agreement, including the commencement date, details regarding the portion of the host licensees's premises the tenant licensee will be utilizing, and any details regarding the tenant licensee utilizing the employees of the host licensee, if applicable.

Copies of the amendments to both the tenant and host licensee's federal Brewer's Notices or Basic Permits to allow for the alternating proprietorship on the host license's premises.

Facilities that manufacture alcoholic products in Michigan must be licensed through the Michigan Department of Agriculture and Rural Development (MDARD) in addition to licensure through the MLCC. 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 <u>www.michigan.gov/mdard</u>.



Michigan Department of Licensing and Regulatory Affairs Liquor Control Commission (MLCC) Toll-Free: 866-813-0011 - <u>www.michigan.gov/lcc</u>

## **Alternating Proprietorship Application**

#### **Part 1 - Tenant Licensee Information**

Individuals, please state your legal name. Corporations or Limited Liability Companies, please state your name as it is filed with the State of Michigan Corporation Division.

Tenant licensee name:			
Address where licensed:			
City:		Zip Code:	
Contact name:	Contact phone:		Contact email:
Part 2 - Host Licensee Information Individuals, please state your legal name. Corporations or Limited Liability Companies, please state your name as it is filed with the State of Michigan Corporation Division.			
Host licensee name:			
Address where licensed: (Location of alt. proprietorship)			
City:		Zip Code:	
Contact name:	Contact phone:		Contact email:
Part 3 - Required Documents Individuals, please state your legal name. Corporations or Limited Liability Companies, please state your name as it is filed with the State of Michigan Corporation Division			
Alternating proprietorship agreement between tenant licensee and host licensee			
Alternating proprietorship agreement for: 🗌 Beer manufacturing 🗌 Wine manufacturing			
Amended federal Brewer's Notice (beer) or Basic Permit (wine) for the <b>tenant licensee</b> that allows the tenant licensee to operate on the host licensee's premises.			
Amended federal Brewer's Notice (beer) or Basic Permit (wine) for the <b>host licensee</b> that allows the tenant licensee to operate on the host licensee's premises.			

#### Part 4 - Signatures of Licensees

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing **false** or **fraudulent** information is a violation of the Liquor Control Code pursuant to MCL 436.2003.

Print Name of Tenant Licensee & Title

Signature of Tenant Licensee

Date

Print Name of Host Licensee & Title

Signature of Host Licensee

Date

Please return this completed form along with corresponding documents to: Michigan Liquor Control Commission Mailing address: P.O. Box 30005, Lansing, MI 48909 Overnight packages: 2407 N. Grand River Ave., Lansing, MI 48906 Fax to: 517-763-0059