

# SENATE BILL No. 1160

November 8, 2018, Introduced by Senator HUNE and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending section 109 (MCL 436.1109), as amended by 2014 PA 42.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 109. (1) **"MANUFACTURE" MEANS TO DISTILL, RECTIFY,**  
2 **FERMENT, BREW, MAKE, PRODUCE, FILTER, MIX, CONCOCT, PROCESS, OR**  
3 **BLEND AN ALCOHOLIC LIQUOR OR TO COMPLETE A PORTION OF 1 OR MORE OF**  
4 **THESE ACTIVITIES. MANUFACTURE DOES NOT INCLUDE BOTTLING OR THE**  
5 **MIXING OR OTHER PREPARATION OF DRINKS FOR SERVING BY THOSE PERSONS**  
6 **AUTHORIZED UNDER THIS ACT TO SERVE ALCOHOLIC LIQUOR FOR CONSUMPTION**  
7 **ON THE LICENSED PREMISES. IN ADDITION, MANUFACTURE DOES NOT INCLUDE**  
8 **ATTACHING A LABEL TO A SHINER. ALL CONTAINERS OR PACKAGES OF**  
9 **ALCOHOLIC LIQUOR MUST STATE CLEARLY THE NAME, CITY, AND STATE OF**  
10 **THE BOTTLER.**

1           (2) "Manufacturer" means a person ~~engaged in the manufacture~~  
2 ~~of~~ **THAT MANUFACTURES** alcoholic liquor, **WHETHER LOCATED IN OR OUT OF**  
3 **THIS STATE**, including, but not limited to, a distiller, **A SMALL**  
4 **DISTILLER**, a rectifier, **A MIXED SPIRIT DRINK MANUFACTURER**, **A MIXED**  
5 **WINE DRINK MANUFACTURER**, a wine maker, ~~and~~ **A SMALL WINE MAKER**, a  
6 brewer, **AND A MICRO BREWER**.

7           (3) **"MANUFACTURING PREMISES" MEANS THE LICENSED PREMISES OF A**  
8 **MANUFACTURER WHERE THE MANUFACTURER MANUFACTURES ALCOHOLIC LIQUOR**  
9 **OR, FOR A SMALL WINE MAKER ONLY, BOTTLES WINE.**

10          (4) ~~(2)~~ "Master distributor" means a wholesaler that acts in  
11 the same or similar capacity as a brewer, wine maker, outstate  
12 seller of wine, or outstate seller of beer for a brand or brands of  
13 beer or wine to other wholesalers on a regular basis in the normal  
14 course of business.

15          (5) ~~(3)~~ "Micro brewer" means a brewer that ~~produces~~  
16 **MANUFACTURES** in total less than 60,000 barrels of beer per year and  
17 that may sell the beer ~~produced~~ **MANUFACTURED** to consumers at the  
18 licensed brewery premises for consumption on or off the licensed  
19 brewery premises and to retailers as provided in section 203. In  
20 determining the 60,000-barrel threshold, all brands and labels of a  
21 brewer, whether ~~brewed~~ **MANUFACTURED** in this state or outside this  
22 state, ~~shall~~ **MUST** be combined and all facilities for the ~~production~~  
23 **MANUFACTURING** of beer that are owned or controlled by the same  
24 person ~~shall~~ **MUST** be treated as a single facility.

25          (6) ~~(4)~~ "Minor" means an individual less than 21 years of age.

26          (7) ~~(5)~~ "Mixed spirit drink" means a drink ~~produced~~  
27 **MANUFACTURED** and packaged or sold by a mixed spirit drink

1 manufacturer ~~or an outstate seller of mixed spirit drink~~ **OR SOLD BY**  
2 **AN OUTSTATE SELLER OF MIXED SPIRIT DRINK TO A WHOLESALER** that  
3 contains 10% or less alcohol by volume consisting of spirits mixed  
4 with nonalcoholic beverages or flavoring or coloring materials and  
5 that may also contain 1 or more of the following:

- 6 (a) Water.
- 7 (b) Fruit juices.
- 8 (c) Fruit adjuncts.
- 9 (d) Sugar.
- 10 (e) Carbon dioxide.
- 11 (f) Preservatives.

12 **(8)** ~~(6)~~—"Mixed spirit drink manufacturer" means any person  
13 licensed under this act to manufacture mixed spirit drink in this  
14 state and to sell mixed spirit drink **AT RETAIL IN ACCORDANCE WITH**  
15 **SECTION 537 OR** to a wholesaler. For purposes of rules promulgated  
16 by the commission, a mixed spirit drink manufacturer shall be  
17 treated as a wine manufacturer but is subject to the rules  
18 applicable to spirits for manufacturing and labeling.

19 **(9)** ~~(7)~~—"Mixed wine drink" means a drink or similar product  
20 marketed as a wine cooler that contains less than 7% alcohol by  
21 volume, consists of wine and plain, sparkling, or carbonated water,  
22 and contains any 1 or more of the following:

- 23 (a) Nonalcoholic beverages.
- 24 (b) Flavoring.
- 25 (c) Coloring materials.
- 26 (d) Fruit juices.
- 27 (e) Fruit adjuncts.

1 (f) Sugar.

2 (g) Carbon dioxide.

3 (h) Preservatives.

4 (10) ~~(8)~~—"Outstate seller of beer" means a person licensed by  
5 the commission to sell beer that has not been manufactured in this  
6 state to a wholesaler in this state in accordance with rules  
7 promulgated by the commission.

8 (11) ~~(9)~~—"Outstate seller of mixed spirit drink" means a  
9 person licensed by the commission to sell mixed spirit drink that  
10 has not been manufactured in this state to a wholesaler in this  
11 state in accordance with rules promulgated by the commission. For  
12 purposes of rules promulgated by the commission, an outstate seller  
13 of mixed spirit drink shall be treated as an outstate seller of  
14 wine but is subject to the rules applicable to spirits for  
15 manufacturing and labeling.

16 (12) ~~(10)~~—"Outstate seller of wine" means a person licensed by  
17 the commission to sell wine that has not been manufactured in this  
18 state to a wholesaler in this state in accordance with rules  
19 promulgated by the commission and to sell sacramental wine as  
20 provided in section 301.

21 Enacting section 1. This amendatory act does not take effect  
22 unless all of the following bills of the 99th Legislature are  
23 enacted into law:

24 (a) Senate Bill No. 1154.

25

26 (b) Senate Bill No. 1164.

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1 (c) Senate Bill No. 1165.

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3 (d) Senate Bill No. 1159.

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5 (e) Senate Bill No. 1166.

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7 (f) Senate Bill No. 1155.

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9 (g) Senate Bill No. 1161.

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11 (h) Senate Bill No. 1156.

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