



# HOUSE BILL No. 5845

November 10 1994, Introduced by Rep Murphy and referred to the Committee on Liquor Control

A bill to amend sections 23 30, and 31 of Act No 8 of the Public Acts of the Extra Session of 1933 entitled as amended The Michigan liquor control act section 23 as amended by Act No 154 of the Public Acts of 1986 and sections 30 and 31 as amended by Act No 118 of the Public Acts of 1989 being sections 436 23 436 30 and 436 31 of the Michigan Compiled Laws

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 23, 30 and 31 of Act No 8 of the  
2 Public Acts of the Extra Session of 1933 section 23 as amended  
3 by Act No 154 of the Public Acts of 1986 and sections 30 and 31  
4 as amended by Act No 118 of the Public Acts of 1989, being sec-  
5 tions 436 23 436 30 and 436 31 of the Michigan Compiled Laws,  
6 are amended to read as follows

1       Sec 23   (1) A vendor shall be, if a corporation or a  
2 limited partnership only a corporation or a limited partnership  
3 authorized to do business under the laws of this state   A whole-  
4 sale licensee or an applicant for a wholesale license   if an  
5 individual shall be licensed only if that individual has resided  
6 in this state for not less than 1 year immediately prior to the  
7 date of issuance of the license

8       (2) A wholesale licensee or an applicant for a wholesale  
9 license   if a partnership other than a limited partnership shall  
10 be licensed only if all of its members have resided in this state  
11 for not less than 1 year immediately prior to the date of issu-  
12 ance of the license

13       (3) A wholesale licensee or an applicant for a wholesale  
14 license   if a limited partnership shall be licensed only if the  
15 limited partnership is authorized to do business under the laws  
16 of this state and if the general partner and all limited part-  
17 ners have resided in this state for not less than 1 year immedi-  
18 ately preceding the date of issuance of the license   If the gen-  
19 eral partner is a corporation the limited partnership shall be  
20 licensed only if the corporation has been authorized to do busi-  
21 ness under the laws of this state for not less than 1 year imme-  
22 diately preceding the date on which the corporation obtained an  
23 interest in the limited partnership   A limited partnership that  
24 holds a wholesale license shall not admit as a new limited part-  
25 ner an individual who has not resided in this state for at least  
26 1 year immediately preceding the date on which the limited  
27 partnership interest was acquired by the individual

1 (4) A wholesale licensee or an applicant for a wholesale  
2 license if a corporation shall be licensed only if the corpora-  
3 tion is authorized to do business under the laws of this state  
4 and if all stockholders of the corporation have resided in this  
5 state for not less than 1 year immediately preceding the date of  
6 issuance of the license A corporation that holds a wholesale  
7 license shall not issue shares of the corporation s stock to a  
8 person who has not resided in this state for at least 1 year  
9 immediately preceding the date on which the corporate stock was  
10 acquired by the person

11 (5) A WHOLESALE LICENSEE OR APPLICANT FOR A WHOLESALE  
12 LICENSE WHICH IS A LIMITED PARTNERSHIP HAVING A MANUFACTURER OR  
13 OUTSTATE SELLER OF BEER AS A LIMITED PARTNER IS NOT SUBJECT TO  
14 THE RESIDENCY REQUIREMENTS OF SUBSECTIONS (3) AND (4)

15 Sec 30 (1) Except as provided in SUBSECTION (2) AND sec-  
16 tion 31a a manufacturer, mixed spirit drink manufacturer ware-  
17 houseman wholesaler outstate seller of beer outstate seller of  
18 wine, outstate seller of mixed spirit drink, or vendor of spirits  
19 shall not aid or assist any other vendor by gift, loan of money  
20 or property of any description or other valuable thing or by  
21 the giving of premiums or rebates and a vendor shall not accept  
22 the same However if manufacturers of spirits reduce the price  
23 of their products, the manufacturer of spirits may refund the  
24 amount of the price reductions to specially designated distribu-  
25 tor licensees in a manner prescribed by the commission

1 (2) A MANUFACTURER OR AN OUTSTATE SELLER OF BEER MAY HAVE A  
2 LIMITED PARTNERSHIP INTEREST IN A WHOLESALER PURSUANT TO SECTION  
3 31(2) WITHOUT VIOLATING THIS SECTION

4 Sec 31 (1) Except as provided in section 31a a manufac-  
5 turer, mixed spirit drink manufacturer warehouseman wholesaler  
6 outstate seller of beer, outstate seller of wine outstate seller  
7 of mixed spirit drink, or vendor of spirits shall not have any  
8 financial interest directly or indirectly in the establishment  
9 maintenance, operation, or promotion of the business of any other  
10 vendor

11 (2) Except as provided in section 31a, a manufacturer mixed  
12 spirit drink manufacturer, warehouseman, wholesaler, outstate  
13 seller of beer outstate seller of wine outstate seller of mixed  
14 spirit drink or vendor of spirits or a stockholder of a manufac-  
15 turer, mixed spirit drink manufacturer warehouseman wholesaler  
16 outstate seller of beer outstate seller of wine outstate seller  
17 of mixed spirit drink or vendor of spirits shall not have an  
18 interest by ownership in fee leasehold mortgage or otherwise  
19 directly or indirectly, in the establishment maintenance, opera-  
20 tion or promotion of the business of any other vendor

21 NOTWITHSTANDING THIS SUBSECTION AND SUBSECTION (1), A MANUFAC-  
22 Turer OR AN OUTSTATE SELLER OF BEER OR ANY OFFICER, DIRECTOR  
23 AGENT, EMPLOYEE, OR AFFILIATE OF THAT MANUFACTURER OR OUTSTATE  
24 SELLER OF BEER MAY FINANCIALLY ASSIST A WHOLESALER THROUGH PAR-  
25 TICIPATION IN A LIMITED PARTNERSHIP IN WHICH THE WHOLESALER IS A  
26 GENERAL PARTNER AND THE MANUFACTURER OR OUTSTATE SELLER OF BEER,

1 OR ITS OFFICER DIRECTOR AGENT EMPLOYEE OR AFFILIATE IS A  
2 LIMITED PARTNER

3 (3) Except as provided in section 31a a manufacturer mixed  
4 spirit drink manufacturer, warehouseman wholesaler outstate  
5 seller of beer outstate seller of wine outstate seller of mixed  
6 spirit drink or vendor of spirits shall not have an interest  
7 directly or indirectly by interlocking directors in a corporation  
8 or by interlocking stock ownership in a corporation in the estab-  
9 lishment, maintenance, operation, or promotion of the business of  
10 any other vendor

11 (4) Except as provided in section 31a a person shall not  
12 buy the stocks of a manufacturer mixed spirit drink manufactur-  
13 er warehouseman wholesaler outstate seller of beer outstate  
14 seller of wine, outstate seller of mixed spirit drink or vendor  
15 of spirits and place the stock in any portfolio under an arrange-  
16 ment, written trust agreement, or form of investment trust agree-  
17 ment and issue participating shares based upon the portfolio,  
18 trust agreement or investment trust agreement and sell the par-  
19 ticipating shares within this state

20 (5) A wine maker may sell wine made by that wine maker in a  
21 restaurant for consumption on or off the premises if the restau-  
22 rant is owned or leased to another person by the wine maker and  
23 located on the premises where the wine maker is licensed

24 (6) A wine maker with the prior written approval of the  
25 commission may conduct wine tastings of wines made by that wine  
26 maker and may sell the wine made by that wine maker for  
27 consumption off the premises at a location other than the

1 premises where the wine maker is licensed to manufacture wine  
2 under the following conditions

3 (a) That the premises upon which the wine tasting occurs  
4 conforms to local and state sanitation requirements

5 (b) That not more than 1 wine tasting location as described  
6 in this subsection per wine maker may be approved by the com-  
7 mission in a licensing year

8 (c) Payment of a \$100 00 fee per location to the  
9 commission

10 (d) That the wine tasting locations shall be considered  
11 licensed premises

12 (e) That wine tasting shall not take place between the hours  
13 of 2 a m and 7 a m Monday through Saturday or between 2  
14 a m and noon on Sunday

15 (f) That the premises and the licensee comply with and are  
16 subject to all applicable rules promulgated by the commission

17 (7) Subsection (6) shall take effect October 24 1982