## MICHIGAN LIQUOR CONTROL CODE OF 1998 (EXCERPT) Act 58 of 1998

436.1204a Prohibition of the sale or transfer of alcoholic liquor in this state; exceptions; applicability of section to nonalcoholic ingredients.

Sec. 204a.

- (1) A manufacturer shall not sell or transfer alcoholic liquor to a licensed manufacturer in this state except as provided in subsections (2) and (3).
- (2) Notwithstanding any provision in this act to the contrary, a manufacturer may sell or transfer wine or spirits to a licensed manufacturer, and a licensed manufacturer may purchase or receive wine or spirits, under any of the following conditions:
  - (a) For a sale or transfer of wine:
- (i) The selling or transferring manufacturer is a wine maker, small wine maker, or out-of-state entity that is the substantial equivalent of a wine maker or small wine maker and is selling or transferring the wine to a wine maker, small wine maker, or out-of-state entity that is the substantial equivalent of a wine maker or small wine maker.
- (ii) The purchasing or receiving wine maker or small wine maker manufactures wine at its licensed premises or the purchasing or receiving small wine maker bottles wine at its licensed premises.
  - (b) For a sale or transfer of spirits:
- (i) The selling or transferring manufacturer is a distiller, small distiller, or out-of-state entity that is the substantial equivalent of a distiller or small distiller and is selling or transferring the spirits to a distiller, small distiller, or out-of-state entity that is the substantial equivalent of a distiller or small distiller.
  - (ii) The purchasing or receiving distiller or small distiller manufactures spirits at their licensed premises.
- (3) A wine maker, small wine maker, distiller, or small distiller may not sell alcoholic liquor purchased or received under this section unless 1 of the following conditions is met:
- (a) The purchasing or receiving manufacturer modifies the purchased or received alcoholic liquor by performing a portion of the manufacturing process as described in section 109(1).
  - (b) The purchasing or receiving small wine maker bottles the purchased or received wine.
- (c) The purchasing or receiving wine maker or small wine maker is selling a shiner on which the wine maker or small wine maker has placed a label under section 111(10).
- (4) This section does not prevent a manufacturer from selling, purchasing, or receiving nonalcoholic ingredients to or from another manufacturer.

History: Add. 2018, Act 404, Imd. Eff. Dec. 19, 2018