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**SUBSTITUTE FOR
HOUSE BILL NO. 5781**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"

by amending section 1021 (MCL 436.2021), as amended by 2013 PA 235, and by
adding section 551.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 551. (1) The governing body of a local governmental unit may designate a social district that contains a commons area that may be used by qualified licensees that obtain a social district permit. A governing body of a local governmental unit shall not designate a social district that would close a road unless the governing body receives prior approval from the road authority with jurisdiction over the road. If the governing body of a local governmental unit designates a social district that contains a commons area under this section, the governing body must define and clearly mark the commons area with signs. The governing body shall establish local management and maintenance plans, including, but not limited to, hours of operation, for a commons area and submit those plans to the commission. The governing body shall maintain the commons area in a manner that protects the health and safety of the community. Subject to this subsection, the governing body may revoke the designation if it determines that the commons area threatens the health, safety, or welfare of the public or has become a public nuisance. Before revoking the designation, the governing body must hold at least 1 public hearing on the proposed revocation. The governing body shall give notice as required under the open meetings act, 1976 PA 267, MCL 15.261 to

15.275, of the time and place of the public hearing before the public hearing. The governing body shall file the designation or the revocation of the designation with the commission. As used in this subsection:

(a) "Local road agency" means a county road commission or designated county road agency or city or village that is responsible for the construction or maintenance of public roads within this state.

(b) "Road authority" means a local road agency or the state transportation department.

(2) Subject to subsection (3), the holder of a social district permit may sell alcoholic liquor for consumption within the confines of a commons area if both of the following requirements are met:

(a) The holder of the social district permit only sells and serves alcoholic liquor on the holder's licensed premises.

(b) The holder of the social district permit only serves alcoholic liquor to be consumed in the commons area in a container to which all of the following apply:

(i) The container prominently displays the social district permittee's trade name or logo or some other mark that is unique to the social district permittee under the social district permittee's on-premises license.

(ii) The container prominently displays a logo or some other mark that is unique to the commons area.

(iii) The container is not glass.

(iv) The container has a liquid capacity that does not exceed 16 ounces.

(3) If the commission issues a special license to a special licensee located in a social district, the holder of a social district permit shall not sell and serve alcoholic liquor under subsection (2) during the effective period of the special license.

(4) A purchaser may remove a container of alcoholic liquor sold by a holder of a social district permit under subsection (2) from the social district permittee's licensed premises if both of the following conditions are met:

(a) Except as otherwise provided in subdivision (b), the purchaser does not remove the container from the commons area.

(b) While possessing the container, the purchaser does not enter the licensed premises of a social district permittee other than the social district permittee from which the purchaser purchased the container.

(5) The consumption of alcoholic liquor from a container described in subsection (2)(b) in the commons area as allowed under this section may only occur during the legal hours for the sale of alcoholic liquor by the social district permittee.

(6) A qualified licensee whose licensed premises is shared by and contiguous to a commons area in a social district designated by the governing

body of a local governmental unit under this section may obtain from the commission an annual social district permit as provided in this section. The social district permit must be issued for the same period and may be renewed in the same manner as the license held by the applicant. The commission shall develop an application for a social district permit and shall charge a fee of \$250.00 for a social district permit. An application for a social district permit must be approved by the governing body of the local governmental unit in which the applicant's place of business is located before the application is submitted to the commission and before the permit is granted by the commission. The \$250.00 permit fee under this subsection must be deposited into the liquor control enforcement and license investigation revolving fund under section 543(9).

(7) This section does not apply after December 31, 2024.

(8) As used in this section:

(a) "Commons area" means an area within a social district clearly designated and clearly marked by the governing body of the local governmental unit that is shared by and contiguous to the premises of at least 2 other qualified licensees. Commons area does not include the licensed premises of any qualified licensee.

(b) "Local governmental unit" means a city, township, village, or charter authority.

(c) "Qualified licensee" means any of the following:

(i) A retailer that holds a license, other than a special license, to sell alcoholic liquor for consumption on the licensed premises.

(ii) A manufacturer with an on-premises tasting room permit issued under section 536.

(iii) A manufacturer that holds an off-premises tasting room license issued under section 536.

(iv) A manufacturer that holds a joint off-premises tasting room license issued under section 536.

Sec. 1021. (1) The commission shall not require a licensee to sell or serve food to a purchaser of alcoholic liquor. The commission shall not require a class A hotel or class B hotel to provide food services to registered guests or to the public.

(2) Except as otherwise provided in **section 551 and** subsection (3), a purchaser shall not remove alcoholic liquor sold by a vendor for consumption on the premises from those premises.

(3) A vendor licensed to sell wine on the premises may allow an individual who has purchased a meal and who has purchased and partially consumed a bottle of wine with the meal, to remove the partially consumed bottle from the premises ~~upon~~**on** departure. This subsection does not allow the removal of any additional unopened bottles of wine unless the vendor is

licensed as a specially designated merchant. The licensee or the licensee's clerk, agent, or employee shall cap the bottle or reinsert a cork so that the top of the cork is level with the lip of the bottle. The transportation or possession of the partially consumed bottle of wine shall be in compliance with section 624a of the Michigan vehicle code, 1949 PA 300, MCL 257.624a.

(4) This act and rules promulgated under this act do not prevent a class A or B hotel designed to attract and accommodate tourists and visitors in a resort area from allowing its invitees or guests to possess or consume, or both, on or about its premises alcoholic liquor purchased by the invitee or guest from an off-premises retailer and does not prevent a guest or invitee from entering and exiting the licensed premises with alcoholic liquor purchased from an off-premises retailer.

(5) Notwithstanding section 901(6), an on-premises licensee may, in a manner as determined by that licensee, allow for the consumption of wine that is produced by a wine maker, a small wine maker, or an out-of-state entity that is the substantial equivalent of a wine maker or small wine maker and that is brought into the licensed premises in its original sealed container by a consumer who is not prohibited under this act from possessing wine. The licensee shall not allow the consumer to remove a partially consumed bottle of wine brought by the consumer unless the licensee or the licensee's clerk, agent, or employee caps the bottle or reinserts the cork so that the top of the cork is level with the lip of the bottle. The licensee may charge a corkage fee for each bottle of wine brought by the consumer and opened on the premises by the licensee or the licensee's clerk, agent, or employee. This subsection does not exempt the licensee or the consumer from any other applicable requirements, responsibilities, or sanctions imposed under this act.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 100th Legislature are enacted into law:

(a) Senate Bill No. 942.

(b) House Bill No. 5811.