

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

436.1504 Limited production manufacturer license; fees; conditional sales and purchases; restrictions and prohibitions; registration and federal brewer's notice required; definitions.

Sec. 504.

(1) The commission may issue a limited production manufacturer license to a person that purchases beer from another brewer, micro brewer, or out-of-state equivalent of a brewer or micro brewer for purposes of taking ownership of the beer and performing any of the manufacturing process as described in section 109(1).

(2) The commission shall charge an initial and renewal license fee for a license under this section of \$1,000.00.

(3) Notwithstanding section 204, a brewer, micro brewer, or out-of-state equivalent of a brewer or micro brewer may sell beer to a limited production manufacturer and a limited production manufacturer may buy beer from a brewer, micro brewer, or an out-of-state equivalent of a brewer or micro brewer if all of the following conditions are met:

(a) The brewer, micro brewer, or out-of-state equivalent of a brewer or micro brewer relinquishes ownership of the beer to the purchasing limited production manufacturer.

(b) The limited production manufacturer modifies the beer by performing all or part of the manufacturing process as described in section 109(1).

(c) The brewer, micro brewer, or out-of-state equivalent of a brewer or micro brewer notifies the commission in writing of the sale and the amount of beer being sold to a purchasing limited production manufacturer before each sale. The notification must be in the form required by the commission.

(d) The brewer, micro brewer, or out-of-state equivalent of a brewer or micro brewer and the limited production manufacturer maintain records of the sale, in the manner required by the commission, for 3 years.

(4) A limited production manufacturer may only sell beer to a wholesaler or a person located outside of this state regardless of whether the person is licensed under this act. Notwithstanding section 109(10) or R 436.1609(2) of the Michigan Administrative Code, beer sold by a limited production manufacturer to a person located outside of this state that holds an outstate seller of beer license may be sold to a wholesaler in this state by the outstate seller of beer.

(5) A limited production manufacturer must not be licensed as or hold a financial interest in another licensed supplier except for purposes of purchasing beer in the manner allowed in this section.

(6) A limited production manufacturer shall not hold a license in the wholesaler tier or retailer tier as provided in section 603(13).

(7) Except as otherwise provided in this section, a limited production manufacturer shall comply with all provisions of this act that apply to the activities of a brewer, including, but not limited to, sections 401, 403, 409, 603, and 609.

(8) A limited production manufacturer shall not self-distribute.

(9) Before selling beer in this state to a wholesaler, a limited production manufacturer shall register the beer and receive a registration number of approval under R 436.1611 of the Michigan Administrative Code.

(10) A limited production manufacturer must be the holder of a federal brewer's notice issued by the United States Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau in accordance with 27 CFR 25.61 to 25.85.

(11) As used in this section:

(a) "Limited production manufacturer" means a person licensed under this section.

(b) "Supplier" means that term as defined in section 603.

History: Add. 2020, Act 80, Imd. Eff. Apr. 2, 2020