

**SUBSTITUTE FOR
HOUSE BILL NO. 5304**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
(MCL 436.1101 to 436.2303) by adding section 552.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 552. (1) Except as otherwise provided in this section, a**
2 **licensee shall not allow on the licensed premises a machine that**
3 **dispenses alcoholic liquor directly to a customer.**

4 **(2) Subsection (1) does not apply to a dispensing machine that**
5 **is located in a bedroom or suite of a hotel of a class A or class B**
6 **hotel licensee.**

7 **(3) Subsection (1) does not apply to a dispensing machine that**
8 **is located at an on-premises licensed establishment if all of the**
9 **following conditions are met:**



1 (a) The dispensing machine is located at a customer's table or
2 booth.

3 (b) The dispensing machine does not dispense more than 96
4 ounces of beer, wine, or mixed spirit drink in a single order.

5 (c) The dispensing machine does not dispense spirits.

6 (d) The customer orders the beer, wine, or mixed spirit drink
7 from a clerk, servant, agent, or employee of the licensee.

8 (e) The on-premises licensee does not sell, offer to sell, or
9 advertise the sale of an unlimited quantity of beer, wine, or mixed
10 spirit drink from the dispensing machine.

11 (f) The on-premises licensee or a clerk, servant, agent, or
12 employee of the on-premises licensee monitors the sale, service,
13 and consumption of beer, wine, or mixed spirit drink from the
14 dispensing machine to ensure compliance with this act and the rules
15 promulgated under this act.

16 (4) Subsection (1) does not apply to a dispensing machine that
17 is located at an on-premises licensed establishment if all of the
18 following conditions are met:

19 (a) The dispensing machine is not located at a customer's
20 booth or table.

21 (b) The customer activates the dispensing machine with a
22 secure key card supplied by the on-premises licensee or a clerk,
23 servant, agent, or employee of the on-premises licensee.

24 (c) The secure key card under subdivision (b) is attached to
25 the customer at all times, either through a necklace or bracelet,
26 or other means of securing the key card to the customer.

27 (d) For each serving, the dispensing machine does not dispense
28 more than 16 ounces of beer, 12 ounces of wine, or 12 ounces of
29 mixed spirit drink.



1 (e) The dispensing machine does not dispense more than 32
2 ounces of any alcoholic liquor before the secure key card under
3 subdivision (b) is reactivated by the on-premises licensee or a
4 clerk, servant, agent, or employee of the on-premises licensee.

5 (f) The dispensing machine does not dispense spirits.

6 (g) The on-premises licensee or a clerk, servant, agent, or
7 employee of the on-premises licensee monitors the sale, service,
8 and consumption of beer, wine, or mixed spirit drink from the
9 dispensing machine to ensure compliance with this act and the rules
10 promulgated under this act.

11 (5) An on-premises licensee or a clerk, servant, agent, or
12 employee of the on-premises licensee that supplies a secure key
13 card under subsection (4) (b) or reactivates a secure key card under
14 subsection (4) (e) shall comply with section 801.

15 (6) If an on-premises licensee has a dispensing machine
16 described in subsection (4) located at the on-premises licensed
17 establishment, the commission or any commissioner or authorized
18 agent of the commission designated by the chairperson of the
19 commission may assess a penalty of not more than \$2,000.00 on the
20 on-premises licensee for each violation of section 801(1) instead
21 of assessing the penalty under section 903(1) if the on-premises
22 licensee, or clerk, servant, or employee of the on-premises
23 licensee violates section 801(1) regardless of whether the
24 violation is associated with the dispensing machine. If the
25 commission, or any commissioner or authorized agent of the
26 commission designated by the chairperson of the commission assesses
27 a penalty under this subsection, the commission may also suspend or
28 revoke the on-premises licensee's license under section 903(1).

29 (7) R 436.1045 of the Michigan Administrative Code is



1 rescinded.

2 (8) As used in this section, "on-premises licensee" means any
3 of the following:

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

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

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

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

