

**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:

1 **Sec. 551. (1) The governing body of a local governmental unit**
2 **may designate a social district that contains a commons area that**
3 **may be used by on-premises licensees that obtain a social district**
4 **permit. If the governing body of a local governmental unit**
5 **designates a social district that contains a commons area under**
6 **this section, the governing body must define and clearly mark the**
7 **commons area with signs. The governing body shall establish local**
8 **management and maintenance plans, including, but not limited to,**



1 hours of operation, for a commons area and submit those plans to
2 the commission. The governing body shall maintain the commons area
3 in a manner that protects the health and safety of the community.
4 The governing body may, at any time, revoke the designation if it
5 determines that the commons area threatens the health, safety, or
6 welfare of the public or has become a public nuisance. The
7 governing body shall file the designation or the revocation of the
8 designation with the commission.

9 (2) The holder of a social district permit may sell alcoholic
10 liquor for consumption within the confines of a commons area if all
11 of the following requirements are met:

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

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

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

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

23 (iii) The container is not glass.

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

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



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

5 (4) The consumption of alcoholic liquor in the commons area
6 may only occur during the legal hours for the sale of alcoholic
7 liquor by the social district permittee.

8 (5) An on-premises licensee whose licensed premises is shared
9 by and contiguous to a commons area in a social district designated
10 by the governing body of a local governmental unit under this
11 section may obtain from the commission an annual social district
12 permit as provided in this section. The social district permit must
13 be issued for the same period and may be renewed in the same manner
14 as the on-premises license held by the applicant. The commission
15 shall develop an application for a social district permit and shall
16 charge a fee of \$250.00 for a social district permit. On receipt of
17 a completed application and the fee, the commission shall notify
18 the governing body of the local governmental unit and verify the
19 designation of a social district and that the location listed on
20 the application is adjacent to and qualifies for a social district
21 permit under this section. An application for a social district
22 permit must be approved by the governing body of the local
23 governmental unit in which the applicant's place of business is
24 located before the permit is granted by the commission. The
25 commission shall provide the governing body of the local
26 governmental unit and the local chief of police with the
27 applicant's name, business address, and business telephone number
28 to accomplish the review as required by this subsection. The
29 \$250.00 permit fee under this subsection must be deposited into the



1 liquor control enforcement and license investigation revolving fund
2 under section 543(9).

3 (6) As used in this section:

4 (a) "Commons area" means an area within a social district
5 clearly designated and clearly marked by the governing body of the
6 local governmental unit that is shared by and contiguous to the
7 premises of at least 2 other on-premises licensees.

8 (b) "Local governmental unit" means that term as defined in
9 section 915.

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

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

17 (3) A vendor licensed to sell wine on the premises may allow
18 an individual who has purchased a meal and who has purchased and
19 partially consumed a bottle of wine with the meal, to remove the
20 partially consumed bottle from the premises ~~upon~~**on** departure. This
21 subsection does not allow the removal of any additional unopened
22 bottles of wine unless the vendor is licensed as a specially
23 designated merchant. The licensee or the licensee's clerk, agent,
24 or employee shall cap the bottle or reinsert a cork so that the top
25 of the cork is level with the lip of the bottle. The transportation
26 or possession of the partially consumed bottle of wine shall be in
27 compliance with section 624a of the Michigan vehicle code, 1949 PA
28 300, MCL 257.624a.

29 (4) This act and rules promulgated under this act do not



1 prevent a class A or B hotel designed to attract and accommodate
2 tourists and visitors in a resort area from allowing its invitees
3 or guests to possess or consume, or both, on or about its premises
4 alcoholic liquor purchased by the invitee or guest from an off-
5 premises retailer and does not prevent a guest or invitee from
6 entering and exiting the licensed premises with alcoholic liquor
7 purchased from an off-premises retailer.

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

