

**SUBSTITUTE FOR
SENATE BILL NO. 656**

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, an**
2 **on-premises licensee shall not allow on the licensed premises a**
3 **machine that 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 licensee does not sell, offer to sell, or advertise
9 the sale of an unlimited quantity of beer, wine, or mixed spirit
10 drink from the dispensing machine.

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

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

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

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

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

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

29 (e) The dispensing machine does not dispense more than 32

1 ounces of any alcoholic liquor before the secure key card under
2 subdivision (b) is reactivated by the licensee or a clerk, servant,
3 agent, or employee of the licensee.

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

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

9 (5) A licensee or a clerk, servant, agent, or employee of the
10 licensee that supplies a secure key card under subsection (4) (b) or
11 reactivates a secure key card under subsection (4) (e) shall comply
12 with section 801.

13 (6) R 436.1045 of the Michigan Administrative Code is
14 rescinded.

15 (7) As used in this section, "on-premises licensee" means any
16 of the following:

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

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

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

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