

Brew-On Premises Operations

The Michigan Liquor Control Code (“Code”) requires a license to manufacture and sell alcoholic beverages in this state. The Code allows an exception to this licensure requirement for persons manufacturing beer and wine in their homes for personal consumption only and not for resale. This statutory exemption is only for beer and wine manufactured in a person’s residence and does not allow the operation of a commercial business where consumers rent equipment and space to manufacture their own beer and wine. Therefore, brew-on-premises (“BOP”) operations that allow consumers to participate in the beer and wine manufacturing process are required to obtain a license from the Michigan Liquor Control Commission (“Commission”).

The Commission has licensed BOP operations for beer, wine and both beer and wine. A **Brewer or Micro Brewer** license issued by Commission is required to manufacture beer in Michigan and a **Wine Maker or Small Wine Maker** license is required to manufacture wine in Michigan.

The Commission recognizes the brewer/wine maker as the manufacturer of the product, not the consumer. The Code does not allow brewer/wine maker to ‘lease’ out space or equipment to consumers. The Commission requires the brewer/wine maker to maintain complete control over the operation at all times. That is not to say that consumers cannot participate in the brewing or wine making process, but the licensee is responsible for all actions occurring on its licensed premises and therefore must maintain control over the facility at all times and must supervise all consumer activities.

The brewer/wine maker may sell the finished alcoholic beverage product to consumers, not the ingredients to manufacture the beer or wine. There is however no prohibition against the brewer collecting the money up-front from the consumer.

The brewer will be responsible for paying the Michigan beer excise tax (\$6.30 per barrel) on all beer sold in Michigan; properly labeling all beer containers; registering all beer labels with BATF and the Commission; complying with Michigan's container deposit law; and complying with all other laws and rules pertaining to the manufacture and sale of beer in Michigan.

Similarly, the wine maker is responsible for paying the Michigan wine excise tax (\$0.135 per liter) on all wine sold in Michigan; properly labeling all wine containers; registering all wine labels with BATF and the Commission; and complying with all other laws and rules pertaining to the manufacture and sale of wine in Michigan.

A Brewer or Micro Brewer may also hold a Wine Maker or Small Wine Maker license as long as both licenses are issued in the same legal entity.