



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
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Distiller or Small Distiller Licensing Requirements & General Information

A Distiller license, also referred to as a Manufacturer of Spirits license, as defined by MCL 436.1107(8), is issued by the Michigan Liquor Control Commission to a person located in Michigan to manufacture spirits produced at the licensed distillery facility, to sell those spirits to the Commission for the sale and distribution through Authorized Distribution Agents (ADAs) to retailer licensees, and to sell its spirits to customers for consumption on or off the premises at a tasting room located on its manufacturing premises where it also holds an On-Premises Tasting Room Permit. A Distiller licensee may also sell spirits it manufactures at an approved tasting room off the manufacturing premises under an Off-Premises Tasting Room License or Joint Off-Premises Tasting Room License.

A Small Distiller license, as defined by MCL 436.1111(11), is issued by the Commission to a person located in Michigan to manufacturer no more than 60,000 gallons of spirits per year, to sell those spirits to the Commission for the sale and distribution through Authorized Distribution Agents (ADAs) to retailer licensees, and to sell its spirits to customers for consumption on or off the premises at a tasting room located on its manufacturing premises where it also holds an On-Premises Tasting Room Permit. A Distiller licensee may also sell spirits it manufactures at an approved tasting room off the manufacturing premises under an Off-Premises Tasting Room License or Joint Off-Premises Tasting Room License.

How to Apply

All applicants requesting a new Distiller or Small Distiller license, seeking to transfer ownership of a Distiller or Small Distiller license, or transferring interest (stock or membership interest) in a Distiller or Small Distiller license must submit the following:

- **Application Form**

For a new Distiller or Small Distiller license or to transfer a Distiller or Small Distiller license - [Manufacturer License & Permit Application \(Form LCC-150\)](#)

To transfer interest in a Distiller or Small Distiller license – [License Interest Transfer Application \(Form LCC-101\)](#)

- **Inspection Fee** - A \$70.00 nonrefundable inspection fee is required for each license requested in an application. For example, if an applicant has requested a new Small Distiller license in conjunction with a new Micro Brewer license, the inspection fee would be \$140.00.

- **Local Approval** – If the applicant intends to sell spirits it manufactures under its Distiller or Small Distiller license in an approved tasting room located on the manufacturing premises under an On-Premises Tasting Room Permit, it must obtain the approval of the local legislative body of the local governmental unit where it will be licensed. The [Manufacturer License & Permit Application \(Form LCC-150\)](#) contains a Local Governmental Approval form (LCC-106a) that can be used by the local governmental unit to approve or disapprove the request for the On-Premises Tasting Room Permit. Local approval is not necessary for the Commission to consider approval and issuance of a Distiller or Small Distiller license when the applicant does not intend to sell its spirits to customers on the premises where it manufactures spirits and has not applied for an On-Premises Tasting Room Permit; however, applicants will still need to comply with any local ordinances specific to manufacturing operations.
- **License & Permit Fees** – The initial and annual renewal fee for a Distiller license is \$1,000.00 and for a Small Distiller license the initial and annual renewal fee is \$100.00. Additional fees will vary based upon whether additional licenses and permits are requested in conjunction with a Distiller or Small Distiller license. If the Distiller or Small Distiller license applicant plans to sell its spirits at retail on its manufacturing premises in a tasting room, it must also apply for an On-Premises Tasting Room Permit, for which the initial and annual renewal fee is \$100.00.
- **Livescan Fingerprints** – Applicants that have never been licensed through the Michigan Liquor Control Commission must submit fingerprints through the Livescan fingerprinting process - [Livescan Fingerprint Background Request Form](#).
- **Property Document** – Applicants must provide documentation that demonstrates they will have control over the property that comprises the proposed licensed premises. Property documents include deeds, land contracts, and lease agreements.
 - A provision to reassign the license in the event of a default on a land contract or termination of a lease agreement may be included, but may only provide for the reassignment subject to Commission approval.
 - If the applicant is a company and its members or stockholders own the real estate as individuals or under another company, a lease agreement is needed.
 - If the applicant is an individual and he or she owns the real estate with a spouse or someone else who will not be named on the license, a lease between the applicant and the owners of the real estate is needed.
- **Federal Basic Permit** – Applicants must provide a copy of the federal Basic Permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau (TTB) prior to issuance of the Distiller or Small Distiller license. This is not required to be submitted at the time of application with the Commission, but should be applied for through the TTB as soon as possible, as the TTB process may take longer to complete than the Michigan licensing process.
- **Purchase Agreement** – Applicants requesting to transfer a license from another licensee must submit an executed purchase agreement or other documentation

signed by both the applicant and the current licensee, which details the sale of the liquor license(s) and other business assets.

- Purchase agreements must specifically indicate that the liquor license is being sold and provide the purchase price and terms of the sale.
- Purchasers of on-premises licenses must have at least 10% of the purchase price of the business, excluding real estate.
- Purchase agreements that are not for cash only sales and include real estate must list the personal property, including the licenses, and real estate with the terms and price for each.
- If the personal property and real estate are being purchased by separate people or entities, the purchase agreement must indicate those names and who is purchasing which items.
- If the applicant will not pay the full purchase price at closing, the balance due may be covered by a security agreement or promissory note. Alcoholic beverage inventory cannot be included on a security agreement or promissory note.

In addition to the documents required by all applicants:

Corporations must submit the following information per Administrative Rule R 436.1109:

- Copy of current, filed Articles of Incorporation.
- Current Certificate of Good Standing from the state where incorporated and Certificate of Authority to Do Business in Michigan, if incorporated outside of this state.
- Certified copy of the minutes of a meeting of its board of directors or a statement signed by an officer of the corporation naming the persons authorized by corporate resolution to sign the application and other documents required by the Commission (or Part 3 of Form LCC-301).
- [Report of Stockholders/Members/Partners \(Form LCC-301\)](#)

Limited Liability Companies (LLC) must submit the following information pursuant to Administrative Rule R 436.1110:

- Copy of Articles of Organization and copies of any amendments to the Articles of Organization.
- Current Certificate of Authority to Do Business in Michigan, if the LLC is a non-Michigan LLC.
- Copy of Operating Agreement entered into by members.
- Copy of most recent annual statement filed with the Corporations Division, if an existing LLC.
- Statement signed by a manager of the limited liability company or by at least 1 member if management is reserved to the members naming the person authorized to sign the application and other documents required by the Commission (or Part 3 of Form LCC-301).
- [Report of Stockholders/Members/Partners \(Form LCC-301\)](#)

Partnerships must submit the following information per Administrative Rule R 436.1111:

- Partnership Agreement, if a Limited Partnership.
 - [Report of Stockholders/Members/Partners \(Form LCC-301\)](#)
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Licensing Process

- The Licensing Division reviews the application and corresponding documents for completeness and verifies the appropriate fees have been received. If additional documents, fees, or corrections to documents are needed, Licensing will notify the applicant.
- Once all the necessary documents have been received Licensing will submit the request to the Enforcement Division for its investigation.
- The Enforcement Division will contact the applicant to schedule an interview with the applicant (and current licensee for license transfers). At this meeting an investigator will review with the applicant documents, including:
 - purchase agreement
 - financial documents
 - property documents
 - other items pertaining to the application
- After the interview, the investigator will prepare a report for the Commission regarding the investigation and submit the request back to Licensing for further processing.
- Licensing reviews the report from Enforcement and any additional documents received during the interview process. The request is prepared for the Commission to consider and placed on a docket for an upcoming licensing meeting.
- The Commission considers the request, including:
 - the liquor license operating history of the applicant (if a current or prior licensee)
 - the arrest and conviction record of the applicant
 - whether the applicant meets the requirements for a license
 - the applicant's financial information
 - opinions of the local legislative body or police department, if received.
- The Commission will approve or deny the request based on these factors. Occasionally, the Commission will request more information from the applicant before making a final decision.
- After the Commission makes a decision on the request, the file is returned to Licensing for final processing.
 - Approval orders are sent to the applicant requesting any final items before the issuance of the license.

- Denial orders are sent to the applicant and the applicant may appeal the decision.
 - When all the final items are received by Licensing, the completed request is forwarded to the Renewal Unit for the issuance of the physical license documents.
 - Any changes in financial provisions at the time of closing which do not conform to the terms previously indicated and investigated may require submission of new forms and possible additional investigation.
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Permits, Permissions, and Authorizations

On-Premises Tasting Room Permit – This permit allows the Distiller or Small Distiller license to sell spirits it manufactures to customers for consumption on or off in an approved tasting room located on the manufacturing premises. If the licensee is also licensed to manufacture beer, spirits, or mixed spirit drink products at the same location where it is licensed with a Distiller or Small Distiller license, it may also sell those products in the approved tasting room that is issued this permit.

A licensee issued an On-Premises Tasting Room Permit must maintain Proof of Financial Responsibility, or liquor liability insurance, as required by MCL 436.1536(7)(e) and MCL 436.1803 [see [Proof of Financial Responsibility form \(Form LC-95\)](#)], and must comply with the minimum [server training requirements](#) for retail sales as required by MCL 436.1535(7)(d) and MCL 436.1906.

On-Premises Tasting Room Permit limits for Distiller or Small Distiller licenses:

- A Distiller or Small Distiller licensee must manufacture spirits on the premises where they are sold in an On-Premises Tasting Room Permit location.
- May sell spirits for consumption off the premises.
- May sell and serve full size drinks.
- No size or number limit on tasting samples.
- May serve food or have a restaurant in conjunction with the On-Premises Tasting Room Permit.

Sunday Sales Permit (A.M.) - A permit that allows the sale of spirits on Sunday mornings between 7:00am and 12:00 noon, if allowed by the local unit of government.

Sunday Sales Permit (P.M.) - A permit that allows the sale of spirits on Sundays after 12:00 noon, if allowed by the local unit of government.

Specific Purpose Permit - A permit that allows specific types of activities (such as the service of food, sporting activities, meetings, etc.) to occur on the licensed premises outside the legal hours for the sale of alcohol. A specific purpose permit does not allow the sale of alcohol outside of the legal hours of sale.

Dance Permit - Allows dancing by patrons of a business with an on premises license. Often combined with an Entertainment Permit.

Entertainment Permit - Permits certain types of live entertainment at a business with an on premises license. An entertainment permit does not allow topless activity. Often combined with a Dance Permit.

Extended Hours Permit - A permit held in conjunction with a Dance or Entertainment Permit (or both) that allows dancing or entertainment on the licensed premises outside the legal hours for the sale of alcohol. An Extended Hours Permit does not allow the sale of alcohol outside of the legal hours of sale.

Catering Permit - Authorizes a holder of a Distiller or Small Distiller license to sell, deliver, and serve spirits in the original containers at private events. A licensee must have a food service establishment license or retail food establishment license to qualify for this permit.

Living Quarters Permit - Allows living quarters to be directly connected to the licensed premises.

Direct Connection permission - Allows connections from the licensed premises to unlicensed premises.

Outdoor Service authorization - Authorization granted by the Commission for a license to sell alcohol outdoors in an area controlled by the licensee. This can be a patio area next to the licensed premises or a space as large as a golf course

Off-Premises Tasting Room License or Joint Off-Premises Tasting Room License

A Distiller or Small Distiller licensee may have an approved tasting room at a location off its licensed manufacturing premises where it may sell spirits it makes under an Off-Premises Tasting Room License. Two or more Distiller or Small Distiller licensees may also operate a joint tasting room together off their licensed manufacturing premises under Joint Off-Premises Tasting Room Licenses. If the Distiller or Small Distiller licensee also holds a Wine Maker or Small Wine Maker license at a different location, it may also sell wine it manufactures at the Off-Premises Tasting Room licensed location. See the [Off-Premises Tasting Room License & Permit Application \(Form LCC-150a\)](#) or the [Joint Off-Premises Tasting Room License & Permit Application \(Form LCC-150b\)](#) for details on the requirements for off-premises tasting room licenses.

A Distiller or Small Distiller licensee that also holds a Mixed Spirit Drink Manufacturer license may sell mixed spirit drink products it manufactures under its Mixed Spirit Drink Manufacturer license at a location where it holds an Off-Premises Tasting Room License or Joint Off-Premises Tasting Room License.

Consumer Sampling Event License

A Distiller or Small Distiller licensee may obtain a Consumer Sampling Event license which allows spirit samplings to be conducted on the licensed premises of Specially Designated Distributor (SDD) licensees. There is a one-time \$70.00 inspection fee for this license. The [Consumer Sampling Event License Application \(LCC-256\)](#) contains details on the requirements for this license.

Notification of spirit sampling events must be received at least 10 days prior to the event on the [Consumer Sampling Event Notification \(LCC-258\)](#). A Salesperson licensee representing the Distiller or Small Distiller licensee that is conducting the spirit sampling event must have successfully completed a server training program approved by the Commission.

Churches & Schools

A new application to sell alcoholic beverages at retail under an On-Premises Tasting Room Permit, or a request to transfer location of an existing license that intends to sell alcoholic beverages under an On-Premises Tasting Room Permit, may be denied if the contemplated location is within 500 feet of a church or school. The Commission may waive the church/school provision if the church or school does not file an objection to the proposed license. If the church or school does file an objection, the Commission shall hold a hearing before making a decision on the issuance of the license.

Michigan Department of Agriculture & Rural Development Requirements

Facilities that manufacture alcoholic products in Michigan must be licensed through the Michigan Department of Agriculture & Rural Development (MDARD) in addition to licensure through the Commission. You may contact MDARD regarding the licensing requirements for the type of establishment for which you are applying by calling, toll-free, 800-292-3939 or visiting www.michigan.gov/mdard.

Michigan Spirit Distribution System

Michigan operates as a control state for the sale of spirits, which means the Commission acts as the wholesaler for all spirit products. A Vendor of Spirits sells spirits to the Commission. The Commission then resells the spirits to both on-and-off-premises retailer licensees.

Spirit products are warehoused and delivered to retail licensees by Authorized Distribution Agents (ADA). An ADA is required to be certified by the Commission and is

also required to have a contract with each Vendor of Spirits they represent to deliver their particular spirit products. Spirit products that are sold to consumers for off-premise consumption by licensed Specially Designated Distributors (SDD) are sold statewide at uniform prices set by the Commission. The uniform price set by the Commission is determined by the cost of the spirit product to the Commission plus a 65% mark-up, plus a combination of specific taxes.

Vendor of Spirits

A Distiller or Small Distiller licensee must also register with the Commission as a Vendor of Spirits in order to sell their spirit products to the Michigan Liquor Control Commission. The Commission purchases spirits from Vendors of Spirits. The Vendor of Spirits is responsible for registering product lines and filing quotations with the Commission. The Commission then adds the statutory mark-up (currently 65%) and specific taxes (currently totaling 12%) and sells the spirits to licensed retailers who in turn may sell to consumers. There is no fee for registering as a Vendor of Spirits. There is also no licensing investigation for registering as a Vendor of Spirits. However, Vendors of Spirits are required to license an individual as a Vendor Representative who will represent them in transactions with the Commission. The Vendor Representative license fee is \$50.00 for a three-year period.

Additional information on registering as a Vendor of Spirits, applying for a Vendor Representative license, and the what is required to list spirits with the Commission to be distributed through the ADAs may be found at the Commission's Website at: https://www.michigan.gov/lara/0,4601,7-154-89334_10570_13127---,00.html.

Self-Distribution of Spirits Products by Small Distiller Licensees

- A Small Distiller licensee may self-distribute spirits products that it manufactures to retailer licensees in Michigan if it does not sell more than 3,000 gallons of spirits to retailers, whether in Michigan or another state, in a calendar year.
- The licensee cannot self-distribute spirits products that are listed in the Commission's price book.
- The licensee must register the spirit products in [EQuote](#) the same way that it registers products it sells exclusively in its tasting room. The licensee will choose "MI. SMALL DISTILLERS" from the ADA drop-down box in EQuote to register products for self-distribution. Any products that are already registered under "MI. SMALL DISTILLERS" for tasting room only sales, may also be self-distributed without registering them again.
- The licensee must comply with the uniform pricing set by the Commission for spirits products. The Commission will send the licensee the minimum shelf price after the products are registered through EQuote.

- The licensee must report and pay the applicable taxes on the products sold. After products are registered through EQuote, the Commission will send the licensee the tax rate schedules to use for calculating the taxes. The licensee must file, on a monthly basis, the [Michigan Small Distiller Monthly Self-Distribution Monthly Report of Sales \(LCC-820\)](#) for all self-distributed sales. If the licensee has no self-distributed sales, it must check the box listed on the [Michigan Small Distiller Monthly Tax Report \(LC-804\)](#) that says the licensee had no self-distributed sales for that month. If the box for no-self-distributed sales is checked, form LCC-820 does not need to be submitted with the tax form, LC-804.
 - The deliveries must be made by the licensee's own employees. The employees must be individually licensed with a Salesperson license, unless otherwise exempt under the law. Please visit the [Salesperson License Information webpage](#) on the MLCC website for more details on Salesperson license requirements.
 - The deliveries must be made in vehicles owned by the licensee. These vehicles must have been issued a delivery vehicle decal by the MLCC. The licensee may apply for vehicle decals using the [Delivery Vehicle Decal Application \(LCC-351\)](#).
 - A new Small Distiller licensee must obtain a Vendor Representative license, become a Vendor of Spirits, and obtain credentials to access EQuote. All new items must be quoted in EQuote and they will be taken to the Commission for consideration to list in Michigan.
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Manufacturing & Labeling

Spirits must be manufactured, identified, and labeled in accordance with federal spirit regulations published in Code of Federal Regulations Title 27, part 19 and Title 27, part 5. pursuant to R 436.1707 and R 436.1708.

All spirit products must be registered with the Commission prior to their introduction in Michigan. All spirits are now registered on-line through the Commission's [E-Quote system](#). For more information on Michigan's on-line E-Quote spirit product registration system, visit the Commission's E-Quote information webpage at https://www.michigan.gov/lara/0,4601,7-154-89334_10570_66993---,00.html or contact the Commission's Financial Management Division at (517) 284-6260.

Mandatory label information, pursuant to TTB regulations:

- Brand name.
- Class, type or, in lieu of, a truthful & adequate statement of composition shall appear on the brand label of the product.
- Name and address of bottler or packer where bottled or packed.
- Net contents.
- Government Warning Statement.
- Alcohol content.

For federal labeling information contact the TTB at 866-927-2533 or www.ttb.gov.

Salesperson Licenses

Any person employed by a Distiller or Small Distiller licensee to sell, deliver, promote, or otherwise assist in the sale of alcoholic liquor in this state is required to hold a Salesperson license issued by the Commission. Employees who work exclusively at the brewery premises and have no contact with wholesalers, retailers, or consumers off the licensed premises do not need a Salesperson license. Salesperson licensees must be at least 18 years of age and are prohibited from being employed by a retailer-tier licensee on a paid or any other basis. For more details on Salesperson licensee requirements and exceptions to the requirements for certain employees please visit the Commission's webpage for Salesperson licensing information: https://www.michigan.gov/lara/0,4601,7-154-89334_10570_16941-456243--,00.html.

Record Retention and Inspection of Premises and Records

All licensees are required to maintain all sales, purchase, and Salesperson licensee expense records for a minimum of four years. Records may be maintained electronically or otherwise as long as a hard copy of the record can be created upon demand.

A licensee must make the licensed premises available for inspection and search by a Commission Investigator or any law enforcement officer empowered to enforce the Commission's rules and code during regular business hours or when the premises is occupied. The Commission or its duly authorized agent may examine the books, records, or papers of a licensee.