

**STATE OF MICHIGAN
101ST LEGISLATURE
REGULAR SESSION OF 2022**

Introduced by Reps. Young and Wendzel

ENROLLED HOUSE BILL No. 5696

AN ACT to amend 1998 PA 58, entitled “An act to create a commission for the control of the alcoholic beverage traffic within this state, and to prescribe its powers, duties, and limitations; to provide for powers and duties for certain state departments and agencies; to impose certain taxes for certain purposes; to provide for the control of the alcoholic liquor traffic within this state and to provide for the power to establish state liquor stores; to prohibit the use of certain devices for the dispensing of alcoholic vapor; to provide for the care and treatment of alcoholics; to provide for the incorporation of farmer cooperative wineries and the granting of certain rights and privileges to those cooperatives; to provide for the licensing and taxation of activities regulated under this act and the disposition of the money received under this act; to prescribe liability for retail licensees under certain circumstances and to require security for that liability; to provide procedures, defenses, and remedies regarding violations of this act; to provide for the enforcement and to prescribe penalties for violations of this act; to provide for allocation of certain funds for certain purposes; to provide for the confiscation and disposition of property seized under this act; to provide referenda under certain circumstances; and to repeal acts and parts of acts,” by amending section 502 (MCL 436.1502), as amended by 2020 PA 112.

The People of the State of Michigan enact:

Sec. 502. (1) Subject to subsection (3), the commission shall issue a salesperson license to an individual who is a designated employee of any of the following persons:

- (a) A manufacturer of beer.
- (b) A manufacturer of wine.
- (c) A manufacturer of mixed spirit drink.
- (d) An outstate seller of beer.
- (e) An outstate seller of wine.
- (f) An outstate seller of mixed spirit drink.
- (g) A wholesaler.
- (h) A broker that represents 1 or more persons described in subdivisions (a) to (g).
- (i) A broker described in subdivision (h) that also represents 1 or more of the following persons:
 - (i) A vendor of spirits.
 - (ii) A manufacturer of spirits.
- (j) A vendor of spirits.
- (k) A manufacturer of spirits.

(l) A broker that represents only 1 or more of the following:

(i) A vendor of spirits.

(ii) A manufacturer of spirits.

(2) A salesperson license issued under this section after April 15, 2018 but before April 30, 2020 expires on April 30, 2020. A salesperson license issued under this section is renewable every 3 years with the first triennial renewal cycle beginning May 1, 2020. The commission may charge a reasonable initial license fee and triennial renewal fee. The commission shall establish a fee under this section by written order. The nonrefundable inspection fee under section 529(4) is not required for an application for a new salesperson license or transfer of a salesperson license. A salesperson license issued or renewed under R 436.1853 of the Michigan Administrative Code expires on the earlier of the following dates:

(a) Three years after the date of the issuance or renewal.

(b) April 30, 2020.

(3) The commission shall not impose any other requirement or consider any other factor beyond the accreditation required in this section for issuance or renewal of a salesperson license. Except as otherwise provided in this subsection, the commission shall not issue a salesperson license under this section unless the applicant submits with his or her application written documentation that the applicant has successfully completed a salesperson accreditation program. Except as otherwise provided in this subsection, the commission shall not renew a salesperson license issued under this section or under R 436.1853 of the Michigan Administrative Code unless the licensee submits with his or her application proof acceptable to the commission that the licensee has successfully completed a salesperson accreditation program no more than 120 days before the date the licensee submits his or her renewal application. An applicant's completion of a salesperson accreditation program is not a condition for issuance or renewal of a salesperson license for any of the following applicants:

(a) A designated employee of a manufacturer of spirits.

(b) A designated employee of a vendor of spirits.

(c) A designated employee of a broker described in subsection (1)(l).

(4) Except as provided in subsection (5), an individual shall not sell, deliver, promote, or otherwise assist in the sale of alcoholic liquor in any manner to a retailer in this state unless licensed under this section or under R 436.1853 of the Michigan Administrative Code. An individual licensed as a salesperson under R 436.1853 of the Michigan Administrative Code before April 15, 2018 shall comply with the requirements of this section on renewal of his or her salesperson license, application for a subsequent salesperson license under a different employer, or a request to transfer his or her salesperson license to a different employer.

(5) This section does not require an individual who is at least 16 years of age and who only does any of the following to be licensed as a salesperson:

(a) Builds a display of those brands that are represented or sold by the individual's employer for an off-premises retailer.

(b) Marks the price on those brands that are represented or sold by the individual's employer for an off-premises retailer.

(c) Rotates brands that are represented or sold by the individual's employer for an off-premises retailer.

(d) Places brands that are represented or sold by the individual's employer on shelves for an off-premises retailer.

(e) For an individual who holds a Michigan commercial driver license or chauffeur's license, transports, in a vehicle licensed by the commission under section 525, and delivers alcoholic liquor to a retailer.

(6) The commission shall approve a salesperson license accreditation program designed for salesperson licensees if the commission determines that the program's curriculum includes an understanding of all of the following:

(a) Section 609.

(b) Section 609a.

(c) Section 609b.

(d) Section 610d.

(e) The provisions of section 1013 that require the sale or purchase of alcoholic liquor by a licensee for cash only.

(f) R 436.1315 of the Michigan Administrative Code.

(g) R 436.1726 of the Michigan Administrative Code.

(h) The commission's order for on-premises brand promotions issued October 27, 1999.

(i) Product adjustments as provided for in this act.

(7) A person described in subsection (1)(a) to (g) or a qualified trade association may apply to the commission for qualification as an administrator for the offering of a salesperson accreditation program.

(8) On approval of a salesperson accreditation program under subsection (6), the commission shall appoint the person or qualified trade association sponsoring the salesperson accreditation program as administrator of that program.

(9) As used in this section:

(a) "Administrator" means a person described in subsection (1)(a) to (g) or a qualified trade association authorized by the commission to offer salesperson accreditation programs.

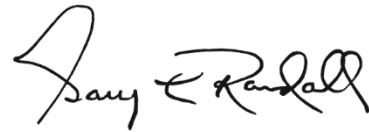
(b) "Broker" means that term as defined in R 436.1001 of the Michigan Administrative Code.

(c) "Designated employee" means an individual who sells, delivers, promotes, or otherwise assists in the sale of alcoholic liquor.

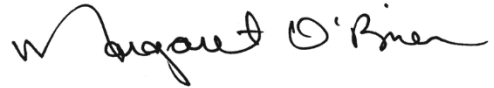
(d) "Qualified trade association" means a trade association that represents a person described in subsection (1)(a) to (g) that employs individuals to act as salespersons.

(e) "Salesperson accreditation program" means a program that the commission approves under subsection (6) and that is offered by an administrator.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor