

AGENCY

The **Michigan Liquor Control Commission (MLCC)** falls under the state Department of Licensing and Regulatory Affairs.

Department of Licensing and Regulatory Affairs
 MLCC

HISTORY

The MLCC was created after prohibition ended in 1933. In January of 1997, the MLCC closed the two state-owned warehouses and the leased warehouse. The leases on each of the 63 state distribution stores were also terminated. The purchasing system that was originally used required the authorized distribution agents (ADAs) to transmit the licensee orders to the state. Now, orders are obtained from the retail licensees online and transmitted to the ADAs.

WET and DRY COUNTIES

State law allows local jurisdictions to control alcohol availability. There are several townships and communities in the state (localities smaller than counties and cities) that remain dry.

ENFORCEMENT

The Enforcement staff is involved in training programs to meet the needs of retail licensees, beer and wine wholesalers, and law enforcement agencies. They are also responsible for investigating applicants for liquor licenses and assisting local, county and state law enforcement agencies with the enforcement of Michigan’s liquor laws.

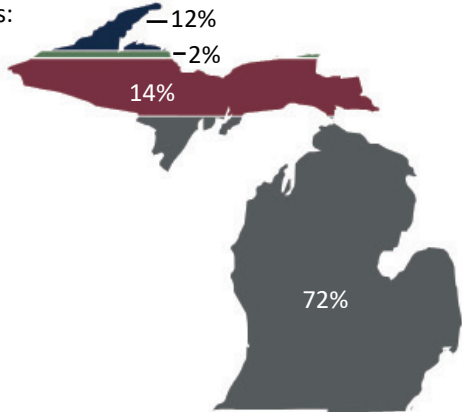
The MLCC’s enforcement officers regularly conduct surveillance and decoy sting operations in licensed premises as part of their efforts to ensure that the state’s liquor laws and underage drinking laws are being adhered to.

Population 21 and over
 (Estimate) (2018) **6,900,000**

NET REVENUE

MI distributes its net revenue into four categories:

- General Fund (72%)
- Local Governmental Units (14%)
- Licensing and Enforcement (2%)
- School Aid Fund (12%)



Figures are from 2017

\$448,491,394
 FY 2017 Revenue

From 2003 through 2017, the MLCC has contributed over \$5.3 billion to the state.

DISTRIBUTION

The MLCC does not own any retail stores nor does it manage distribution from warehouses. Authorized distribution agents (ADAs) obtain orders from retail licensees online and transmit these orders to the state.

The MLCC began issuing direct shipping licenses in May 2006. These licensed U.S. wineries may deliver ordered wine products to Michigan residents' homes. There are currently 1,135 wineries that hold Direct Shipper Licenses.

Does jurisdiction allow direct shipping of wine?



Tax per standard drink:

SPIRITS: \$0.039

WINE: \$0.134

BEER: \$0.081

OUTLETS AND GROCERY STORES

Michigan holds control on spirits at wholesale and licenses wholesalers for the distribution of beer and wine to retailers. The state has 4,476 licensed off-premises (packaged liquor, beer, and wine), 4,178 licensed off-premises (beer and wine only), and 8,367 licensed on-premises establishments located throughout the state.

- Michigan has policies that regulate the density of off-premise outlets in a neighborhood/precinct/condensed area
- Jurisdiction allows the sale of spirituous liquor in convenience stores
- Servers must be 18 years old and older to serve beer at on-premise outlets, and employees at off-premise outlets must be at 18 to sell beer
- The sale of Spirits, with specially designated distributor license required, and beer and wine, with specially designated merchant license required, are permitted in grocery stores
- Sunday sales are allowed
- Keg registration is required
- For every 100,000 residents ages 21 and older, there are 105.4 spirits outlets
- Beverage service training is mandatory and voluntary in the state, depending on the program

MICHIGAN LIQUOR CONTROL COMMISSION IN ACTION



In 2015-2016, the MLCC used the NABCA Education Award towards a campaign “21 to Buy, Not Supply”, with consortium partners, including among others, the Michigan Secretary of State the Michigan State Police and the Alliance of Coalitions for Healthy Communities, to raise awareness about the legal and far-reaching consequences of providing alcohol to minors while curbing the access to alcohol for those under the age of 21.

The MLCC also used the funds to design a new brochure to educate licensees on the hearings and appeal process and penalties. The MLCC has also developed a proposal for a new program on the consequences of impaired driving that will be utilized in local communities and at licensee trade shows.

In fiscal year 2016-2017, there were no expenditures for the NABCA grant.

DEFINITIONS

Control systems -- jurisdictions that directly control the distribution and sale of beverage alcohol in their borders.

Three-tier system -- the method of alcohol distribution developed after Prohibition in the United States. Producers/manufacturers (first tier) can sell products only to wholesalers/distributors (second tier) who then sell to retailers (third tier).

Revenue Per Capita -- revenue per person.

Wet and dry counties -- Wet jurisdictions are those that permit the sale of spirits, wine, or beer for on-premise and off-premise consumption. Dry jurisdictions prohibit some or all alcohol sales, whether on- or off-premise.

Sources: 2016 Survey Database, State Alcohol Tax Rates (July 2016), Educational Awards Program Reports for 2014-2015, Michigan Liquor Control Commission, The Beverage Information Group's 2015 Fact Book, Alcohol Policy Information System (APIS)