



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Constitution Hall – 525 W. Allegan, Lansing, MI 48933
Mailing Address: PO Box 30005, Lansing, MI 48909
Toll Free 866-813-0011 – www.michigan.gov/lcc

Brewpub Licensing Requirements & General Information

A Brewpub license, as defined by MCL 436.1105(12), is a license issued in conjunction with a Class C, Tavern, B-Hotel, or A-Hotel license that authorizes the licensee to brew up to 18,000 barrels of beer per calendar year for sale on the premises and off the premises with a Specially Designated Merchant license.

Special Requirements for Brewpub Licenses

In addition to meeting the requirements of the type on-premises license with which the Brewpub license will be held in conjunction, a Brewpub license has a number of additional requirements under MCL 436.1405 and 436.1407:

- The Brewpub licensee shall hold a food service establishment license under the Food Law (MCL 289.1101 to 289.8111)
- The Brewpub licensee may manufacture and brew not more than 18,000 barrels of beer per calendar year in Michigan and sell at those licensed premises the beer produced for consumption on or off the licensed brewery premises. In determining the 18,000-barrel threshold, the Brewpub licensee shall combine all brands and labels of the brewpub produced in Michigan.
- The Brewpub licensee shall have a manufacturing operation on the licensed premises.
- Agricultural products processed by a manufacturer shall comply with state law and with rules of the Department of Agriculture.
- The Brewpub licensee shall manufacture beer pursuant to federal malt beverage regulations published in title 27 CFR 25.1 to 25.301, as required under MCL 436.1405(6).
- The Brewpub licensee shall not sell beer in this state unless it provides for each brand or type of beer sold a label that truthfully describes the content of each container and provides proof that a valid “application for and certification/exemption of label/bottle approval” has been obtained and is unrevoked under the federal malt beverage labeling requirement as published in title 27 CFR 7.20 to 7.29.
- The Brewpub licensee shall submit a copy of the “Brewer’s Notice” in accordance with the federal beer regulations published in title 27 C.F.R. 1935, prior to the sale in Michigan.

- The Brewpub licensee shall submit to the Commission, on forms acceptable to the Commission and not postmarked later than January 15, April 15, July 15, and October 15 of each year, a beer tax report of all beer sold under this Brewpub license during the preceding quarter. Along with this report, each Brewpub shall also submit the payment of the required beer excise tax due pursuant to MCL 436.1409.
 - The brewpub licensee shall provide evidence to the Commission that not less than 25% of the gross sales of the restaurant during the one-year licensure period are derived from the sale of food and nonalcoholic beverages prepared for consumption on the premises, as required under MCL 436.1407(1). The Commission shall revoke the brewpub license under MCL 436.1407(3) if the licensee is not in compliance with this requirement.
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How to Apply

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

- **Application Form** – [Retail License & Permit Application \(Form LCC-100\)](#)
- **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 Brewpub license in conjunction with an establishment that has Class C and Specially Designated Merchant license, the inspection fee would be \$210.00.
- **License & Permit Fees** – The initial and annual renewal fee for a Brewpub license is \$100.00. Additional fees will vary based upon whether additional licenses and permits are requested in conjunction with a Brewpub license. Form LCC-100 lists the fees that correspond with the licenses and permits requested.
- **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](#).
- **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.
- **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.

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. If an applicant has applied for and meets the requirements for a conditional license, the request will be considered by the Commission.
- 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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Local Government Unit Approval for New Brewpub Licenses

- The applicant must obtain a recommendation from the legislative body of the local governmental unit (city council, village council, or township board).
 - The legislative body may pass a resolution to recommend the applicant's application for the new Class C license. It may also record its approval on the [Local Government Approval Form \(Form LCC-106\)](#).
 - The resolution must be submitted to the Commission with the initial application and documents.
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Churches & Schools

A new application to sell alcoholic beverages at retail, or a request to transfer location of an existing license, 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.

Proof of Financial Responsibility

- Liquor liability coverage of at least \$50,000.00 is required by Michigan law for active operation of a licensed business. Types of acceptable coverage are:
 - liquor liability insurance
 - cash
 - unencumbered securities
 - constant value bond

- membership in an authorized group self-insurance pool
- For more information, please read the instructions in the [Proof of Financial Responsibility form \(Form LC-95\)](#).