



Supplement for Michigan ServSafe® Alcohol Training

Updated on October 2025

The information found in this supplement has been taken from the Michigan Compiled Laws, and Michigan Administrative Rules.

This supplement has referenced links to the specific Michigan laws and code section whenever possible; however, these links may change without notice to us. To review all applicable statutes in the Michigan Liquor Control Code, Administrative Rules, and Related Laws, please review/print the Michigan "Code & Rule Book" found here: <http://www.michigan.gov/lcc>.

Table of Contents

The Michigan Liquor Control Code and Administrative Rules.....	3
Introduction.....	3
Definitions	3
Enforcement of Liquor Laws and Rules.....	4
Authority.....	4
Inspections and Investigations	4
Obstructing Liquor Investigators or Law Enforcement.....	4
Citations for Violations of Liquor Laws and Regulations.....	4
Minors.....	5
Illegal Sales	5
Penalties for Illegal Sales to Minors	5
Penalties for Minors.....	5
Checking Identification.....	6
Test Yourself Questions	6
Intoxicated Customers.....	8
Illegal Sales	8
Licensee Penalties.....	8
Signs of Intoxication.....	8
Test Yourself Questions	9
Dram Shop Liability.....	10
Liability	10
Lawsuit Limitations	10
Financial Responsibility	10
Test Yourself Questions	11
Prohibited Conduct.....	12
Illegal Activities	12
Awareness	12
Test Yourself Questions	13
Operating the Licensed Business.....	14
Hours of Operation.....	14
Purchasing Spirituous Liquor	15
Test Yourself Questions	15
Promotions.....	16
Illegal Activities	16
Advertising.....	17
Test Yourself Questions	17

The Michigan Liquor Control Code and Administrative Rules

Introduction

This supplement references the following Michigan laws and rules:

- Michigan Compiled Laws (MCL): These are state laws passed by the Michigan Legislature.
- Michigan Administrative Code (MAC): This is a compilation of all adopted rules and regulations in effect in the state of Michigan.
 - Rule – Refers to the citation number in the Michigan Administrative Code.
- Commission: Refers to the Michigan Liquor Control Commission (MLCC).

This supplement, however, does not cover every aspect of Michigan law or its rules, nor does it contain exact legal language. For this reason, you should refer to the Michigan Liquor Control Code, Administrative Rules, and Related Laws. This document is available for viewing and printing from the web site at: <http://www.michigan.gov/lcc>. Once on the site scroll down and select “Code & Rule Book”.

Definitions

There are some terms that must be defined before reviewing this supplement.

Liquor and Alcoholic Beverages: The Liquor Control Code of 1998 [\[MCL 436.1105\(3\)\]](#) defines “alcoholic liquor” as any spirituous, vinous, malt, or fermented liquor containing 1/2 of 1% or more of alcohol by volume. This includes beer, wine, and spirituous liquor (distilled spirits). These will generally be referred to as “Alcoholic Beverages” in this supplement.

Minor: A “Minor” is an individual less than 21 years of age. [\[MCL 436.1109\(6\)\]](#)

Sale: A sale as defined by the Michigan Liquor Control Code is more than what is normally considered an exchange of money and goods:

- a. “Sale” includes the “exchange, barter, traffic, furnishing, delivery or giving away of alcoholic beverages.” [\[MCL 436.1111\(8\)\]](#)
- b. The sale is considered complete when the exchange of possession of the alcoholic beverages takes place. This is important when considering questions of legal hours, furnishing alcohol to minors, and furnishing alcohol to intoxicated persons.

Enforcement of Liquor Laws and Rules

Authority [\[MCL 436.1201\(4\)\]](#)

The following officials have the authority and duty to enforce Michigan liquor laws:

- MLCC investigators
- Peace officers or law enforcement officers of:
 - The state
 - Counties
 - Townships
 - Cities
 - Villages
 - State universities or community colleges

Inspections and Investigations [\[MCL 436.1217\]](#)

MLCC investigators and law enforcement officers may inspect any licensed business that sells alcoholic beverages to determine compliance with Michigan liquor control laws and rules. Inspections may be made during normal business hours, or at any time when the premises are occupied.

Obstructing Liquor Investigators or Law Enforcement [\[Rule 436.1011\(4\)\]](#)

Licensees and their employees cannot threaten, hinder, or obstruct a law enforcement officer or MLCC investigator in the course of making an investigation or inspection of the premises. They also cannot refuse, fail, or neglect to cooperate with a law enforcement officer or MLCC investigator in the performance of his or her duties to enforce the act or commission rules.

Citations for Violations of Liquor Laws and Regulations

Anyone who has the authority to enforce Michigan's liquor laws and rules may report alleged violations to the MLCC. Violation Reports are sent to the Office of the Assistant Attorney General (AAG) assigned to the Commission. If the AAG determines that there is evidence that a violation took place, a formal Violation Complaint will be filed against the licensee.

The AAG will normally file a separate charge in the Violation Complaint for each section of the Liquor Control Code or Administrative Rules that was reportedly violated. For example, if an enforcement officer observes a bartender selling alcoholic beverages to someone under age 21, and the customer is also observed consuming the alcoholic beverage, the AAG will cite (1) a violation for the selling of the alcoholic beverage to the person under 21, [\[MCL 436.1801\(1\)\]](#) and (2) for allowing the underage person to consume alcoholic beverages on the licensed premises [\[MCL 436.1707\(5\)\]](#).

Note: The ServSafe Alcohol course states that liquor authorities can issue penalties to servers who violate administrative rules. In Michigan, violations of liquor laws and administrative rules will result in penalties from the MLCC for the licensee/owner, not for staff.

Minors

Illegal Sales

The following actions are illegal regarding minors:

- Selling, furnishing, or giving alcohol beverages to minors. [\[MCL 436.1801\(1\)\]](#) and [\[436.1701\(1\)\]](#)
- It is also illegal for parents or legal guardians to serve alcohol to their underage children.
- Allowing a minor to consume alcoholic beverages or possess alcoholic beverages for personal consumption on the licensed premises. [\[MCL 436.1707\(5\)\]](#)
- Allowing a person who is less than 18 years of age to sell or serve alcoholic beverages. [\[MCL 436.1707\(6\)\]](#)

Penalties for Illegal Sales to Minors

There are serious penalties for selling or furnishing alcoholic beverages to minors. They can include any of the following:

- Misdemeanors: A person who knowingly sells or furnishes alcoholic beverages to a minor, or who fails to make diligent inquiry as to whether the individual is a minor, is guilty of a misdemeanor. [\[MCL 436.1701\(1\)\]](#)
- MLCC Violations: A licensee or their employees who sell or furnish alcoholic beverages to a minor, or who allow a minor to consume alcoholic beverages, may be charged with a violation of the Liquor Control Code or Rules. Penalties for violations, especially repeat violations, can be very severe, including the loss of the liquor license and fines up to \$1,000 per violation. [\[MCL 436.1903\(1\)\]](#)
- Loss of Liquor License: The MLCC can revoke the license of a licensee who has been found liable for three or more separate violations of selling alcoholic beverages to minors on different occasions within a 24-month period. [\[MCL 436.1903\(1\)\]](#)
- Dram Shop Liability: The licensee may also be held liable in civil suits when the sale or furnishing of alcoholic beverages is found to be the proximate cause of damage, injury, or death of an innocent party. [\[MCL 436.1801\(2\)\]](#)

Penalties for Minors [\[MCL 436.1703\]](#)

Michigan law does provide penalties for minors who:

- purchase or attempt to purchase alcoholic beverages.
- consume or attempt to consume alcoholic beverages.
- possess or attempt to possess alcoholic beverages.
- have any bodily alcohol content.

Penalties can include:

- mandatory participation in a substance abuse program
- fines
- misdemeanor punishable by imprisonment

A minor convicted of using fraudulent identification to purchase alcoholic beverages is guilty of a misdemeanor, which is punishable by a fine and/or imprisonment.

Checking Identification

The use of false ID is a serious problem for licensees and their employees. The key to detecting them is to know what legitimate ID looks like.

Types of Fraudulent Identification

Minors attempting to purchase alcoholic beverages sometimes use altered, counterfeit, or someone else's ID.

- **Altered ID:** This is an ID that has been physically changed after it was issued. It typically involves altering the birth date.
- **Counterfeit ID:** This ID is one that appears to be valid but has been forged—copied fraudulently—to look legitimate.
- **Someone Else's ID:** The use of someone else's ID is a common occurrence. It may be borrowed, purchased, or obtained illegally. The ID is authentic but does not belong to the person presenting it.

Establishments may be able to deter the use of false ID by informing minors of the penalties involved when attempting to use fraudulent IDs to purchase alcohol.

Detecting Fraudulent Identification

In addition to the guidelines presented in the ServSafe Alcohol course, there are additional things you can do when checking ID to detect fraudulent ones.

- **Examine the ID closely:** Look for erasures, smudges, or the misalignment of letters or numbers. Check to see if the photo matches the person who presented it to you.
- **Look for alterations:** Alterations in driver's licenses or ID cards can often be detected with a flashlight. Smudges, alterations, and misalignments of seals is apparent, and cards issued after June 1987 also have a watermark style coating that is high gloss and more difficult to alter.
- **Question the person:** See if the person can answer questions based on the information on the ID. This would include asking:
 - What is your address or your birth date?
 - What's the correct spelling of your middle name?
 - What street address is shown on your ID?
 - What's the zip code for the address shown?

If you have any doubt about a person's age or the validity of their ID, you have the right to refuse to serve or sell alcohol to them. The loss of one legitimate sale is significantly less than the cost of a liquor violation, both in the short-term and long-term operation of your business.

Test Yourself Questions

1. **Can you sell beer to a minor if that person is accompanied by a parent?**

No. At no time may alcoholic beverages be sold or furnished to a person under 21 years of age.

[\[MCL 436.1801\(1\)\]](#) and [\[MCL 436.1701\(1\)\]](#) Also, the parent or guardian may not legally purchase alcohol for the minor.

2. **A customer produces a Michigan driver's license indicating an age of 22 years old. An employee believes this customer is only 19 years old since they went to the same school. Can you sell alcoholic beverages to this customer?**

No. It is your responsibility to ensure that no one under the age of 21 is sold alcoholic beverages.

If you think the person may be a minor, do not sell alcoholic beverages regardless of the ID shown.

[\[MCL 436.1801\(1\)\]](#) and [\[MCL 436.1701\(1\)\]](#)

3. **If an employee sells alcoholic beverages to a customer who produced a Michigan driver's license indicating their age to be 21 and it is later determined by a police officer that the customer is actually 19, will the licensee be charged with a violation? If so, how will it be treated by the Commission?**

Yes. The licensee may be found liable of selling alcohol to a minor. However, proof that a driver's license or other acceptable ID was diligently examined can be used as a defense. [\[MCL 436.1701\(8\)\]](#)

4. **A bartender sold a pitcher of beer and provided four glasses to a customer who was over 21 years old. The customer took the beer and glasses to a table in a dark corner of the bar where other people were sitting. Later, Commission investigators discovered that three of the people at the table were only 18 years old. Will the licensee be at fault?**

Yes. The licensee is responsible for the control of the bar, including who is given and who is consuming alcoholic beverages. You can be cited for two violations: (1) furnishing alcoholic beverages to persons under 21, and (2) allowing persons under 21 to consume alcohol on the licensed premises. [\[MCL 436.1801\(1\); MCL 436.1701\(1\); MCL 436.1707\(5\)\]](#)

5. **Two youthful-looking boys purchased a case of beer from a clerk who felt too busy to check for ID. A police officer stopped the boys and discovered they were only 16 years old. Can the clerk be held liable?**

Yes. A person who fails to make a diligent inquiry as to the customer's age may be charged with a misdemeanor. The licensee can also be charged with a violation before the Commission because the licensee is responsible for the acts of employees. [\[MCL 436.1801\(1\), MCL 436.1701\(1\)\]](#)

6. **An employee from a party store delivers an order, which includes beer and wine, to a customer's home. The customer who placed the order and paid for it is not home. Can the employee deliver the order to the customer's 19-year-old daughter?**

No. This is considered a sale to a minor since the definition of a sale also includes "furnishing" of beer and/or wine. [\[MCL 436.1701\(1\); MCL 436.1203\(3\)\]; MCL 436.1203\(12\); Rule 436.1527\(1\); Rule 436.1011\(7\)\(b\)\]](#)

7. **A licensee would like to hire someone who is 17 to work as a part-time bartender in the licensed establishment while under supervision from a 30-year-old bartender. Can the 17-year-old be hired in this capacity?**

No. A licensee cannot allow any person under 18 years of age to sell or serve alcoholic beverages. [\[MCL 436.1707\(6\)\]](#)

8. **A 16-year-old is employed as a cashier in a party store. Can she ring up and collect the money for the sale of alcoholic beverages?**

No. An employee selling alcoholic beverages must be at least 18 years old. However, the employee can do other jobs that do not involve alcoholic beverages. [\[MCL 436.1707\(6\)\]](#)

Intoxicated Customers

Illegal Sales

The following actions are illegal:

- Selling, furnishing, or giving alcoholic beverages to a person who is visibly intoxicated. [\[MCL 436.1801\(1\); MCL 436.2025\(4\); and MCL 436.1707\(1\)\]](#)
- Allowing an intoxicated person to consume alcoholic beverages on the licensed premises. [\[MCL 436.1707\(2\)\]](#)
- Allowing an intoxicated person to frequent or loiter on the licensed premises except where the intoxicated person has been refused further service of alcoholic beverages and continues to remain on the premises for the purpose of:
 - eating food.
 - seeking medical attention.
 - having transportation arranged for them.
 - avoiding a circumstance where evacuating immediately would be dangerous to the person or to the public.
- Allowing licensees or their employees to be intoxicated while on the licensed premises. [\[MCL 436.1707\(3\)\]](#)

Licensee Penalties

There are serious penalties for selling or furnishing alcoholic beverages to a visibly intoxicated person. They can include any of the following:

- Misdemeanors: A liquor licensee who sells or furnishes alcoholic beverages to a visibly intoxicated person may be found guilty of a misdemeanor. [\[MCL 436.1909\]](#)
- MLCC Violations: A licensee or their employees who sell or furnish alcoholic beverages to a visibly intoxicated person may be charged with a violation of the Liquor Control Code or Rules. Penalties for violations can be severe and can include loss of the license. [\[MCL 436.1903\(1\)\]](#)
- Dram Shop Liability: The licensee may also be held liable in civil suits when the sale or furnishing of alcoholic beverages to a visibly intoxicated person is found to be the proximate cause of damage, injury, or death of an innocent person. [\[MCL 436.1801\(2\)\]](#)

Signs of Intoxication

It is the responsibility of licensees and their employees to make certain that no one is allowed to become intoxicated on the licensed premises, and that anyone who enters the licensed premises in an intoxicated condition not be allowed to purchase or consume any alcoholic beverages.

Intoxication is a gradual process of losing control of emotional, mental, and physical capabilities caused by excessive alcohol consumption. Because intoxication is a progressive reaction, licensees and employees need to understand and be able to identify when customers are approaching intoxication and how to manage their consumption.

At first, customers may display more emotion than usual – followed by a loss in judgment. At this stage, they may not be capable of determining whether they have had too much to drink. If allowed to continue consuming alcoholic beverages, they will likely display the classic signs of intoxication, which are easily detectable. These include staggering, slurred speech, complaining about drinks and/or prices, loud or boisterous behavior, annoying other guests or servers, etc. The ServSafe Alcohol Online Course outlines these signs and provides a detailed explanation of them.

Test Yourself Questions

1. **Can the licensee or an employee serve a drink to a customer who is intoxicated if the drink is purchased by a friend of the customer who is not intoxicated?**

No. A licensee or employee may not allow the intoxicated person to consume alcohol. Licensees and employees should be alert to attempts to violate the law in this manner. [\[MCL 436.1707\(1\)\]](#)

2. **Can an on-premises licensee or employee consume alcoholic beverages while on duty?**

Yes. Existing regulations do not prohibit an on-premises licensee or employee from consuming alcoholic beverages while working. However, the Liquor Control Code very specifically prohibits either a licensee or an employee from being intoxicated on the licensed premises.

Most licensees find it a good business practice not to drink while working or to allow their employees to do so. [\[MCL 436.1707\(3\)\]](#)

3. **An establishment's best customer staggers in the door and tells the bartender to get a round of drinks for everyone. This customer's speech is slurred and loud. Since he lives only a block away, is there any harm in serving him one drink with the understanding that after that he is to head home?**

Yes. The customer is showing signs of intoxication. At no time should alcoholic beverages be sold or served to an intoxicated person, regardless of how nearby they live. It would be wise to offer that person some food or a non-alcoholic beverage or to arrange transportation for that person as an alternative to sending them back onto the street. Remember that under Michigan's Dram Shop laws, a licensee and their employees may be financially liable for any accidents resulting from the sale of alcohol to an intoxicated person. [\[MCL 436.1801\(1\)\(2\)\]](#) and [\[MCL 436.2025\(4\)\]](#), and [\[MCL 436.1707\(1\)\]](#)

4. **The police receive a complaint that several people are drinking alcoholic beverages and creating a disturbance in the parking lot of a party store. When the police arrive, they determine that the alcoholic beverages being consumed were purchased at the party store and that the customers are of legal age. Can the licensee of the party store be cited for a liquor violation?**

Yes, since the people were allowed to drink the alcoholic beverages in the party store's parking lot. An off-premises licensee is responsible for actions in the licensed business and on any of the surrounding property that is controlled by the licensee. [\[Rule 436.1523\]](#)

5. **Is slurred speech, being loud or boisterous, or annoying other guests a sign of intoxication?**

Yes. A customer displaying some or all of these characteristics is likely to be intoxicated. It is in your best interest not to serve any alcoholic beverages to customers showing these signs.

Dram Shop Liability

Sale of alcoholic beverages to persons under 21 and to visibly intoxicated persons can result in civil liability suits when the sale is shown to be the proximate cause of damage, injury, or death of an innocent person.

[\[MCL 436.1801\(2\)\]](#)

All applicants for retail liquor licenses and existing retail liquor licensees are required to file proof of financial responsibility providing security for liability of not less than \$50,000 before a license is issued or renewed.

[\[MCL 436.1803\(1\)\]](#)

Liability

The purpose of the Michigan Dram Shop law is to provide legal resources for an innocent person who is injured when the sale or furnishing of alcohol is proven to be a proximate cause of damage, injury, or death.

This civil liability is separate from violation penalties that the Commission may impose and from criminal penalties that the courts may impose. Financial vulnerability can be lessened by never serving alcoholic beverages to minors or to people who are visibly intoxicated.

Lawsuit Limitations

There are certain provisions in the Dram Shop liability laws that place limits on civil suits. From the licensee's standpoint, the significant provisions are:

- A rebuttable presumption that any licensee, other than the last one to sell or furnish alcohol to the underage or visibly intoxicated person, is not liable. [\[MCL 436.1801\(7\)\]](#)
- Neither the visibly intoxicated person nor any person who has lost the financial support, services, love, guidance, society, or companionship of the visibly intoxicated person has a cause for action against the licensee. [\[MCL 436.1801\(8\)\]](#)

Financial Responsibility

All retail liquor license applicants and retail liquor licensees must provide to the Liquor Control Commission proof of financial responsibility of at least \$50,000. A licensee must maintain at all times a minimum of \$50,000 as full or partial payment of a judgment awarded as the result of a Dram Shop lawsuit. [\[MCL 436.1803\(1\)\]](#)

Proof of financial responsibility may be in the form of:

- Cash
- Unencumbered securities
- A policy or policies of liquor liability insurance
- A constant value bond executed by a surety company authorized to do business in the state.
- Membership in a group self-insurance pool authorized by law that provides security for liability.

Actions Required When Insurance Has Been Cancelled

If a licensee has liquor liability insurance as proof of financial responsibility, they cannot cancel that insurance policy unless:

- They have provided 30 days' prior written notice to the Commission.
- They provide new proof of financial responsibility to the Commission before the expiration of the 30-day period.

The Commission will revoke the license of a retail licensee that violates these requirements.

Once notified that Dram Shop coverage has been cancelled, the commission will verify that the liquor licensed business is still operating and will send a letter and Commission Order of Suspension to the licensee with a new Proof of Financial Responsibility form. The Order of Suspension form is sent at this time to give the licensee ample time to renew the coverage or make the appropriate premium payment to remain in compliance.

If no proof of financial responsibility is received by the suspension date:

- Licensing staff will notify local law enforcement and the Enforcement Division that the license is suspended according to the provisions of the Suspension Order.
- The license is placed in escrow.

When a license is placed in escrow, the records are marked to indicate that prior to reactivation of the license a new proof of financial responsibility is required.

When renewing the liquor license, it's not necessary for licensees who have Dram Shop insurance to provide proof of financial responsibility. Liquor liability coverage only terminates upon written notice from the carrier or provider, which may be received at any time throughout the year. Unless the licensee coverage has been canceled during the renewal processing period, the licensee does not need to send documents substantiating coverage.

Keep in mind that Dram Shop insurance coverage must be certified by an authorized agent or representative of the insurance carrier or the institution providing the coverage. Sending a paid receipt or signing a form indicating that the licensee has coverage is not sufficient.

Test Yourself Questions

- 1. What happens if the Commission receives a cancellation of the Dram Shop coverage?**
After verifying that the liquor licensed business is still operating, a letter and Commission Order of Suspension are sent to the licensee with a new Proof of Financial Responsibility (LC-95) form.
- 2. What happens when a license is in escrow?**
The records are marked to indicate that prior to reactivation of the license a new proof of financial responsibility is required.
- 3. What action is taken if no proof of financial responsibility is received by the suspension date?**
Licensing staff will notify local law enforcement and the Enforcement Division that the license is suspended according to the provisions of the Order of Suspension and the license is placed in escrow.
- 4. Why is the Order of Suspension received long before the new proof of financial responsibility is required?**
The law requires both the licensee and insurance carrier to provide at least 30 days' notice to MLCC that the insurance policy is going to be canceled or terminated. The Licensing Division will then attempt to give the licensee ample time to renew the coverage or make the appropriate premium payment to remain in compliance with the statutory requirements.
- 5. Is it necessary to provide proof of financial responsibility with the renewal application?**
Liquor liability coverage only terminates upon written notice from the carrier or provider, which may be received at any time throughout the year. Unless the licensee coverage has been canceled during the renewal processing period, the licensee does not need to send documents substantiating coverage.
- 6. Will signing a Proof of Financial Responsibility (LC-95) form indicating coverage or sending a paid receipt stop a cancellation?**
No. The Proof of Financial Responsibility (LC-95) form requires certification of coverage by an authorized agent or representative of the insurance carrier or institution providing such coverage.

Prohibited Conduct

Illegal Activities

The following actions are illegal:

Controlled Substances:

- Allowing the sale, possession, or consumption of any controlled substances that are prohibited on the licensed premises without taking prompt, effective action to prevent and stop these activities. [Rule 436.1011(6)(d)]
- Allowing narcotics paraphernalia to be used, stored, exchanged, or sold on the licensed premises. [Rule 436.1011(6)(e)]

Violence:

- Allowing fights, brawls, or the improper use of firearms, knives, or other weapons without taking prompt, effective action to prevent and stop these activities. [Rule 436.1011(6)(c)]

Gambling:

- Allowing illegal gambling or gaming devices on the licensed premises. [[MCL 436.1901\(2\)](#)]

Note: Gambling that is used to raise money for a charity (i.e., casino nights) may be allowed if the charity obtains the proper license for the gambling activity from the Charitable Gaming Division of the Bureau of State Lottery. Any illegal gambling device or items used for illegal gambling purposes as determined under Michigan laws will be confiscated and destroyed if found on the licensed premises.

Molesting:

- Allowing, on the licensed premises, the annoying or molesting of customers or employees by other customers or employees without taking prompt, effective action to prevent and stop these activities. [Rule 436.1011(6)(a)]

Accosting and Solicitation:

- Allowing the licensed premises to be used by any person for the purposes of accosting or soliciting another person to commit prostitution. [Rule 436.1011(6)(b)]
- Allowing topless activity on the licensed premises unless the licensee has applied for and been granted a Topless Activity Permit by the Commission. Note: Local government is not forbidden from enacting an ordinance prohibiting topless activity or nudity on a licensed premises located within their jurisdiction. [[MCL 436.1916\(3\)](#)]

Awareness

Awareness is the key to preventing illegal activities on premises. It includes observing, evaluating, and acting.

1. Observe: It's the licensee's responsibility to always maintain control of the licensed premises. Both licensees and their employees must be observant of customers and situations.
2. Evaluate: When licensees or their employees observe what appears to be an illegal act, they need to evaluate the situation. Some situations can be easily handled by talking to the customers. Others may require a more forceful stance. Some situations may be dangerous. Always evaluate the people and the situation to determine the best course of action.
3. Act: Licensees and their employees do not have enforcement authority and cannot arrest anyone. However, they can demand that customers leave the premises. If the situation appears threatening, local law

enforcement must be called. Be aware, however, that excessive calls to law enforcement may result in violations being charged against the licensee or a request from the local unit of government that the MLCC revoke or not renew the license.

Don't let the premises become a place noted for illegal activities, thereby jeopardizing your liquor license and damaging your standing in the business community. Work with law enforcement and/or MLCC investigators to reduce or eliminate illegal activities.

Test Yourself Questions

1. **You notice that a person always comes into your restaurant at the same time every day and sits at the same table if possible. Lots of different people come and visit this customer for a short period of time. Finally, you see an exchange of money and the customer passes a small package to the visitor that you believe may contain illegal drugs. Could this be a violation?**

Yes. Allowing the sale, possession, or use of any controlled substances on the licensed premises is a violation. [Rule 436.1011(6)(d)]

2. **A man calls and asks you to stop his wife from playing pool and euchre for money when she comes into the bar. You know that the woman never plays for large sums and can afford her losses. Should you stop her?**

Yes. State law prohibits any unlawful gambling (as well as any gambling devices prohibited by law) on the licensed premises. [[MCL 436.1901\(2\)](#)]

3. **Your restaurant is approached by a local charitable group that wishes to use a banquet room to hold a "Las Vegas Night." All the proceeds from the event will be used to provide gifts for needy children, and your restaurant will cater all food and drinks. Is this activity OK?**

Yes, but only if the charity obtains the proper license from the Charitable Gaming Division of the Bureau of State Lottery for the gambling activity. [[MCL 436.1901\(2\)](#)]

4. **A fight unexpectedly starts between two guests in a licensed establishment. As it continues, employees move other customers out of the way and wait until the fight has finished and the two guests have left the premises. Did the employees handle the situation correctly?**

No. Allowing a fight on a licensed premises is illegal. The employees did well to move the other customers out of harm's way but they failed to take prompt, effective action to stop the fight. While employees should not physically try to stop a fight, they should try to reason with guests to get them to stop fighting and law enforcement should be called. [Rule 436.1011(6)(c)]

5. **A bartender overhears a person soliciting an entertainer to commit prostitution. Should the bartender take action or should she "mind her own business"?**

The bartender should take action. Licensees and their employees cannot allow accosting or soliciting for the purposes of prostitution. [Rule 436.1011(6)(b)]

Operating the Licensed Business

Hours of Operation

On premises

The following actions are illegal [\[MCL 436.2114\]](#) [\[MCL 436.2113\(5\)\]](#)

- Selling, giving away, or furnishing alcoholic beverages:
 - Between the hours of 2 a.m. and 7 a.m. on any day.
 - The sale of beer, wine, and spirits is allowed between 7 a.m. and 12 noon on Sunday with a Sunday Sales AM Permit (if allowed by local government).
 - The sale of spirits is allowed from 12 noon on Sunday to 2 a.m. on Monday with a Sunday Sales PM Permit (if allowed by local government).
 - Between 11:59 p.m. on December 24 and 12 noon on December 25.
 - Between 4 a.m. and 7 a.m. on January 1.
- Consuming alcoholic beverages on the licensed premises:
 - Between 2:30 a.m. and 7 a.m. on any day.
 - Between 11:59 p.m. on December 24 and 12 noon on December 25.
 - Between 4:30 a.m. and 7 a.m. on January 1 (New Year's Day).
- Allowing anyone other than the licensee, bonafide employees of the operation, or bonafide contractors to occupy the premises during the following hours (unless the licensee has a permit allowing it): [\[Rule 436.1403\(2\)\]](#)
 - Between the hours of 2:30 a.m. and 12 noon on Sunday.
 - From 2:30 a.m. until 7 a.m. on any other day.

Off premises

The following actions are illegal [\[Rule 436.1503\]](#) [\[MCL 436.2114\]](#) [\[MCL 436.2113\(5\)\]](#):

- Selling, giving away, delivering, or furnishing alcoholic beverages:
 - Between the hours of 2 a.m. and 7 a.m. on any day.
 - The sale of beer, wine, and spirits is allowed on Sunday between 7 a.m. and 12 noon with a Sunday Sales AM Permit (if allowed by local government).
 - The sale of spirits is allowed from 12 noon on Sunday to 2 a.m. on Monday with a Sunday Sales PM Permit (if allowed by local government).
 - Between 11:59 p.m. on December 24 (Christmas Eve) and 12 noon on December 25.
 - After 2:00 a.m. on January 1 (Off-Premises).

Note: The ServSafe Alcohol course indicates that some jurisdictions list the hours of operation on the liquor license itself. Michigan liquor licenses do not include this information.

Capacity of a Licensed Premises

An on-premises licensee shall not allow a public room of the licensed establishment to be occupied by more people than are authorized.

Licensees must post a sign, in a conspicuous place, stating the total capacity of each public room of the licensed establishment. Total capacity is established by the state or local authority having jurisdiction.

Purchasing Spirituous Liquor

Spirituous liquor must be purchased from the MLCC and delivered by an Authorized Distribution Agent.

As an exception, an on-premises licensee may purchase, collectively from specially designated distributors (SDD), up to 120 liters of spirits during any calendar year. [\[MCL 436.1205\(10\)\]](#)

To do this, the licensee must:

- Maintain records verifying the purchases and make them available to the Commission on request.
- Submit a monthly report to the Commission that indicates the purchases made.

Test Yourself Questions

1. You have a small neighborhood convenience store with licenses to sell beer, wine, and liquor. Can you open on Christmas Day?

Yes. However, you cannot sell any alcoholic beverages until after 12 noon. [\[MCL 436.2113\(5\)\]](#)

2. You have a small restaurant and have been thinking about opening on Sunday. Can you sell spirituous liquor after 12 noon?

Yes, but only if Sunday Sales are allowed by local government and you have any necessary permits. [\[Rule 436.1403\]](#) [\[MCL 436.2114\]](#)

3. A bartender is cleaning up the bar at 3:00 a.m. on Friday and enjoys a beer while working. Since she's not a patron, is this legal?

No. Consuming alcoholic beverages on the licensed premises between 2:30 a.m. and 7 a.m. Monday through Saturday is illegal, regardless of whether the person is a patron. [\[Rule 436.1403\]](#)

4. A regular customer visits with staff after hours at 3:00 a.m. in the bar area. No one is drinking alcohol during the visit. Is this legal?

No. Allowing the premises to be occupied by anyone other than licensees and their employees (including contractors) between 2:30 a.m. and 7:00 a.m., Monday through Saturday, is illegal. [\[Rule 436.1403\]](#)

5. A clerk makes a beer sale at 6 a.m. on a Monday at a 24-hour convenience store. Is this a legal sale?

No. It's illegal to sell alcoholic beverages between the hours of 2 a.m. and 7 a.m. on Monday through Saturday. [\[Rule 436.1503\]](#)

Promotions

Illegal Activities

The following actions are illegal:

- Allowing contests or tournaments in which: [Rule 436.1435]
 - Something of value (over \$250 per day) is awarded by the licensee or another person unless prior written approval has been given by the Commission.
 - The licensee is offered something of value in exchange for sponsoring or promoting a contest or tournament.
 - The sale, use, or consumption of alcoholic beverages is part of the contest or tournament. [Rule 436.1019]
 - Alcoholic beverages are given as a prize to contestants.
- Allowing promotions in which:
 - Something of value (over \$250 per day) is given away without consideration of the rules, or prior written approval of the Commission.
 - Alcoholic beverages are given away without consideration of the rules, or prior written approval of the Commission.
 - The licensee is offered something of value in exchange for sponsoring the promotion without prior written approval of the Commission.
 - Licensees sell, offer for sale, or advertise an unlimited quantity of alcoholic beverages for a specific price (“all you can drink” for one price). [Rule 436.1438]
 - Licensees sell, offer for sale, or advertise two or more identical alcoholic beverages to a person at a time for one price (“two-for-one” drinks). [Rule 436.1438]
- Giving away alcoholic beverages in connection with the business, except by manufacturers for consumption on the premises (sampling/tasting). [[MCL 436.2025\(1\)](#)]
- Allowing performances for public viewing (i.e., monologues, dialogues, motion pictures, or contests) on the premises unless an Entertainment Permit has been granted by the Commission. [[MCL 436.1916\(1\)](#)]
- Allowing topless dancing on the premises without being granted a Topless Activity Permit by the Commission. [[MCL 436.1916\(3\)](#)]

Advertising

Licensees must meet the following requirements regarding advertising:

- Advertising signs for alcoholic beverages used inside the licensee's premises cannot be illuminated and cannot be larger than 3,500 square inches. [Rule 436.1313(1)]
- Licensees must not accept advertising from an alcoholic beverage manufacturer, outstate seller, or wholesaler that has the name of the licensee on the advertising. [Rule 436.1315]
- Licensees must not accept money or anything else of value from an alcoholic beverage manufacturer, outstate seller, or wholesaler for advertising space in or on the premises.
- Licensees may display novelty items bearing brand logos of alcoholic beverages if they have purchased these items at or above cost. [Rule 436.1321(5)]
- An alcoholic beverage manufacturer, outstate seller, or wholesaler cannot give anything of value to a customer. [Rule 436.1325(1)]
- Alcoholic beverage dispensing equipment must include a sign on the dispenser or tap designating the brand of alcoholic beverage being dispensed. Licensees cannot draw any other brand of alcoholic beverage from a designated tap. [Rule 436.1331]

Test Yourself Questions

1. **To try to promote business on a slow night, you decide to have a talent show, allowing any of your customers to perform. The winners, as determined by the audience, will receive gag gifts, none of which will cost you more than \$3. Do you need an Entertainment Permit in order to conduct the talent show?**

Yes. Even though the prizes have minimal value and the entertainers are unpaid, an Entertainment Permit is required before any type of contest may be held. [[MCL 436.1916\(1\)](#)]

2. **As a prize in your weekly trivia contest, you want to give the winner a \$50 bottle of champagne. Since the price of the champagne is below \$250, is it a permissible prize?**

No. Alcoholic beverages cannot be given as prizes for contests or tournaments, regardless of their value. [Rule 436.1435(2)]

3. **To increase bar business, a Mexican restaurant would like to offer two-for-one margaritas on Thursday nights. Is this promotion legal?**

No. It is illegal for licensees to sell, offer for sale, or advertise two or more identical alcoholic beverages to a person at a time for one price. [Rule 436.1438(2)]