

# SENATE BILL No. 331

March 15, 2001, Introduced by Senator STEIL and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending sections 107, 525, 531, and 537 (MCL 436.1107, 436.1525, 436.1531, and 436.1537), section 531 as amended by 2000 PA 399, and by adding section 532.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 107. (1) "Cash" means money in hand, bank notes,  
2 demand deposits at a bank, or legal tender, which a creditor must  
3 accept according to law. Cash does not include call loans, post-  
4 dated checks, or promissory notes.

5       (2) "Class C license" means a place licensed to sell at  
6 retail beer, wine, mixed spirit drink, and spirits for consump-  
7 tion on the premises.

8       (3) "CLASS G-1 LICENSE" MEANS A PLACE LICENSED TO SELL AT  
9 RETAIL BEER, WINE, MIXED SPIRIT DRINK, AND SPIRITS FOR

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1 CONSUMPTION ON THE PREMISES AT A GOLF COURSE HAVING AT LEAST  
2 18 HOLES THAT MEASURE AT LEAST 5,000 YARDS AND WHICH LICENSE IS  
3 ISSUED ONLY TO A FACILITY WHICH PERMITS MEMBER ACCESS BY MEANS OF  
4 PAYMENTS THAT INCLUDE ANNUAL PAID MEMBERSHIP FEES.

5 (4) "CLASS G-2 LICENSE" MEANS A PLACE LICENSED TO SELL AT  
6 RETAIL BEER AND WINE FOR CONSUMPTION ON THE PREMISES AT A GOLF  
7 COURSE HAVING AT LEAST 18 HOLES THAT MEASURE AT LEAST 5,000 YARDS  
8 AND WHICH LICENSE IS ISSUED ONLY TO A FACILITY WHICH PERMITS  
9 MEMBER ACCESS BY MEANS OF PAYMENTS THAT INCLUDE ANNUAL PAID MEM-  
10 BERSHIP FEES.

11 (5) ~~(3)~~ "Club" means ~~an~~ A NONPROFIT association, whether  
12 incorporated or unincorporated, ~~the majority of whose members~~  
13 ~~are citizens~~ ORGANIZED for the promotion of some common ~~object~~  
14 ~~not including associations organized for a commercial or~~  
15 ~~business~~ purpose, the object of which is ~~money profit,~~ owning,  
16 hiring, or leasing a building, or space in a building, of an  
17 extent and character as in the judgment of the commission may be  
18 suitable and adequate for the reasonable and comfortable use and  
19 accommodation of its members and their guests, BUT DOES NOT  
20 INCLUDE AN ASSOCIATION ORGANIZED FOR A COMMERCIAL OR BUSINESS  
21 PURPOSE. ~~and which shall have been in existence for a period of~~  
22 ~~not less than 2 years before application for license under this~~  
23 ~~act. A club that is a chapter of a national organization which~~  
24 ~~has had a license for 10 years may apply for a license without a~~  
25 ~~waiting period. Public notice of the intent of the commission to~~  
26 ~~issue the club license shall be given by publication in some~~  
27 ~~newspaper published or in general circulation within the~~

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1 ~~municipality at least 10 days before the license shall issue.~~  
2 ~~Public notice of the commission's intent to renew the license of~~  
3 ~~a club is not required. The club shall file with the commission~~  
4 ~~annually, within 10 days after February 1, a list of the names~~  
5 ~~and residences of its members, and similarly file, within 10 days~~  
6 ~~after the election of an additional member, his or her name and~~  
7 ~~address, and that its aggregate annual membership fees or dues~~  
8 ~~and other income, exclusive of the proceeds from the sale of~~  
9 ~~alcoholic liquor, are sufficient to defray the annual rental of~~  
10 ~~its leased or rented premises or, if the premises are owned by~~  
11 ~~the club, are sufficient to meet the taxes, insurance, repairs,~~  
12 ~~and the interest on a mortgage on the premises. The list of mem=~~  
13 ~~bers and additional members is not required of a club paying the~~  
14 ~~maximum fee. The affairs and management of the club shall be~~  
15 ~~conducted by a board of directors, executive committee, or simi=~~  
16 ~~lar body chosen by the members. A member, officer, agent, or~~  
17 ~~employee of the club shall not be paid, or directly or indirectly~~  
18 ~~receive in the form of salary or other compensation, profits from~~  
19 ~~the disposition or sale of alcoholic liquor to the club or to the~~  
20 ~~members of the club, beyond the amount of salary fixed and voted~~  
21 ~~at meetings by the members or by its directors or other governing~~  
22 ~~body and as reported by the club to the commission, within 3~~  
23 ~~months after the meeting.~~

24       (6) ~~(4)~~ "Commission" means the liquor control commission  
25 provided for and created in section 209.

26       (7) ~~(5)~~ "Church" means an entire house or structure set  
27 apart primarily for use for purposes of public worship, and which

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1 is tax exempt under the laws of this state, and in which  
2 religious services are held and with which a clergyman is associ-  
3 ated, and the entire structure of which is kept for that use and  
4 not put to any other use inconsistent with that use.

5       (8) ~~-(6)-~~ "Distiller" means any person licensed to manufac-  
6 ture and sell spirits or alcohol, or both, of any kind.

7       (9) ~~-(7)-~~ "Hotel" means a building or group of buildings  
8 located on the same or adjoining pieces of real property, which  
9 provide lodging to travelers and temporary residents and which  
10 may also provide food service and other goods and services to  
11 registered guests and to the public.

12       (10) ~~-(8)-~~ "Class A hotel" means a hotel licensed by the  
13 commission to sell beer and wine for consumption on the premises  
14 only, which provides for the rental of, and maintains the avail-  
15 ability for rental of, not less than 25 bedrooms if located in a  
16 local governmental unit with a population of less than 175,000 or  
17 not less than 50 bedrooms if located in a local governmental unit  
18 with a population of 175,000 or more.

19       (11) ~~-(9)-~~ "Class B hotel" means a hotel licensed by the  
20 commission to sell beer, wine, mixed spirit drink, and spirits  
21 for consumption on the premises only, which provides for the  
22 rental of, and maintains the availability for rental of, not less  
23 than 25 bedrooms if located in a local governmental unit with a  
24 population of less than 175,000 or not less than 50 bedrooms if  
25 located in a local governmental unit with a population of 175,000  
26 or more.

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1           (12) ~~(10)~~ "License" means a contract between the  
2 commission and the licensee granting authority to that licensee  
3 to manufacture and sell, or sell, or warehouse alcoholic liquor  
4 in the manner provided by this act.

5           Sec. 525. (1) The following license fees shall be paid at  
6 the time of filing applications or as otherwise provided in this  
7 act:

8           (a) Manufacturers of spirits, but not including makers,  
9 blenders, and rectifiers of wines containing 21% or less alcohol  
10 by volume, \$10,000.00.

11           (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or  
12 fraction of a barrel, production annually with a maximum fee of  
13 \$1,000.00, and in addition \$50.00 for each motor vehicle used in  
14 delivery to retail licensees. A fee increase shall not apply to  
15 a manufacturer of less than 15,000 barrels production per year.

16           (c) Outstate seller of beer, delivering or selling beer in  
17 this state, \$1,000.00.

18           (d) Wine makers, blenders, and rectifiers of wine, including  
19 makers, blenders, and rectifiers of wines containing 21% or less  
20 alcohol by volume, \$100.00. The small wine maker license fee  
21 shall be \$25.00.

22           (e) Outstate seller of wine, delivering or selling wine in  
23 this state, \$300.00.

24           (f) Outstate seller of mixed spirit drink, delivering or  
25 selling mixed spirit drink in this state, \$300.00.

26           (g) Dining cars or other railroad or Pullman cars selling  
27 alcoholic liquor, \$100.00 per train.

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1 (h) Wholesale vendors other than manufacturers of beer,  
2 \$300.00 for the first motor vehicle used in delivery to retail  
3 licensees and \$50.00 for each additional motor vehicle used in  
4 delivery to retail licensees.

5 (i) Watercraft, licensed to carry passengers, selling alco-  
6 holic liquor, a minimum fee of \$100.00 and a maximum fee of  
7 \$500.00 per year computed on the basis of \$1.00 per person per  
8 passenger capacity.

9 (j) Specially designated merchants, for selling beer or wine  
10 for consumption off the premises only but not at wholesale,  
11 \$100.00 for each location regardless of the fact that the loca-  
12 tion may be a part of a system or chain of merchandising.

13 (k) Specially designated distributors licensed by the com-  
14 mission to distribute spirits and mixed spirit drink in the orig-  
15 inal package for the commission for consumption off the premises,  
16 \$150.00 per year, and an additional fee of \$3.00 for each  
17 \$1,000.00 or major fraction of that amount in excess of  
18 \$25,000.00 of the total retail value of merchandise purchased  
19 under each license from the commission during the previous calen-  
20 dar year.

21 (l) Hotels of class A selling beer and wine, a minimum fee  
22 of \$250.00 and, for all bedrooms in excess of 20, \$1.00 for each  
23 additional bedroom, but not more than \$500.00.

24 (m) Hotels of class B selling beer, wine, mixed spirit  
25 drink, and spirits, a minimum fee of \$600.00 and, for all bed-  
26 rooms in excess of 20, \$3.00 for each additional bedroom. If a  
27 hotel of class B sells beer, wine, mixed spirit drink, and

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1 spirits in more than 1 public bar, the fee shall entitle the  
2 hotel to sell in only 1 public bar, other than a bedroom, and a  
3 license shall be secured for each additional public bar, other  
4 than a bedroom, the fee for which shall be \$350.00.

5 (n) Taverns, selling beer and wine, \$250.00.

6 (o) Class C license selling beer, wine, mixed spirit drink,  
7 and spirits, \$600.00. If a class C licensee sells beer, wine,  
8 mixed spirit drink, and spirits in more than 1 bar, a fee of  
9 \$350.00 shall be paid for each additional bar. In municipally  
10 owned or supported facilities in which nonprofit organizations  
11 operate concession stands, a fee of \$100.00 shall be paid for  
12 each additional bar.

13 (p) Clubs selling beer, wine, mixed spirit drink, and spir-  
14 its, \$300.00 for clubs having 150 or fewer duly accredited mem-  
15 bers and \$1.00 for each additional member. The membership list  
16 for the purpose only of determining the license fees to be paid  
17 under this section shall be the accredited list of members as  
18 determined by a sworn affidavit 30 days before the closing of the  
19 license year. This section shall not prevent the commission from  
20 checking a membership list and making its own determination from  
21 the list or otherwise. The list of members and additional mem-  
22 bers shall not be required of a club paying the maximum fee. The  
23 maximum fee shall not exceed \$750.00 for any 1 club.

24 (q) Warehousemen, to be fixed by the commission with a mini-  
25 mum fee for each warehouse of \$50.00.

26 (r) Special licenses, a fee of \$50.00 per day, except that  
27 the fee for that license or permit issued to any bona fide

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1 nonprofit association, duly organized and in continuous existence  
2 for 1 year before the filing of its application, shall be  
3 \$25.00. Not more than 5 special licenses may be granted to any  
4 organization, including an auxiliary of the organization, in a  
5 calendar year.

6 (s) Airlines licensed to carry passengers in this state  
7 which sell, offer for sale, provide, or transport alcoholic  
8 liquor, \$600.00.

9 (t) Brandy manufacturer, \$100.00.

10 (u) Mixed spirit drink manufacturer, \$100.00.

11 (v) Brewpub, \$100.00.

12 (W) CLASS G-1, \$1,000.00

13 (X) CLASS G-2, \$500.00.

14 (2) The fees provided in this act for the various types of  
15 licenses shall not be prorated for a portion of the effective  
16 period of the license.

17 Sec. 531. (1) A public license shall not be granted for the  
18 sale of alcoholic liquor for consumption on the premises in  
19 excess of 1 license for each 1,500 of population or major frac-  
20 tion thereof. ~~On-premise~~ ON-PREMISES escrowed licenses issued  
21 under this subsection ~~are available~~ MAY BE TRANSFERRED subject  
22 to local legislative approval under section 501(2) to an appli-  
23 cant whose proposed operation is located within any local govern-  
24 mental unit in a county with a population of under 500,000 or a  
25 county with a population of over 700,000 in which the escrowed  
26 license was located. If the local governmental unit within which  
27 the former licensee's premises were located spans more than 1

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1 county, an escrowed license is available subject to local  
2 legislative approval under section 501(2) to an applicant whose  
3 proposed operation is located within any local governmental unit  
4 in either county. If an escrowed license is activated within a  
5 local governmental unit other than that local governmental unit  
6 within which the escrowed license was originally issued, the com-  
7 mission shall count that activated license against the local gov-  
8 ernmental unit originally issuing the license. This quota does  
9 not bar the right of an existing licensee to renew a license or  
10 transfer the license and does not bar the right of ~~a tavern or~~  
11 ~~class A hotel from requesting reclassification of a license to~~  
12 ~~class C, unless local option laws prevent the sale of spirits and~~  
13 ~~mixed spirit drinks by those licensed premises,~~ AN ON-PREMISE  
14 LICENSEE OF ANY CLASS TO RECLASSIFY TO ANOTHER CLASS OF  
15 ON-PREMISES LICENSE IN A MANNER NOT IN VIOLATION OF LAW OR THIS  
16 ACT, subject to the consent of the commission. The upgrading of  
17 a license resulting from a request under this subsection shall be  
18 approved by the local governmental unit having jurisdiction.

19 (2) In a resort area, the commission may issue 1 or more  
20 licenses for a period not to exceed 12 months without regard to a  
21 limitation because of population, but not in excess of 550, and  
22 with respect to the resort license the commission, by rule, shall  
23 define and classify resort seasons by months and may issue 1 or  
24 more licenses for resort seasons without regard to the calendar  
25 year or licensing year.

26 (3) In addition to the resort licenses authorized in  
27 subsection (2), the commission may issue not more than 10

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1 additional licenses per year for the years 2001 and 2002 to  
2 establishments whose business and operation, as determined by the  
3 commission, is designed to attract and accommodate tourists and  
4 visitors to the resort area, whose primary purpose is not for the  
5 sale of alcoholic liquor, and whose capital investment in real  
6 property, leasehold improvement, and fixtures for the premises to  
7 be licensed is \$75,000.00 or more. Further, the commission shall  
8 issue 1 license under this subsection for the years 2001 and 2002  
9 to an applicant located in a rural area that has a poverty rate,  
10 as defined by the latest decennial census, greater than the  
11 statewide average, or that is located in a rural area that has an  
12 unemployment rate higher than the statewide average for 3 of the  
13 5 preceding years. In counties having a population of less than  
14 50,000, as determined by the last federal decennial census or as  
15 determined pursuant to subsection (11) and subject to subsection  
16 (16) in the case of a class A hotel or a class B hotel, the com-  
17 mission shall not require the establishments to have dining  
18 facilities to seat more than 50 persons. The commission may  
19 cancel the license if the resort is no longer active or no longer  
20 qualifies for the license. Before January 16 of each year the  
21 commission shall transmit to the legislature a report giving  
22 details as to the number of applications received under this sub-  
23 section; the number of licenses granted and to whom; the number  
24 of applications rejected and the reasons; and the number of the  
25 licenses revoked, suspended, or other disciplinary action taken  
26 and against whom and the grounds for revocation, suspension, or  
27 disciplinary action.

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1           (4) In addition to any licenses for the sale of alcoholic  
2 liquor for consumption on the premises that may be available in  
3 the local governmental unit under subsection (1) and the resort  
4 licenses authorized in subsections (2) and (3), the commission  
5 may issue not more than 20 resort economic development licenses  
6 per year for the years 2001 and 2002. A person is eligible to  
7 apply for a resort economic development license under this sub-  
8 section upon submitting an application to the commission and  
9 demonstrating all of the following:

10           (a) The establishment's business and operation, as deter-  
11 mined by the commission, is designed to attract and accommodate  
12 tourists and visitors to the resort area.

13           (b) The establishment's primary business is not the sale of  
14 alcoholic liquor.

15           (c) The capital investment in real property, leasehold  
16 improvement, fixtures, and inventory for the premises to be  
17 licensed is in excess of \$1,500,000.00.

18           (d) The establishment does not allow or permit casino gambl-  
19 ing on the premises.

20           (5) In governmental units having a population of 50,000 per-  
21 sons or less, as determined by the last federal decennial census  
22 or as determined pursuant to subsection (11), in which the quota  
23 of specially designated distributor licenses, as provided by com-  
24 mission rule, has been exhausted, the commission may issue not  
25 more than a total of 10 additional specially designated distribu-  
26 tor licenses per year for the years 2001 and 2002 to established  
27 merchants whose business and operation, as determined by the

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1 commission, is designed to attract and accommodate tourists and  
2 visitors to the resort area. A specially designated distributor  
3 license issued pursuant to this subsection may be issued at a  
4 location within 2,640 feet of existing specially designated dis-  
5 tributor license locations. A specially designated distributor  
6 license issued pursuant to this subsection shall not bar another  
7 specially designated distributor licensee from transferring loca-  
8 tion to within 2,640 feet of said licensed location. A specially  
9 designated distributor license issued pursuant to R 436.1141 of  
10 the Michigan administrative code may be located within 2,640 feet  
11 of a specially designated distributor license issued pursuant to  
12 this subsection.

13 (6) In addition to any licenses for the sale of alcoholic  
14 liquor for consumption on the premises that may be available in  
15 the local governmental unit under subsection (1), and the resort  
16 or resort economic development licenses authorized in subsections  
17 (2), (3), and (4), and notwithstanding section 519, the commis-  
18 sion may issue not more than 5 additional special purpose  
19 licenses in any calendar year for the sale of beer and wine for  
20 consumption on the premises. A special purpose license issued  
21 pursuant to this subsection shall be issued only for events which  
22 are to be held from May 1 to September 30, are artistic in  
23 nature, and which are to be held on the campus of a public uni-  
24 versity with an enrollment of 30,000 or more students. A special  
25 purpose license shall be valid for 30 days or for the duration of  
26 the event for which it is issued, whichever is less. The fee for  
27 a special purpose license shall be \$50.00. A special purpose

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1 license may be issued only to a corporation which is all of the  
2 following:

3 (a) Is a nonprofit corporation organized pursuant to the  
4 nonprofit corporation act, 1982 PA 162, MCL 450.2101 to  
5 450.3192.

6 (b) Has a board of directors constituted of members of whom  
7 half are elected by the public university at which the event is  
8 scheduled and half are elected by the local governmental unit.

9 (c) Has been in continuous existence for not less than 6  
10 years.

11 (7) Notwithstanding the local legislative body approval pro-  
12 vision of section 501(2) and notwithstanding the provisions of  
13 section 519, the commission may issue, without regard to the  
14 quota provisions of subsection (1) and with the approval of the  
15 governing board of the university, either a tavern or class C  
16 license which may be used only for regularly scheduled events at  
17 a public university's established outdoor program or festival at  
18 a facility on the campus of a public university having a head  
19 count enrollment of 10,000 students or more. A license issued  
20 under this subsection may only be issued to the governing board  
21 of a public university, a person that is the lessee or conces-  
22 sionaire of the governing board of the university, or both. A  
23 license issued under this subsection is not transferable as to  
24 ownership or location. A license issued under this subsection  
25 may not be issued at an outdoor stadium customarily used for  
26 intercollegiate athletic events.

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1           (8) In issuing a resort or resort economic development  
2 license under subsection (3), (4), or (5), the commission shall  
3 consider economic development factors of the area in the issuance  
4 of licenses to establishments designed to stimulate and promote  
5 the resort and tourist industry. The commission shall not trans-  
6 fer a resort or resort economic development license issued under  
7 subsection (3), (4), or (5) to another location. If the licensee  
8 goes out of business the license shall be surrendered to the  
9 commission.

10           (9) The limitations and quotas of this section are not  
11 applicable to the issuance of a new license to a veteran of the  
12 armed forces of the United States who was honorably discharged or  
13 released under honorable conditions from the armed forces of the  
14 United States and who had by forced sale disposed of a similar  
15 license within 90 days before or after entering or while serving  
16 in the armed forces of the United States, as a part of the  
17 person's preparation for that service if the application for a  
18 new license is made for the same governmental unit in which the  
19 previous license was issued and within 60 days after the dis-  
20 charge of the applicant from the armed forces of the United  
21 States.

22           (10) The limitations and quotas of this section shall not be  
23 applicable to the issuance of a new license or the renewal of an  
24 existing license where the property or establishment to be  
25 licensed is situated in or on land on which an airport owned by a  
26 county or in which a county has an interest is situated.

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1           (11) For purposes of implementing this section a special  
2 state census of a local governmental unit may be taken at the  
3 expense of the local governmental unit by the federal bureau of  
4 census or the secretary of state under section 6 of the home rule  
5 city act, 1909 PA 279, MCL 117.6. The special census shall be  
6 initiated by resolution of the governing body of the local gov-  
7 ernmental unit involved. The secretary of state may promulgate  
8 additional rules necessary for implementing this section pursuant  
9 to the administrative procedures act of 1969, 1969 PA 306, MCL  
10 24.201 to 24.328.

11           (12) Before granting an approval as required in  
12 section 501(2) for a license to be issued under subsection (2),  
13 (3), or (4), a local legislative body shall disclose the avail-  
14 ability of transferable licenses held in escrow for more than 1  
15 licensing year within that respective local governmental unit.  
16 Public notice of the meeting to consider the granting of the  
17 license by the local governmental unit shall be made 2 weeks  
18 before the meeting.

19           (13) The person signing the application for an on-premise  
20 resort or resort economic development license shall state and  
21 verify that he or she attempted to secure an on-premise escrowed  
22 or quota license and that, to the best of his or her knowledge,  
23 an on-premise escrowed or quota license is not readily available  
24 within the local governmental unit in which the applicant for the  
25 on-premise resort or resort economic development license proposes  
26 to operate.

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1 (14) The commission shall not issue an on-premise resort or  
2 resort economic development license if the local governmental  
3 unit within which the resort or resort economic development  
4 license applicant proposes to operate has not issued all  
5 on-premise licenses available under subsection (1) or if an  
6 on-premise escrowed license exists and is readily available  
7 within the local governmental unit in which the applicant for the  
8 on-premise resort or resort economic development license proposes  
9 to operate. The commission may waive the provisions of this sub-  
10 section upon a showing of good cause.

11 (15) The commission shall annually report to the legislature  
12 the names of the businesses issued licenses under this section  
13 and their locations.

14 (16) The commission shall not require a class A hotel or a  
15 class B hotel licensed pursuant to subsection (2), (3), or (4) to  
16 provide food service to registered guests or to the public.

17 (17) SUBJECT TO THE LIMITATION AND QUOTAS OF SUBSECTION (1)  
18 AND TO LOCAL LEGISLATIVE APPROVAL UNDER SECTION 501(2), THE COM-  
19 MISSION MAY APPROVE THE TRANSFER OF OWNERSHIP AND LOCATION OF AN  
20 ON-PREMISES ESCROWED LICENSE WITHIN THE SAME COUNTY TO A CLASS  
21 G-1 OR CLASS G-2 LICENSE OR MAY APPROVE THE RECLASSIFICATION OF  
22 AN EXISTING ON-PREMISES LICENSE AT THE LOCATION TO BE LICENSED TO  
23 A CLASS G-1 LICENSE OR TO A CLASS G-2 LICENSE, SUBJECT TO SUBSEC-  
24 TION (1). RESORT OR ECONOMIC DEVELOPMENT ON-PREMISES LICENSES  
25 CREATED UNDER SUBSECTION (3) OR (4) MAY NOT BE ISSUED AS, OR  
26 RECLASSIFIED TO, A CLASS G-1 OR CLASS G-2 LICENSE.

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1 (18) ~~(17)~~ As used in this section:

2 (a) "Escrowed license" means a license in which the rights  
3 of the licensee in the license or to the renewal of the license  
4 are still in existence and are subject to renewal and activation  
5 in the manner provided for in R 436.1107 of the Michigan adminis-  
6 trative code.

7 (b) "Readily available" means available under a standard of  
8 economic feasibility, as applied to the specific circumstances of  
9 the applicant, that includes, but is not limited to, the  
10 following:

11 (i) The fair market value of the license, if determinable.

12 (ii) The size and scope of the proposed operation.

13 (iii) The existence of mandatory contractual restrictions or  
14 inclusions attached to the sale of the license.

15 SEC. 532. (1) A CLUB LICENSE ALLOWS THE LICENSEE TO SELL,  
16 FOR CONSUMPTION ON THE LICENSED PREMISES, BEER, WINE, MIXED  
17 SPIRIT DRINK, AND SPIRITS ONLY TO BONA FIDE MEMBERS OF THE CLUB  
18 WHO HAVE ATTAINED THE AGE OF 21 YEARS. EXCEPT AS OTHERWISE PRO-  
19 VIDED IN SUBSECTION (2), THE COMMISSION SHALL NOT ISSUE A LICENSE  
20 TO A CLUB UNLESS THE CLUB HAS BEEN IN EXISTENCE FOR A PERIOD OF  
21 NOT LESS THAN 2 YEARS BEFORE THE APPLICATION FOR THE LICENSE.

22 (2) PUBLIC NOTICE OF THE INTENT OF THE COMMISSION TO ISSUE  
23 THE CLUB LICENSE SHALL BE GIVEN BY PUBLICATION IN SOME NEWSPAPER  
24 PUBLISHED OR IN GENERAL CIRCULATION WITHIN THE LOCAL GOVERNMENTAL  
25 UNIT AT LEAST 10 DAYS BEFORE THE ISSUANCE OF THE LICENSE. A CLUB  
26 THAT IS A CHAPTER OF A NATIONAL ORGANIZATION THAT HAS HAD A  
27 LICENSE FOR 10 OR MORE YEARS MAY APPLY FOR A LICENSE WITHOUT A  
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1 WAITING PERIOD. PUBLIC NOTICE OF THE COMMISSION'S INTENT TO  
2 RENEW THE CLUB LICENSE IS NOT REQUIRED.

3 (3) EXCEPT IN THE CASE OF A CLUB PAYING A MAXIMUM FEE,  
4 WITHIN 10 DAYS AFTER FEBRUARY 1 OF EACH YEAR THE CLUB SHALL FILE  
5 WITH THE COMMISSION A LIST OF NAMES AND RESIDENCES OF ITS MEMBERS  
6 AND MAKE A SIMILAR FILING OF THE NAME AND RESIDENCE WITH THE COM-  
7 MISSION WITHIN 10 DAYS AFTER THE ELECTION OF AN ADDITIONAL  
8 MEMBER. THE ANNUAL FILING SHALL ALSO INCLUDE A STATEMENT THAT  
9 THE CLUB'S ANNUAL AGGREGATE MEMBERSHIP FEES OR DUES AND OTHER  
10 INCOME, EXCLUSIVE OF THE PROCEEDS FROM THE SALE OF ALCOHOLIC  
11 LIQUOR, ARE SUFFICIENT TO DEFRAY THE ANNUAL RENTAL OF ITS LEASED  
12 OR RENTED PREMISES OR, IF THE PREMISES ARE OWNED BY THE CLUB, ARE  
13 SUFFICIENT TO MEET THE TAXES, INSURANCE, REPAIRS, AND INTEREST ON  
14 A MORTGAGE ON THE PREMISES.

15 (4) THE AFFAIRS AND MANAGEMENT OF THE CLUB SHALL BE CON-  
16 DUCTED BY A BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, OR SIMILAR  
17 BODY CHOSEN BY THE MEMBERS. A MEMBER, OFFICER, AGENT, OR  
18 EMPLOYEE OF THE CLUB SHALL NOT BE PAID, OR DIRECTLY OR INDIRECTLY  
19 RECEIVE IN THE FORM OF SALARY OR OTHER COMPENSATION, PROFITS FROM  
20 THE DISPOSITION OF ALCOHOLIC LIQUOR TO THE CLUB OR TO THE MEMBERS  
21 OF THE CLUB, BEYOND THE AMOUNT OF SALARY FIXED AND VOTED AT MEET-  
22 INGS BY THE MEMBERS OR BY ITS DIRECTORS OR OTHER GOVERNING BODY  
23 AND AS REPORTED BY THE CLUB TO THE COMMISSION, WITHIN 3 MONTHS  
24 AFTER THE MEETING.

25 Sec. 537. (1) The following classes of vendors may sell  
26 alcoholic liquors at retail as provided in this section:

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1 (a) Taverns where beer and wine may be sold for consumption  
2 on the premises only.

3 (b) Class C license where beer, wine, mixed spirit drink,  
4 and spirits may be sold for consumption on the premises.

5 (c) Clubs where beer, wine, mixed spirit drink, and spirits  
6 may be sold for consumption on the premises only to bona fide  
7 members WHERE CONSUMPTION IS LIMITED TO THESE MEMBERS AND THEIR  
8 BONA FIDE GUESTS, who have attained the age of 21 years.

9 (d) Hotels of class A where beer and wine may be sold for  
10 consumption on the premises and in the rooms of bona fide regis-  
11 tered guests. Hotels of class B where beer, wine, mixed spirit  
12 drink, and spirits may be sold for consumption on the premises  
13 and in the rooms of bona fide registered guests.

14 (e) Specially designated merchants, where beer and wine may  
15 be sold for consumption off the premises only.

16 (f) Specially designated distributors where spirits and  
17 mixed spirit drink may be sold for consumption off the premises  
18 only.

19 (g) Special licenses where beer and wine or beer, wine,  
20 mixed spirit drink, and spirits may be sold for consumption on  
21 the premises only.

22 (h) Dining cars or other railroad or Pullman cars, water-  
23 craft, or aircraft, where alcoholic liquor may be sold for con-  
24 sumption on the premises only, subject to rules promulgated by  
25 the commission.

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1 (i) Brewpubs where beer manufactured on the premises by the  
2 licensee may be sold for consumption on or off the premises by  
3 any of the following licensees:

4 (i) Class C.

5 (ii) Tavern.

6 (iii) Class A hotel.

7 (iv) Class B hotel.

8 (j) Micro brewers where beer produced by the micro brewer  
9 may be sold to a consumer for consumption on or off the brewery  
10 premises.

11 (K) CLASS G-1 LICENSE WHERE BEER, WINE, MIXED SPIRIT DRINK,  
12 AND SPIRITS MAY BE SOLD FOR CONSUMPTION ON THE PREMISES ONLY TO  
13 MEMBERS REQUIRED TO PAY AN ANNUAL MEMBERSHIP FEE AND CONSUMPTION  
14 IS LIMITED TO THESE MEMBERS AND THEIR BONA FIDE GUESTS.

15 (l) CLASS G-2 LICENSE WHERE BEER AND WINE MAY BE SOLD FOR  
16 CONSUMPTION ON THE PREMISES ONLY TO MEMBERS REQUIRED TO PAY AN  
17 ANNUAL MEMBERSHIP FEE AND CONSUMPTION IS LIMITED TO THESE MEMBERS  
18 AND THEIR BONA FIDE GUESTS.

19 (2) A wine maker may sell wine made by that wine maker in a  
20 restaurant for consumption on or off the premises if the restau-  
21 rant is owned by the wine maker or operated by another person  
22 under an agreement approved by the commission and located on the  
23 premises where the wine maker is licensed.

24 (3) A wine maker, with the prior written approval of the  
25 commission, may conduct wine tastings of wines made by that wine  
26 maker and may sell the wine made by that wine maker for  
27 consumption off the premises at a location other than the  
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1 premises where the wine maker is licensed to manufacture wine,  
2 under the following conditions:

3 (a) The premises upon which the wine tasting occurs conforms  
4 to local and state sanitation requirements.

5 ~~(b) Not more than 1 wine tasting location as described in~~  
6 ~~this subsection, per wine maker, may be approved by the commis-~~  
7 ~~sion in a licensing year.~~

8 (B) ~~(c)~~ Payment of a \$100.00 fee per location is made to  
9 the commission.

10 (C) ~~(d)~~ The wine tasting locations shall be considered  
11 licensed premises.

12 (D) ~~(e)~~ Wine tasting does not take place between the hours  
13 of 2 a.m. and 7 a.m. Monday through Saturday, or between 2  
14 a.m. and 12 noon on Sunday.

15 (E) ~~(f)~~ The premises and the licensee comply with and are  
16 subject to all applicable rules promulgated by the commission.