

**SUBSTITUTE FOR
HOUSE BILL NO. 5853**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 525 (MCL 436.1525), as amended by 2005 PA 166.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 525. (1) Except as otherwise provided for in this
2 section, the following license fees shall be paid at the time of
3 filing applications or as otherwise provided in this act:

4 (a) Manufacturers of spirits, but not including makers,
5 blenders, and rectifiers of wines containing 21% or less alcohol by
6 volume, \$1,000.00.

7 (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or
8 fraction of a barrel, production annually with a maximum fee of
9 \$1,000.00, and in addition \$50.00 for each motor vehicle used in
10 delivery to retail licensees. A fee increase does not apply to a

1 manufacturer of less than 15,000 barrels production per year.

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

4 (d) Wine makers, blenders, and rectifiers of wine, including
5 makers, blenders, and rectifiers of wines containing 21% or less
6 alcohol by volume, \$100.00. The small wine maker license fee is
7 \$25.00.

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

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

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

14 (h) Wholesale vendors other than manufacturers of beer,
15 \$300.00 for the first motor vehicle used in delivery to retail
16 licensees and \$50.00 for each additional motor vehicle used in
17 delivery to retail licensees.

18 (i) Watercraft, licensed to carry passengers, selling
19 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of
20 \$500.00 per year computed on the basis of \$1.00 per person per
21 passenger capacity.

22 (j) Specially designated merchants, for selling beer or wine
23 for consumption off the premises only but not at wholesale, \$100.00
24 for each location regardless of the fact that the location may be a
25 part of a system or chain of merchandising.

26 (k) Specially designated distributors licensed by the
27 commission to distribute spirits and mixed spirit drink in the

1 original package for the commission for consumption off the
2 premises, \$150.00 per year, and an additional fee of \$3.00 for each
3 \$1,000.00 or major fraction of that amount in excess of \$25,000.00
4 of the total retail value of merchandise purchased under each
5 license from the commission during the previous calendar year.

6 (l) Hotels of class A selling beer and wine, a minimum fee of
7 \$250.00 and, for all bedrooms in excess of 20, \$1.00 for each
8 additional bedroom, but not more than \$500.00.

9 (m) Hotels of class B selling beer, wine, mixed spirit drink,
10 and spirits, a minimum fee of \$600.00 and, for all bedrooms in
11 excess of 20, \$3.00 for each additional bedroom. If a hotel of
12 class B sells beer, wine, mixed spirit drink, and spirits in more
13 than 1 public bar, the fee entitles the hotel to sell in only 1
14 public bar, other than a bedroom, and a license shall be secured
15 for each additional public bar, other than a bedroom, the fee for
16 which is \$350.00.

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

18 (o) Class C license selling beer, wine, mixed spirit drink,
19 and spirits, \$600.00. If a class C licensee sells beer, wine, mixed
20 spirit drink, and spirits in more than 1 bar, a fee of \$350.00
21 shall be paid for each additional bar. In municipally owned or
22 supported facilities in which nonprofit organizations operate
23 concession stands, a fee of \$100.00 shall be paid for each
24 additional bar.

25 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,
26 \$300.00 for clubs having 150 or fewer duly accredited members and
27 \$1.00 for each additional member. The membership list for the

1 purpose only of determining the license fees to be paid under this
2 subdivision shall be the accredited list of members as determined
3 by a sworn affidavit 30 days before the closing of the license
4 year. This subdivision does not prevent the commission from
5 checking a membership list and making its own determination from
6 the list or otherwise. The list of members and additional members
7 is not required of a club paying the maximum fee. The maximum fee
8 shall not exceed \$750.00 for any 1 club.

9 (q) Warehouse, to be fixed by the commission with a minimum
10 fee for each warehouse of \$50.00.

11 (r) Special licenses, a fee of \$50.00 per day, except that the
12 fee for that license or permit issued to any bona fide nonprofit
13 association, duly organized and in continuous existence for 1 year
14 before the filing of its application, is \$25.00. Not more than ~~5~~
15 12 special licenses may be granted to any organization, including
16 an auxiliary of the organization, in a calendar year.

17 (s) Airlines licensed to carry passengers in this state that
18 sell, offer for sale, provide, or transport alcoholic liquor,
19 \$600.00.

20 (t) Brandy manufacturer, \$100.00.

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

22 (v) Brewpub, \$100.00.

23 (w) Class G-1, \$1,000.00.

24 (x) Class G-2, \$500.00.

25 (y) Motorsports event license, \$250.00.

26 (2) The fees provided in this act for the various types of
27 licenses shall not be prorated for a portion of the effective

1 period of the license. Notwithstanding subsection (1), the initial
2 license fee for any licenses issued under section 531(3) and (4) is
3 \$20,000.00. The renewal license fee shall be the amount described
4 in subsection (1). However, the commission shall not impose the
5 \$20,000.00 initial license fee for applicants whose license
6 eligibility was already approved on July 20, 2005.

7 (3) Beginning July 23, 2004, and except in the case of any
8 resort or resort economic development license issued under section
9 531(2), (3), (4), and (5) and a license issued under section 521,
10 the commission shall issue an initial or renewal license not later
11 than 90 days after the applicant files a completed application.
12 Receipt of the application is considered the date the application
13 is received by any agency or department of the state of Michigan.
14 If the application is considered incomplete by the commission, the
15 commission shall notify the applicant in writing, or make the
16 information electronically available, within 30 days after receipt
17 of the incomplete application, describing the deficiency and
18 requesting the additional information. The determination of the
19 completeness of an application does not operate as an approval of
20 the application for the license and does not confer eligibility
21 upon an applicant determined otherwise ineligible for issuance of a
22 license. The 90-day period is tolled under any of the following
23 circumstances:

24 (a) Notice sent by the commission of a deficiency in the
25 application until the date all of the requested information is
26 received by the commission.

27 (b) The time period during which actions required by a party

1 other than the applicant or the commission are completed that
2 include, but are not limited to, completion of construction or
3 renovation of the licensed premises; mandated inspections by the
4 commission or by any state, local, or federal agency; approval by
5 the legislative body of a local unit of government; criminal
6 history or criminal record checks; financial or court record
7 checks; or other actions mandated by this act or rule or as
8 otherwise mandated by law or local ordinance.

9 (4) If the commission fails to issue or deny a license within
10 the time required by this section, the commission shall return the
11 license fee and shall reduce the license fee for the applicant's
12 next renewal application, if any, by 15%. The failure to issue a
13 license within the time required under this section does not allow
14 the commission to otherwise delay the processing of the
15 application, and that application, upon completion, shall be placed
16 in sequence with other completed applications received at that same
17 time. The commission shall not discriminate against an applicant in
18 the processing of the application based upon the fact that the
19 license fee was refunded or discounted under this subsection.

20 (5) Beginning October 1, 2005, the chair of the commission
21 shall submit a report by December 1 of each year to the standing
22 committees and appropriations subcommittees of the senate and house
23 of representatives concerned with liquor license issues. The chair
24 of the commission shall include all of the following information in
25 the report concerning the preceding fiscal year:

26 (a) The number of initial and renewal applications the
27 commission received and completed within the 90-day time period

1 described in subsection (3).

2 (b) The number of applications denied.

3 (c) The number of applicants not issued a license within the
4 90-day time period and the amount of money returned to licensees
5 under subsection (4).

6 (6) As used in this section, "completed application" means an
7 application complete on its face and submitted with any applicable
8 licensing fees as well as any other information, records, approval,
9 security, or similar item required by law or rule from a local unit
10 of government, a federal agency, or a private entity but not from
11 another department or agency of the state of Michigan.