

HOUSE BILL No. 5853

March 14, 2006, Introduced by Reps. Jones, Polidori, Brown, Garfield, Robertson, Casperson, Hansen, David Law, Espinoza, Moore, Brandenburg, Taub, Palmer, Drolet, Baxter, Clemente, Dillon, Caul, Nofs, Plakas, Stakoe, Bieda, Green, Huizenga, Booher, Kahn, Gleason, Marleau, LaJoy, Sheen, Sheltroun, Vander Veen, Gaffney, Elsenheimer, Ball, Schuitmaker, Hune, Pavlov, Proos, Newell, Emmons, Pastor, Acciavatti, Farhat, Mortimer and Accavitti and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending sections 522 and 532 (MCL 436.1522 and 436.1532),
section 522 as amended by 1998 PA 416 and section 532 as added by
2001 PA 223.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 522. (1) The commission may issue 1 banquet facility
2 permit to an on-premise licensee, as an extension of that on-
3 premise license, for the serving of alcoholic liquor only on the
4 permitted premises. This section does not limit the number of
5 banquet facility permits that the commission may issue within any
6 local unit of government. The banquet facility shall be used only
7 for scheduled functions and events, shall not have regular meal
8 service, and shall not be generally open to the public. **THE HOLDER**

1 **OF THE BANQUET FACILITY PERMIT SHALL FURNISH THE ALCOHOLIC LIQUOR**
2 **AND PROVIDE SERVERS.** The applicant shall provide documentation that
3 demonstrates a preexisting ownership or lease interest in the
4 banquet facility **OR PROOF OF OWNERSHIP OR LEASE OF THE CLUB**
5 **FACILITY.**

6 (2) The commission shall charge an initial permit issuance fee
7 and, upon renewal of the permit, a permit renewal fee sufficient to
8 cover the cost of administering the issuance and renewal of the
9 permit. The fees shall be \$600.00.

10 (3) The banquet facility permit expires on the same date as
11 the on-premise license and may be renewed in conjunction with that
12 license. The commission shall issue the permit only to a licensee
13 to which the following apply:

14 (a) The licensee does not have a record of any prior offenses
15 or violations that the commission considers to be of such a nature
16 as to pose a threat to the general public if a permit is issued.

17 (b) The licensee has demonstrated to the commission that at
18 least 50% of the gross receipts of the on-premise license are
19 derived from the sale of food and nonalcoholic beverages prepared
20 for consumption on the licensed premises. **THIS SUBDIVISION DOES NOT**
21 **APPLY TO AN APPLICANT HOLDING A CLUB LICENSE.**

22 (4) The licensee shall apply on forms provided by the
23 commission and provide information considered necessary by the
24 commission to protect the public interest and welfare including,
25 but not limited to, a diagram of the premises and evidence that the
26 premises meets local safety, building, and health codes.

27 (5) The commission shall not issue a banquet facility permit

1 unless issuance is approved through adoption of a resolution of the
2 legislative body of the local unit of government within which the
3 permitted facility is located.

4 Sec. 532. (1) A club license allows the licensee to sell, for
5 consumption on the licensed premises, beer, wine, mixed spirit
6 drink, and spirits only to bona fide members of the club who have
7 attained the age of 21 years **OR TO LESSORS OF THE CLUB FACILITIES**
8 **WHO HAVE ATTAINED 21 YEARS OF AGE, IF THE CLUB HOLDS A BANQUET**
9 **PERMIT ISSUED UNDER SECTION 522.** Except as otherwise provided in
10 subsection (2), the commission shall not issue a license to a club
11 unless the club has been in existence for a period of not less than
12 2 years before the application for the license.

13 (2) Public notice of the intent of the commission to issue the
14 club license shall be given by publication in some newspaper
15 published or in general circulation within the local governmental
16 unit at least 10 days before the issuance of the license. A club
17 that is a chapter of a national organization that has had a license
18 for 10 or more years may apply for a license without a waiting
19 period. Public notice of the commission's intent to renew the club
20 license is not required.

21 (3) Except in the case of a club paying a maximum fee, within
22 10 days after February 1 of each year the club shall file with the
23 commission a list of names and residences of its **BONA FIDE** members
24 and make a similar filing of the name and residence with the
25 commission within 10 days after the election of an additional **BONA**
26 **FIDE** member. The annual filing shall also include a statement that
27 the club's annual aggregate membership fees or dues and other

1 income, exclusive of the proceeds from the sale of alcoholic
2 liquor, are sufficient to defray the annual rental of its leased or
3 rented premises or, if the premises are owned by the club, are
4 sufficient to meet the taxes, insurance, repairs, and interest on a
5 mortgage on the premises.

6 (4) The affairs and management of the club shall be conducted
7 by a board of directors, executive committee, or similar body
8 chosen by the members. A member, officer, agent, or employee of the
9 club shall not be paid, or directly or indirectly receive in the
10 form of salary or other compensation, profits from the disposition
11 of alcoholic liquor to the club or to the members of the club,
12 beyond the amount of salary fixed and voted at meetings by the
13 members or by its directors or other governing body and as reported
14 by the club to the commission, within 3 months after the meeting.