

HOUSE BILL No. 4573

April 5, 2007, Introduced by Reps. Tobocman, Farrah, Gillard, Virgil Smith, Cheeks and Leland 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 525 and 1114 (MCL 436.1525 and 436.2114),
section 525 as amended by 2006 PA 539 and section 1114 as added by
2004 PA 134, and by adding section 1116.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 525. (1) Except as otherwise provided for in this
2 section, the following license **AND PERMIT** fees shall be paid at the
3 time of 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

1 fraction of a barrel, production annually with a maximum fee of
2 \$1,000.00, and in addition \$50.00 for each motor vehicle used in
3 delivery to retail licensees. A fee increase does not apply to a
4 manufacturer of less than 15,000 barrels production per year.

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

7 (d) Wine makers, blenders, and rectifiers of wine, including
8 makers, blenders, and rectifiers of wines containing 21% or less
9 alcohol by volume, \$100.00. The small wine maker license fee is
10 \$25.00.

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

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

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

17 (h) Wholesale vendors other than manufacturers of beer,
18 \$300.00 for the first motor vehicle used in delivery to retail
19 licensees and \$50.00 for each additional motor vehicle used in
20 delivery to retail licensees.

21 (i) Watercraft, licensed to carry passengers, selling
22 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of
23 \$500.00 per year computed on the basis of \$1.00 per person per
24 passenger capacity.

25 (j) Specially designated merchants, for selling beer or wine
26 for consumption off the premises only but not at wholesale, \$100.00
27 for each location regardless of the fact that the location may be a

1 part of a system or chain of merchandising.

2 (k) Specially designated distributors licensed by the
3 commission to distribute spirits and mixed spirit drink in the
4 original package for the commission for consumption off the
5 premises, \$150.00 per year, and an additional fee of \$3.00 for each
6 \$1,000.00 or major fraction of that amount in excess of \$25,000.00
7 of the total retail value of merchandise purchased under each
8 license from the commission during the previous calendar year.

9 (l) Hotels of class A selling beer and wine, a minimum fee of
10 \$250.00 and, for all bedrooms in excess of 20, \$1.00 for each
11 additional bedroom, but not more than \$500.00.

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

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

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

1 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,
2 \$300.00 for clubs having 150 or fewer duly accredited members and
3 \$1.00 for each additional member. The membership list for the
4 purpose only of determining the license fees to be paid under this
5 subdivision shall be the accredited list of members as determined
6 by a sworn affidavit 30 days before the closing of the license
7 year. This subdivision does not prevent the commission from
8 checking a membership list and making its own determination from
9 the list or otherwise. The list of members and additional members
10 is not required of a club paying the maximum fee. The maximum fee
11 shall not exceed \$750.00 for any 1 club.

12 (q) Warehouseurs, to be fixed by the commission with a minimum
13 fee for each warehouse of \$50.00.

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

20 (s) Airlines licensed to carry passengers in this state that
21 sell, offer for sale, provide, or transport alcoholic liquor,
22 \$600.00.

23 (t) Brandy manufacturer, \$100.00.

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

25 (v) Brewpub, \$100.00.

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

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

(y) Motorsports event license, \$250.00.

(Z) LATE NIGHT PERMIT, \$1,000.00.

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

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

1 (a) Notice sent by the commission of a deficiency in the
2 application until the date all of the requested information is
3 received by the commission.

4 (b) The time period during which actions required by a party
5 other than the applicant or the commission are completed that
6 include, but are not limited to, completion of construction or
7 renovation of the licensed premises; mandated inspections by the
8 commission or by any state, local, or federal agency; approval by
9 the legislative body of a local unit of government; criminal
10 history or criminal record checks; financial or court record
11 checks; or other actions mandated by this act or rule or as
12 otherwise mandated by law or local ordinance.

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

25 (5) Beginning October 1, 2005, the chair of the commission
26 shall submit a report by December 1 of each year to the standing
27 committees and appropriations subcommittees of the senate and house

1 of representatives concerned with liquor license issues. The chair
2 of the commission shall include all of the following information in
3 the report concerning the preceding fiscal year:

4 (a) The number of initial and renewal applications the
5 commission received and completed within the 90-day time period
6 described in subsection (3).

7 (b) The number of applications denied.

8 (c) The number of applicants not issued a license **OR PERMIT**
9 within the 90-day time period and the amount of money returned to
10 licensees **OR PERMITTEES** under subsection (4).

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

17 Sec. 1114. (1) Notwithstanding R 436.1403 and R 436.1503 of
18 the Michigan administrative code and except as otherwise provided
19 under this act or rule of the commission, an on-premises and an
20 off-premises licensee shall not sell, give away, or furnish
21 alcoholic liquor between the hours of 2 a.m. and 7 a.m. on any day
22 and shall not sell, give away, or furnish alcoholic liquor between
23 the hours of 2 a.m. and 12 noon, EST, on Sunday. ~~An~~

24 **(2) NOTWITHSTANDING R 436.1403 AND R 436.1503 OF THE MICHIGAN**
25 **ADMINISTRATIVE CODE AND EXCEPT AS OTHERWISE PROVIDED UNDER THIS**
26 **ACT, AN** on-premises and an off-premises licensee shall not sell,
27 give away, or furnish spirits between the hours of 2 a.m. and 12

1 midnight on Sunday, unless issued a Sunday sales permit by the
2 commission that allows the licensee to sell spirits on Sunday
3 between the hours of 12 noon, EST, and 12 midnight.

4 (3) ~~(2)~~—For purposes of R 436.1403 and R 436.1503 of the
5 Michigan administrative code, 12 noon on Sunday is considered 12
6 noon on Sunday, EST, for any licensee located in the central time
7 zone.

8 (4) ~~(3)~~—A reference to the time of day under this act or a
9 rule of the commission includes daylight savings time, when
10 observed.

11 (5) THIS SECTION IS SUBJECT TO ANY PERMITS ISSUED UNDER
12 SECTION 1116.

13 SEC. 1116. (1) NOTWITHSTANDING R 436.1403 AND R 436.1503 OF
14 THE MICHIGAN ADMINISTRATIVE CODE AND EXCEPT AS OTHERWISE PROVIDED
15 IN SUBSECTION (3) AND THIS CHAPTER, ANY RETAILER MAY SELL, GIVE
16 AWAY, OR FURNISH ALCOHOLIC LIQUOR FROM 2 A.M. UNTIL 4 A.M. IF THAT
17 LICENSEE HOLDS A LATE NIGHT PERMIT ISSUED UNDER THIS SECTION BY THE
18 COMMISSION.

19 (2) A RETAILER WISHING TO SELL ALCOHOLIC LIQUOR FROM 2 A.M.
20 UNTIL 4 A.M. SHALL APPLY TO THE COMMISSION FOR A LATE NIGHT PERMIT
21 AND PAY THE ADDITIONAL FEE DESCRIBED IN SECTION 525. THE COMMISSION
22 SHALL ISSUE A LATE NIGHT PERMIT TO AN APPLICANT NOT PROHIBITED
23 UNDER THE CIRCUMSTANCES DESCRIBED IN SUBSECTION (3).

24 (3) THE COMMISSION SHALL NOT ISSUE A LATE NIGHT PERMIT TO A
25 RETAILER LOCATED WITHIN ANY OF THE FOLLOWING:

26 (A) A COUNTY, CITY, VILLAGE, OR TOWNSHIP THAT PROHIBITS THE
27 SALE OF BEER AND WINE FOR CONSUMPTION ON AND OFF THE LICENSED

1 PREMISES BETWEEN THE HOURS OF 2 A.M. AND 12 MIDNIGHT, EST, ON
2 SUNDAY PURSUANT TO SECTION 1111.

3 (B) A COUNTY THAT HAS NOT AUTHORIZED THE SALE OF SPIRITS AND
4 MIXED SPIRIT DRINK FOR CONSUMPTION ON OR OFF THE LICENSED PREMISES,
5 OR BOTH, AFTER 12 NOON, EST, ON SUNDAYS PURSUANT TO SECTION 1113.

6 (C) A COUNTY, CITY, VILLAGE, OR TOWNSHIP THAT HAS PASSED A
7 RESOLUTION PROHIBITING THE ISSUANCE OF LATE NIGHT PERMITS.

8 (4) A COUNTY, CITY, VILLAGE, OR TOWNSHIP MAY, BY RESOLUTION
9 DULY PASSED, PROHIBIT THE ISSUANCE OF LATE NIGHT PERMITS.

10 (5) THE ISSUANCE OF A LATE NIGHT PERMIT UNDER THIS SECTION
11 ONLY ALLOWS THE PERMIT HOLDER TO SELL, GIVE AWAY, OR FURNISH THE
12 TYPE OF ALCOHOLIC LIQUOR AUTHORIZED BY ITS LICENSE.