

HOUSE BILL No. 5458

November 20, 2007, Introduced by Rep. Green 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 532 (MCL 436.1525 and 436.1532),
section 525 as amended by 2006 PA 539 and section 532 as added by
2001 PA 223.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,

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

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

13 (r) Special licenses, a fee of \$50.00 per day, except that the
14 fee for that license or permit issued to any bona fide nonprofit
15 association, duly organized and in continuous existence for 1 year
16 before the filing of its application, is \$25.00. ~~Not~~ **EXCEPT IN THE**
17 **CASE INVOLVING THE HOLDER OF A CLUB LICENSE, 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.

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

2 (2) The fees provided in this act for the various types of
3 licenses shall not be prorated for a portion of the effective
4 period of the license. Notwithstanding subsection (1), the initial
5 license fee for any licenses issued under section 531(3) and (4) is
6 \$20,000.00. The renewal license fee shall be the amount described
7 in subsection (1). However, the commission shall not impose the
8 \$20,000.00 initial license fee for applicants whose license
9 eligibility was already approved on July 20, 2005.

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

27 (a) Notice sent by the commission of a deficiency in the

1 application until the date all of the requested information is
2 received by the commission.

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

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

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

1 the report concerning the preceding fiscal year:

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

5 (b) The number of applications denied.

6 (c) The number of applicants not issued a license within the
7 90-day time period and the amount of money returned to licensees
8 under subsection (4).

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

15 Sec. 532. (1) A club license allows the licensee to sell, for
16 consumption on the licensed premises, beer, wine, mixed spirit
17 drink, and spirits only to bona fide members of the club who have
18 attained the age of 21 years. Except as otherwise provided in
19 subsection (2), the commission shall not issue a license to a club
20 unless the club has been in existence for a period of not less than
21 2 years before the application for the license.

22 (2) Public notice of the intent of the commission to issue the
23 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 license
27 for 10 or more years may apply for a license without a waiting

1 period. Public notice of the commission's intent to renew the club
2 license is not required.

3 (3) Except in the case of a club paying a maximum fee, within
4 10 days after February 1 of each year the club shall file with the
5 commission a list of names and residences of its members and make a
6 similar filing of the name and residence with the commission within
7 10 days after the election of an additional member. The annual
8 filing shall also include a statement that the club's annual
9 aggregate membership fees or dues and other income, exclusive of
10 the proceeds from the sale of alcoholic liquor, are sufficient to
11 defray the annual rental of its leased or rented premises or, if
12 the premises are owned by the club, are sufficient to meet the
13 taxes, insurance, repairs, and interest on a mortgage on the
14 premises.

15 (4) The affairs and management of the club shall be conducted
16 by a board of directors, executive committee, or similar body
17 chosen by the members. A member, officer, agent, or employee of the
18 club shall not be paid, or directly or indirectly receive in the
19 form of salary or other compensation, profits from the disposition
20 of alcoholic liquor to the club or to the members of the club,
21 beyond the amount of salary fixed and voted at meetings by the
22 members or by its directors or other governing body and as reported
23 by the club to the commission, within 3 months after the meeting.

24 (5) UPON APPLICATION TO THE HOLDER OF A CLUB LICENSE, THE
25 COMMISSION SHALL ISSUE UP TO 30 SPECIAL LICENSES ANNUALLY FOR SALE
26 OF ALCOHOLIC LIQUOR TO INDIVIDUALS NOT MEMBERS OF THE CLUB DURING A
27 SCHEDULED EVENT SPONSORED BY, OR BEING HELD AT, THE CLUB. THE

1 SCHEDULED EVENT SHALL BE AN INDIVIDUAL AND 1-TIME EVENT FOR A
2 PARTICULAR PURPOSE AND DOES NOT INCLUDE AN EVENT SCHEDULED BY THE
3 SAME SPONSOR FOR MORE THAN 1 TIME DURING THE CALENDAR YEAR. THE
4 CLUB MAY APPLY FOR THE LICENSES AT 1 TIME OR DURING THE CALENDAR
5 YEAR, BUT MUST REPORT THE TIME AND NATURE OF THE EVENT TO THE
6 COMMISSION.