

SENATE BILL No. 1202

March 11, 2008, Introduced by Senator KAHN and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 525 (MCL 436.1525), as amended by 2006 PA 539,
and by adding section 526.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 525. (1) Except as otherwise provided for in this section
2 **AND SECTION 526**, the following license 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) Warehousemen, 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.

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~~ **EXCEPT** in the case of
11 any resort or resort economic development license issued under
12 section 531(2), (3), (4), and (5), ~~and a license issued under~~
13 section 521, **AND SUBJECT TO THE REQUIREMENTS OF AN EXPEDITED FILING**
14 **UNDER SECTION 526**, the commission shall issue an initial or renewal
15 license not later than 90 days after the applicant files a
16 completed application. Receipt of the application is considered the
17 date the application is received by any agency or department of the
18 state of Michigan. If the application is considered incomplete by
19 the commission, the commission shall notify the applicant in
20 writing, or make the information electronically available, within
21 30 days after receipt of the incomplete application, describing the
22 deficiency and requesting the additional information. The
23 determination of the completeness of an application does not
24 operate as an approval of the application for the license and does
25 not confer eligibility upon an applicant determined otherwise
26 ineligible for issuance of a license. The 90-day period is tolled
27 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 within
14 the time required by this section, the commission shall return the
15 license fee and shall reduce the license fee for the applicant's
16 next renewal application, if any, by 15%. The failure to issue a
17 license within the time required under this section does not allow
18 the commission to otherwise delay the processing of the
19 application, and that application, upon completion, shall be placed
20 in sequence with other completed applications received at that same
21 time. The commission shall not discriminate against an applicant in
22 the processing of the application based upon the fact that the
23 license fee was refunded or discounted under this subsection.

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

1 of the commission shall include all of the following information in
2 the report concerning the preceding fiscal year:

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

6 (b) The number of applications denied.

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

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

16 **SEC. 526. (1) SUBJECT TO THE EXCEPTIONS AND LIMITATIONS**
17 **IMPOSED IN SECTION 525(3), THE COMMISSION MAY EXPEDITE THE FILING**
18 **OF A DOCUMENT AND THE ISSUANCE OF A LICENSE OR PERMIT. THE**
19 **COMMISSION SHALL RETAIN THE REVENUE COLLECTED UNDER THIS SUBSECTION**
20 **TO CARRY OUT ITS DUTIES REQUIRED BY LAW EXCEPT THAT THE COMMISSION**
21 **SHALL REIMBURSE THE DEPARTMENT OF STATE POLICE AND LOCAL LAW**
22 **ENFORCEMENT AGENCIES FOR THE REASONABLE COST OF PROCESSING**
23 **FINGERPRINTS. THE COMMISSION SHALL CHARGE 1 OF THE FOLLOWING**
24 **NONREFUNDABLE FEES IF EXPEDITED FILING OF A DOCUMENT AND ISSUANCE**
25 **OF A LICENSE OR PERMIT IS REQUESTED:**

26 (A) FOR ANY FILING THAT A PERSON REQUESTS THE COMMISSION TO
27 COMPLETE WITHIN 10 BUSINESS DAYS AFTER THE DAY OF THE REQUEST,

1 \$1,200.00. THE COMMISSION MAY ESTABLISH A DEADLINE BY WHICH A
2 PERSON MUST SUBMIT A REQUEST FOR FILING UNDER THIS SUBDIVISION.

3 (B) FOR ANY FILING THAT A PERSON REQUESTS THE COMMISSION TO
4 COMPLETE WITHIN 20 BUSINESS DAYS AFTER THE DAY OF THE REQUEST,
5 \$600.00. THE COMMISSION MAY ESTABLISH A DEADLINE BY WHICH A PERSON
6 MUST SUBMIT A REQUEST FOR FILING UNDER THIS SUBDIVISION.

7 (2) THE COMMISSION MAY DENY A REQUEST FOR AN EXPEDITED FILING
8 AND ISSUANCE IF THE APPLICANT SUBMITS AN APPLICATION THAT IS NOT
9 CONSIDERED A COMPLETED APPLICATION AS THAT TERM IS DEFINED IN
10 SECTION 525. THE RESPONSIBILITY OF THE COMMISSION TO EXPEDITE THE
11 FILING OF A DOCUMENT AND THE ISSUING OF A LICENSE OR PERMIT EXTENDS
12 ONLY TO THOSE DUTIES DIRECTLY UNDER THE CONTROL OF THE COMMISSION
13 AND NOT THE ACTIONS OR INACTIONS OF ANY OTHER STATE AGENCY OR LOCAL
14 UNIT OF GOVERNMENT.