

SENATE BILL No. 1558

November 5, 2008, Introduced by Senators ALLEN, KAHN, THOMAS, GILBERT, JACOBS, GARCIA and HUNTER 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 sections 525 and 537 (MCL 436.1525 and 436.1537), as amended by 2008 PA 218, and by adding section 545.

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 more than 12
17 special licenses may be granted to any organization, including an
18 auxiliary of the organization, in a calendar year.

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

22 (t) Brandy manufacturer, \$100.00.

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

24 (v) Brewpub, \$100.00.

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

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

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

1 (z) Small distiller, \$100.00.

2 (AA) **NONPUBLIC CONTINUING CARE RETIREMENT CENTER LICENSE,**
3 **\$600.00.**

4 (2) The fees provided in this act for the various types of
5 licenses shall not be prorated for a portion of the effective
6 period of the license. Notwithstanding subsection (1), the initial
7 license fee for any licenses issued under section 531(3) and (4) is
8 \$20,000.00. The renewal license fee shall be the amount described
9 in subsection (1). However, the commission shall not impose the
10 \$20,000.00 initial license fee for applicants whose license
11 eligibility was already approved on July 20, 2005.

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

1 circumstances:

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

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

14 (4) If the commission fails to issue or deny a license within
15 the time required by this section, the commission shall return the
16 license fee and shall reduce the license fee for the applicant's
17 next renewal application, if any, by 15%. The failure to issue a
18 license within the time required under this section does not allow
19 the commission to otherwise delay the processing of the
20 application, and that application, upon completion, shall be placed
21 in sequence with other completed applications received at that same
22 time. The commission shall not discriminate against an applicant in
23 the processing of the application based upon the fact that the
24 license 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 within the
9 90-day time period and the amount of money returned to licensees
10 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 fees as well as any other information, records, approval,
14 security, or similar item required by law or rule from a local unit
15 of government, a federal agency, or a private entity but not from
16 another department or agency of the state of Michigan.

17 Sec. 537. (1) The following classes of vendors may sell
18 alcoholic liquors at retail as provided in this section:

19 (a) Taverns where beer and wine may be sold for consumption on
20 the premises only.

21 (b) Class C license where beer, wine, mixed spirit drink, and
22 spirits may be sold for consumption on the premises.

23 (c) Clubs where beer, wine, mixed spirit drink, and spirits
24 may be sold for consumption on the premises only to bona fide
25 members where consumption is limited to these members and their
26 bona fide guests, who have attained the age of 21 years.

27 (d) Direct shippers where wine may be sold and shipped

1 directly to the consumer.

2 (e) Hotels of class A where beer and wine may be sold for
3 consumption on the premises and in the rooms of bona fide
4 registered guests. Hotels of class B where beer, wine, mixed spirit
5 drink, and spirits may be sold for consumption on the premises and
6 in the rooms of bona fide registered guests.

7 (f) Specially designated merchants, where beer and wine may be
8 sold for consumption off the premises only.

9 (g) Specially designated distributors where spirits and mixed
10 spirit drink may be sold for consumption off the premises only.

11 (h) Special licenses where beer and wine or beer, wine, mixed
12 spirit drink, and spirits may be sold for consumption on the
13 premises only.

14 (i) Dining cars or other railroad or Pullman cars, watercraft,
15 or aircraft, where alcoholic liquor may be sold for consumption on
16 the premises only, subject to rules promulgated by the commission.

17 (j) Brewpubs where beer manufactured on the premises by the
18 licensee may be sold for consumption on or off the premises by any
19 of the following licensees:

20 (i) Class C.

21 (ii) Tavern.

22 (iii) Class A hotel.

23 (iv) Class B hotel.

24 (k) Micro brewers and brewers selling less than 200,000
25 barrels of beer per year where beer produced by the micro brewer or
26 brewer may be sold to a consumer for consumption on or off the
27 brewery premises.

1 (l) Class G-1 license where beer, wine, mixed spirit drink, and
2 spirits may be sold for consumption on the premises only to members
3 required to pay an annual membership fee and consumption is limited
4 to these members and their bona fide guests.

5 (m) Class G-2 license where beer and wine may be sold for
6 consumption on the premises only to members required to pay an
7 annual membership fee and consumption is limited to these members
8 and their bona fide guests.

9 (n) Motorsports event license where beer and wine may be sold
10 for consumption on the premises during sanctioned motorsports
11 events only.

12 (o) Wine maker where wine may be sold by direct shipment, at
13 retail on the licensed premises, and as provided for in subsections
14 (2) and (3).

15 (p) Small distiller selling not more than 60,000 gallons of
16 spirits manufactured by that licensee to the consumer at retail for
17 consumption on or off the licensed premises in the manner provided
18 for in section 534.

19 **(Q) NONPUBLIC CONTINUING CARE RETIREMENT CENTER LICENSE, WHERE**
20 **BEER, WINE, MIXED SPIRIT DRINK, MIXED WINE DRINK, AND SPIRITS MAY**
21 **BE SERVED ON THE LICENSED PREMISES TO RESIDENTS AND GUESTS OF THE**
22 **RESIDENTS FOR CONSUMPTION ON THE LICENSED PREMISES.**

23 (2) A wine maker may sell wine made by that wine maker in a
24 restaurant for consumption on or off the premises if the restaurant
25 is owned by the wine maker or operated by another person under an
26 agreement approved by the commission and located on the premises
27 where the wine maker is licensed.

1 (3) A wine maker, with the prior written approval of the
2 commission, may conduct wine tastings of wines made by that wine
3 maker and may sell the wine made by that wine maker for consumption
4 off the premises at a location other than the premises where the
5 wine maker is licensed to manufacture wine, under the following
6 conditions:

7 (a) The premises upon which the wine tasting occurs conforms
8 to local and state sanitation requirements.

9 (b) Payment of a \$100.00 fee per location is made to the
10 commission.

11 (c) The wine tasting locations shall be considered licensed
12 premises.

13 (d) Wine tasting does not take place between the hours of 2
14 a.m. and 7 a.m. Monday through Saturday, or between 2 a.m. and 12
15 noon on Sunday.

16 (e) The premises and the licensee comply with and are subject
17 to all applicable rules promulgated by the commission.

18 **SEC. 545. (1) AS USED IN THIS ACT, "NONPUBLIC CONTINUING CARE**
19 **RETIREMENT CENTER" MEANS A RESIDENTIAL COMMUNITY THAT, AS**
20 **DETERMINED BY THE COMMISSION, MEETS BOTH OF THE FOLLOWING**
21 **CONDITIONS:**

22 **(A) PROVIDES FULL-TIME RESIDENTIAL HOUSING PREDOMINANTLY FOR**
23 **INDIVIDUALS OVER THE AGE OF 62.**

24 **(B) IS REGISTERED AS A FACILITY UNDER THE LIVING CARE**
25 **DISCLOSURE ACT, 1976 PA 440, MCL 554.801 TO 554.844.**

26 **(2) THE COMMISSION, UPON SUBMISSION OF A COMPLETED APPLICATION**
27 **AND UPON DEMONSTRATING COMPLIANCE WITH ANY APPLICABLE PUBLIC NOTICE**

1 REQUIREMENTS OF THIS SECTION, SHALL GRANT A NONPUBLIC CONTINUING
2 CARE RETIREMENT CENTER LICENSE TO AN APPLICANT COMPLYING WITH THIS
3 SECTION.

4 (3) THE NONPUBLIC CONTINUING CARE RETIREMENT CENTER LICENSE
5 ALLOWS THE LICENSEE TO SERVE ON THE LICENSED PREMISES BEER, WINE,
6 MIXED SPIRIT DRINK, MIXED WINE DRINK, AND SPIRITS, FOR CONSUMPTION
7 BY A RESIDENT OR THE RESIDENT'S GUESTS, ONLY ON THE LICENSED
8 PREMISES.

9 (4) IN THE CASE OF THE ISSUANCE OF AN INITIAL LICENSE UNDER
10 THIS SECTION FOR AN APPLICANT THAT HAS NOT BEEN IN EXISTENCE FOR AT
11 LEAST 10 YEARS BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
12 ADDED THIS SECTION, THE COMMISSION SHALL PUBLISH A NOTICE OF INTENT
13 TO ISSUE THE LICENSE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE
14 COUNTY IN WHICH THE APPLICANT IS LOCATED. THE NOTICE SHALL BE
15 PUBLISHED AT LEAST 10 DAYS BEFORE THE PROPOSED DATE OF ISSUANCE OF
16 THE LICENSE. THE NOTICE REQUIREMENT OF THIS SUBSECTION DOES NOT
17 APPLY TO THE RENEWAL OF A LICENSE ISSUED UNDER THIS SECTION.