

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4277

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending section 525 (MCL 436.1525), as amended by 2010 PA 279.

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 and are  
4       subject to allocation under section 543:

5       (a) Manufacturers of spirits, ~~but~~ not including makers,  
6       blenders, and rectifiers of wines containing 21% or less alcohol by  
7       volume, \$1,000.00.

8       (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or  
9       fraction of a barrel, production annually with a maximum fee of  
10      \$1,000.00, and in addition \$50.00 for each motor vehicle used in

1 delivery to retail licensees. A fee increase does not apply to a  
2 manufacturer of less than 15,000 barrels production per year.

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

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

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

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

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

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

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

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

27 (k) Specially designated distributors licensed by the

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

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

10 **TOTAL.**

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~~ **IN EXCESS OF 20**. If  
14 a hotel of class B sells beer, wine, mixed spirit drink, and  
15 spirits in more than 1 public bar, ~~the fee entitles the hotel to~~  
16 ~~sell in only 1 public bar, other than a bedroom, and a license~~  
17 ~~shall be secured~~ **A FEE OF \$350.00 SHALL BE PAID** for each additional  
18 public bar, other than a bedroom. ~~, the fee for 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. Subject to section 518(2), if a class C  
22 licensee sells beer, wine, mixed spirit drink, and spirits in more  
23 than 1 bar, a fee of \$350.00 shall be paid for each additional bar.  
24 In municipally owned or supported facilities in which nonprofit  
25 organizations operate concession stands, a fee of \$100.00 shall be  
26 paid for each 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 **IN EXCESS OF 150**. ~~The membership~~  
3 ~~list for the purpose only of determining the license fees to be~~  
4 ~~paid under this subdivision shall be the accredited~~ **CLUBS SHALL**  
5 **SUBMIT A** list of members ~~as determined by a sworn affidavit 30 days~~  
6 before the closing of the license year. **THE SWORN AFFIDAVIT SHALL**  
7 **BE USED ONLY FOR DETERMINING THE LICENSE FEES TO BE PAID UNDER THIS**  
8 **SUBDIVISION**. This subdivision does not prevent the commission from  
9 checking a membership list and making its own determination from  
10 the list or otherwise. The list of members and additional members  
11 is not required of a club paying the maximum fee. The maximum fee  
12 shall not exceed \$750.00 for any 1 club.

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

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

21 (s) Airlines licensed to carry passengers in this state that  
22 sell, offer for sale, provide, or transport alcoholic liquor,  
23 \$600.00.

24 (t) Brandy manufacturer, \$100.00.

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

26 (v) Brewpub, \$100.00.

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

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

2 (y) Motorsports event license, the amount as described and  
3 determined under section ~~518(2)~~. **518(2)**.

4 (z) Small distiller, \$100.00.

5 (aa) Wine auction license, \$50,000.00.

6 (bb) Nonpublic continuing care retirement center license,  
7 \$600.00.

8 **(CC) CONDITIONAL LICENSE APPROVED UNDER SUBSECTION (5) AND**  
9 **ISSUED UNDER SUBSECTION (6), \$300.00.**

10 (2) The fees provided in this act for the various types of  
11 licenses shall not be prorated for a portion of the effective  
12 period of the license. Notwithstanding subsection (1), the initial  
13 license fee for any licenses issued under section 531(3) or (4) is  
14 \$20,000.00. The renewal license fee shall be the amount described  
15 in subsection (1). However, the commission shall not impose the  
16 \$20,000.00 initial license fee for applicants whose license  
17 eligibility was already approved on July 20, 2005.

18 (3) ~~Beginning July 23, 2004, and except~~ **EXCEPT** in the case of  
19 any resort or resort economic development license issued under  
20 section 531(2), (3), (4), or (5) or a license issued under section  
21 ~~521, 521A~~, the commission shall issue an initial or renewal license  
22 not later than 90 days after the applicant files a completed  
23 application. ~~Receipt of the~~ **THE** application is considered **TO BE**  
24 **RECEIVED** the date the application is received by any agency or  
25 department of ~~the state of Michigan~~. **THIS STATE**. If the **COMMISSION**  
26 **DETERMINES THAT AN** application is ~~considered incomplete, by the~~  
27 ~~commission~~, the commission shall notify the applicant in writing,

1 or make the information electronically available, within 30 days  
2 after receipt of the incomplete application, describing the  
3 deficiency and requesting the additional information. The  
4 determination of the completeness of an application ~~does not~~  
5 ~~operate as~~ **IS NOT** an approval of the application for the license  
6 and does not confer eligibility upon an applicant determined  
7 otherwise ineligible for issuance of a license. The 90-day period  
8 is tolled **FOR THE FOLLOWING PERIODS** under any of the following  
9 circumstances:

10 (a) ~~Notice~~ **IF NOTICE IS** sent by the commission of a deficiency  
11 in the application, until the date all of the requested information  
12 is received by the commission.

13 (b) ~~The~~ **FOR THE** time period ~~during which~~ **REQUIRED TO COMPLETE**  
14 actions required by a ~~party~~ **PERSON**, other than the applicant or the  
15 commission, ~~are completed that include,~~ **INCLUDING**, but ~~are not~~  
16 limited to, completion of construction or renovation of the  
17 licensed premises; mandated inspections by the commission or by any  
18 state, local, or federal agency; approval by the legislative body  
19 of a local unit of government; criminal history or criminal record  
20 checks; financial or court record checks; or other actions mandated  
21 by this act or rule or as otherwise mandated by law or local  
22 ordinance.

23 (4) If the commission fails to issue or deny a license within  
24 the time required by this section, the commission shall return the  
25 license fee and shall reduce the license fee for the applicant's  
26 next renewal application, if any, by 15%. The failure to issue a  
27 license within the time required under this section does not allow

1 the commission to otherwise delay the processing of the  
2 application, and that application, upon completion, shall be placed  
3 in sequence with other completed applications received at that same  
4 time. The commission shall not discriminate against an applicant in  
5 the processing of the application based upon the fact that the  
6 license fee was refunded or discounted under this subsection.

7 (5) IF, IN ADDITION TO A COMPLETED APPLICATION UNDER THIS  
8 SECTION, AN APPLICANT SUBMITS A SEPARATE FORM REQUESTING A  
9 CONDITIONAL LICENSE WITH AN ACCEPTABLE PROOF OF FINANCIAL  
10 RESPONSIBILITY FORM UNDER SECTION 803, AND AN EXECUTED PROPERTY  
11 DOCUMENT, THE COMMISSION SHALL, AFTER CONSIDERING THE ARREST AND  
12 CONVICTION RECORDS OR PREVIOUS VIOLATION HISTORY IN THE MANAGEMENT,  
13 OPERATION, OR OWNERSHIP OF A LICENSED BUSINESS, APPROVE OR DENY A  
14 CONDITIONAL LICENSE TO ANY OF THE FOLLOWING:

15 (A) AN APPLICANT SEEKING TO TRANSFER OWNERSHIP OF OR INTEREST  
16 IN AN EXISTING LICENSE AT THE SAME LOCATION UNDER SUBSECTION (3) TO  
17 SELL ALCOHOLIC LIQUOR FOR CONSUMPTION ON OR OFF THE PREMISES.

18 (B) AN APPLICANT SEEKING AN INITIAL LICENSE UNDER SUBSECTION  
19 (3), EXCEPT FOR A SPECIALLY DESIGNATED DISTRIBUTOR LICENSE OR A  
20 LICENSE FOR THE SALE OF ALCOHOLIC LIQUOR FOR CONSUMPTION ON THE  
21 PREMISES.

22 (6) THE COMMISSION SHALL ISSUE A CONDITIONAL LICENSE TO  
23 APPLICANTS APPROVED UNDER SUBSECTION (5) WITHIN 20 BUSINESS DAYS  
24 AFTER RECEIPT OF A COMPLETED APPLICATION AND A COMPLETED  
25 CONDITIONAL LICENSE REQUEST FORM AND DOCUMENTATION FOR A  
26 CONDITIONAL LICENSE AT A SINGLE LOCATION. THE COMMISSION MAY TAKE  
27 UP TO 30 BUSINESS DAYS TO ISSUE CONDITIONAL LICENSES TO APPROVED

1 APPLICANTS SEEKING CONDITIONAL LICENSES AT MULTIPLE LOCATIONS.

2 (7) A CONDITIONAL LICENSE APPROVED UNDER SUBSECTION (5) AND  
3 ISSUED UNDER SUBSECTION (6) IS NONTRANSFERABLE AND NONRENEWABLE. A  
4 CONDITIONAL LICENSE APPROVED UNDER SUBSECTION (5) AND ISSUED UNDER  
5 SUBSECTION (6) EXPIRES WHEN THE COMMISSION ISSUES AN ORDER OF  
6 DENIAL OF THE LICENSE APPLICATION THAT SERVES AS THE BASIS FOR THE  
7 CONDITIONAL LICENSE AFTER ALL ADMINISTRATIVE REMEDIES BEFORE THE  
8 COMMISSION HAVE BEEN EXHAUSTED, EXPIRES 20 BUSINESS DAYS AFTER THE  
9 COMMISSION ISSUES AN ORDER OF APPROVAL OF THE LICENSE APPLICATION  
10 THAT SERVES AS THE BASIS FOR THE CONDITIONAL LICENSE, EXPIRES WHEN  
11 THE LICENSEE OR CONDITIONAL LICENSEE NOTIFIES THE COMMISSION IN  
12 WRITING THAT THE INITIAL APPLICATION SHOULD BE CANCELED, OR EXPIRES  
13 1 YEAR AFTER THE DATE THE CONDITIONAL LICENSE WAS ISSUED, WHICHEVER  
14 OCCURS FIRST. IF A CONDITIONALLY APPROVED LICENSEE FAILS TO  
15 MAINTAIN ACCEPTABLE PROOF OF ITS FINANCIAL RESPONSIBILITY, THE  
16 COMMISSION SHALL, AFTER DUE NOTICE AND PROPER HEARING, SUSPEND THE  
17 CONDITIONAL LICENSE UNTIL THE LICENSEE FILES AN ACCEPTABLE PROOF OF  
18 FINANCIAL RESPONSIBILITY FORM UNDER SECTION 803. IF A CONDITIONAL  
19 LICENSE IS REVOKED, THE CONDITIONAL LICENSEE SHALL NOT RECOVER FROM  
20 A UNIT OF LOCAL GOVERNMENT ANY COMPENSATION FOR PROPERTY, FUTURE  
21 INCOME, OR FUTURE ECONOMIC LOSS DUE TO THE REVOCATION.

22 (8) UPON ISSUING A CONDITIONAL LICENSE UNDER SUBSECTION (6),  
23 THE COMMISSION SHALL, UNTIL THE CONDITIONAL LICENSE EXPIRES UNDER  
24 SUBSECTION (7), PLACE AN EXISTING LICENSE UNDER SUBSECTION (3) IN  
25 ESCROW IN COMPLIANCE WITH R 436.1107 OF THE MICHIGAN ADMINISTRATIVE  
26 CODE. IF THE CONDITIONAL LICENSE EXPIRES BECAUSE A TRANSFER OF AN  
27 EXISTING LICENSE WAS DENIED OR BECAUSE THE LICENSE WAS NOT



1 TRANSFERRED WITHIN THE 1-YEAR PERIOD, AN EXISTING LICENSEE MAY DO 1  
2 OF THE FOLLOWING:

3 (A) REQUEST THAT THE COMMISSION RELEASE THE LICENSE FROM  
4 ESCROW.

5 (B) KEEP THE LICENSE IN ESCROW. THE ESCROW DATE FOR COMPLIANCE  
6 WITH R 436.1107 OF THE MICHIGAN ADMINISTRATIVE CODE SHALL BE THE  
7 DATE THE CONDITIONAL LICENSE EXPIRES.

8 (9) ~~(5) Beginning October 1, 2005, the~~ THE chair of the  
9 commission shall submit a report by December 1 of each year to the  
10 standing committees and appropriations subcommittees of the senate  
11 and house of representatives concerned with liquor license issues.  
12 The chair of the commission shall include all of the following  
13 information in the report concerning the preceding fiscal year:

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

17 (b) The number of applications denied.

18 (c) The number of applicants not issued a license within the  
19 90-day time period and the amount of money returned to licensees  
20 under subsection (4).

21 (10) ~~(6)~~As used in this section, "completed application"  
22 means an application complete on its face and submitted with any  
23 applicable licensing fees as well as any other information,  
24 records, approval, security, or similar item required by law or  
25 rule from a local unit of government, a federal agency, or a  
26 private entity but not from another department or agency of the  
27 state of Michigan.

House Bill No. 4277 (S-1) as amended December 12, 2013

1 Enacting section 1. This amendatory act takes effect [May 22,  
2 2014. ]

3 Enacting section 2. This amendatory act does not take effect  
4 unless all of the following bills of the 97th Legislature are  
5 enacted into law:

6 (a) Senate Bill No. 504.

7 (b) Senate Bill No. 505.

8 (c) Senate Bill No. 506.

9 (d) Senate Bill No. 507.

10 (e) Senate Bill No. 650.

11 [

12 (f)] House Bill No. 4709.

13 [(g)] House Bill No. 4710.

14 [(h)] House Bill No. 4711.