

SENATE BILL No. 440

June 7, 2017, Introduced by Senators HANSEN, PROOS, SCHUITMAKER,
MACGREGOR, EMMONS and BIEDA 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 221 and 543 (MCL 436.1221 and 436.1543),
section 543 as amended by 2016 PA 434.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 221. (1) The commission ~~is authorized to~~ **MAY** maintain a
2 revolving fund that is to be derived from the money deposited to
3 the credit of the commission with the state treasurer. From time to
4 time, ~~amounts shall~~ **MONEY MUST** be transferred from the revolving
5 fund to the general fund in accordance with the management and
6 budget act, 1984 PA 431, MCL 18.1101 to 18.1594. The fund provided
7 for in this section ~~shall~~ **MUST** be used for replenishing,
8 maintaining, warehousing, and distributing liquor stock throughout
9 ~~the~~ **THIS** state and for administration of this act. The commission
10 shall make a monthly report of the **REVOLVING** fund to the state

1 treasurer and to the budget director. The report ~~shall contain~~ **MUST**
2 **INCLUDE** an itemized account of all money received and all
3 expenditures made by the commission during the month covered in the
4 report.

5 (2) Interest earnings on common cash attributable to the
6 revolving fund ~~shall~~ **MUST** be credited to the revolving fund and
7 ~~shall~~ **MUST** be available to the commission for administration of
8 this act.

9 (3) All money received by the commission under this act ~~shall~~
10 **MUST** be turned over to the state treasurer according to department
11 of treasury procedures.

12 (4) All money deposited by the commission with the state
13 treasurer ~~shall~~ **MUST** be ~~either~~ credited to the **ANY OF THE**
14 **FOLLOWING:**

15 (A) **THE** revolving fund for expenditures authorized under
16 subsection (1). ~~or credited to the~~

17 (B) **THE** general fund to be available for the purposes for
18 which the general fund is available.

19 (C) **THE MICHIGAN CRAFT BEVERAGE COUNCIL DESCRIBED IN SECTION**
20 **303, TO BE USED AS DESCRIBED IN SECTION 303.**

21 Sec. 543. (1) Quarterly, on the commission's recommendation,
22 ~~the~~ **THIS** state shall pay pursuant to appropriation in the manner
23 prescribed by law to the city, village, or township in which a
24 full-time police department or full-time ordinance enforcement
25 department is maintained or, if a police department or full-time
26 ordinance enforcement department is not maintained, to the county,
27 to be credited to the sheriff's department of the county in which

1 the licensed premises are located, 55% of the amount of the
2 proceeds of the retailers' license fees and license renewal fees
3 collected in that jurisdiction, for the specific purpose of
4 enforcing this act and the rules promulgated under this act. Forty-
5 one and one-half percent of the amount of the proceeds of
6 retailers' license and license renewal fees collected must be
7 deposited in a special fund to be annually appropriated to the
8 commission for carrying out the licensing and enforcement
9 provisions of this act. Any unencumbered or uncommitted money in
10 the special fund must revert to the general fund of this state 12
11 months after the end of each fiscal year in which the money was
12 collected. The legislature shall appropriate 3-1/2% of the amount
13 of the proceeds of retailers' license and license renewal fees
14 collected to be credited to a special fund in the state treasury
15 for the purposes of promoting and sustaining programs for the
16 prevention, rehabilitation, care, and treatment of alcoholics. This
17 subsection does not apply to retail license fees collected for
18 railroad or Pullman cars, watercraft, aircraft, or wine auctions or
19 to the transfer fees provided in section 529.

20 (2) All license and license renewal fees, other than retail
21 license and license renewal fees and wholesale vendor license and
22 license renewal fees, must be credited to the ~~grape and wine~~
23 ~~industry~~ **MICHIGAN CRAFT BEVERAGE** council ~~created~~ **DESCRIBED** in
24 section 303, to be used as provided in section 303. Money credited
25 to the ~~grape and wine industry~~ **MICHIGAN CRAFT BEVERAGE** council must
26 not revert to the general fund at the close of the fiscal year, but
27 must remain in the account to which it was credited to be used as

1 provided in section 303.

2 (3) All retail license fees collected for railroad or Pullman
3 cars, watercraft, or aircraft and the transfer fees provided in
4 section 529 must be deposited in the special fund created in
5 subsection (1) for carrying out the licensing and enforcement
6 provisions of this act.

7 (4) The license fee enhancement imposed for licenses issued
8 under section 531(3) and (4) must be deposited into a special fund
9 to be annually appropriated to the commission for enforcement and
10 other related projects determined appropriate by the commission.
11 The money representing that amount of the license fees for
12 identical licenses not issued under section 531(3) and (4) must be
13 allocated and appropriated under subsection (1).

14 (5) The license fee imposed on direct shipper licenses and any
15 violation fines imposed by the commission must be deposited into
16 the direct shipper enforcement revolving fund. The direct shipper
17 enforcement revolving fund is created within the state treasury.
18 The state treasurer shall direct the investment of the fund. The
19 state treasurer shall credit to the fund interest and earnings from
20 fund investments. Money in the fund at the close of the fiscal year
21 must remain in the fund and must not lapse to the general fund. The
22 commission shall expend money from the fund, on appropriation, only
23 for enforcement of ~~the provisions of~~ section 203 and related
24 projects.

25 (6) One hundred percent of the wine auction license fee
26 imposed in section 525(1)(aa) must be deposited into the general
27 fund.

1 (7) Notwithstanding any other provision of this section, the
2 additional \$160.00 license fee imposed on a licensee selling
3 alcoholic liquor between the hours of 7 a.m. on Sunday and 12 noon
4 on Sunday is allocated to the general fund.

5 (8) Wholesale vendor license fees and license renewal fees
6 must be deposited into the liquor control enforcement and license
7 investigation revolving fund created under subsection (9).

8 (9) The liquor control enforcement and license investigation
9 revolving fund is created within the state treasury. The state
10 treasurer shall direct the investment of the fund. The state
11 treasurer shall credit to the fund interest and earnings from fund
12 investments. Money in the fund at the close of the fiscal year must
13 remain in the fund and must not lapse to the general fund. The
14 commission shall expend money from the fund, on appropriation, only
15 for enforcement of this act and the rules promulgated under this
16 act and for license investigations. The commission shall not use
17 more than 35% of the money appropriated to the fund under this
18 subsection to carry out the licensing provisions of this act.

19 (10) As used in this section, "license fee enhancement" means
20 the money representing the difference between the license fee
21 imposed for a license under section 525(1) and the additional
22 amount imposed for resort and resort economic development licenses
23 under section 525(2).

24 Enacting section 1. This amendatory act takes effect 90 days
25 after the date it is enacted into law.

26 Enacting section 2. This amendatory act does not take effect
27 unless Senate Bill No. 439

1 of the 99th Legislature is enacted into law.