

SENATE BILL No. 1069

June 12, 2018, Introduced by Senator JONES and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 532 (MCL 436.1532), as amended by 2018 PA 104.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 532. (1) A club license allows the licensee to sell, for
2 consumption on the licensed premises, beer, wine, mixed spirit
3 drink, and spirits only to bona fide members of the club who have
4 attained the age of 21 years. As used in this subsection, "bona
5 fide member" means an individual admitted as a charter member or
6 admitted in accordance with the bylaws of the club, who maintains
7 current membership by the payment of annual dues, whose name and
8 address is entered on the list of members, and who has voting
9 rights to regularly elect the board of directors, officers,

1 executive committee, or similar body that conducts the affairs and
2 management of the club. For an incorporated or unincorporated
3 nonprofit veterans' organization that is a branch or chapter of a
4 national organization or an organization chartered by the United
5 States Congress, a bona fide member includes a member of another
6 branch or chapter who possesses an identification card indicating
7 current membership in the same national or congressionally
8 chartered veterans' organization. For a branch, chapter, lodge,
9 aerie, or other local unit of a national fraternal nonprofit
10 association that is exempt from federal income taxes under section
11 501(c)(8) or 501(c)(10) of the internal revenue code **OF 1986**, 26
12 USC 501, a bona fide member includes a member of another branch,
13 chapter, lodge, aerie, or local unit who possesses an
14 identification card indicating current membership in the same
15 national fraternal nonprofit association.

16 (2) Except as otherwise provided in subsection (3), the
17 commission shall not issue a license to a club unless the club has
18 been in existence for a period of not less than 2 years before the
19 application for the license.

20 (3) A club shall give public notice of the intent of the
21 commission to issue the club a club license by publication in a
22 newspaper published or in general circulation within the local
23 governmental unit at least 10 days before the commission issues the
24 license. A club that is a chapter of a national organization that
25 has had a license for 10 or more years may apply for a license
26 without a waiting period. Public notice of the commission's intent
27 to renew the club license is not required.

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

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