

Act No. 104
Public Acts of 2018
Approved by the Governor
April 2, 2018
Filed with the Secretary of State
April 5, 2018
EFFECTIVE DATE: July 4, 2018

**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Senators Jones, Schuitmaker, O'Brien, Horn, Stamas, Marleau, Hertel, Hood, Ananich, Kowall, Brandenburg, Hansen, Proos, Pavlov, Booher, Colbeck, Zorn, MacGregor, Nofs, Hune, Hopgood, Gregory, Warren, Robertson, Hildenbrand, Shirkey, Casperson, Knezek, Knollenberg, Bieda, Young, Schmidt, Johnson and Emmons

ENROLLED SENATE BILL No. 662

AN ACT to amend 1998 PA 58, entitled "An act to create a commission for the control of the alcoholic beverage traffic within this state, and to prescribe its powers, duties, and limitations; to provide for powers and duties for certain state departments and agencies; to impose certain taxes for certain purposes; to provide for the control of the alcoholic liquor traffic within this state and to provide for the power to establish state liquor stores; to prohibit the use of certain devices for the dispensing of alcoholic vapor; to provide for the care and treatment of alcoholics; to provide for the incorporation of farmer cooperative wineries and the granting of certain rights and privileges to those cooperatives; to provide for the licensing and taxation of activities regulated under this act and the disposition of the money received under this act; to prescribe liability for retail licensees under certain circumstances and to require security for that liability; to provide procedures, defenses, and remedies regarding violations of this act; to provide for the enforcement and to prescribe penalties for violations of this act; to provide for allocation of certain funds for certain purposes; to provide for the confiscation and disposition of property seized under this act; to provide referenda under certain circumstances; and to repeal acts and parts of acts," by amending section 532 (MCL 436.1532), as added by 2001 PA 223.

The People of the State of Michigan enact:

Sec. 532. (1) A club license allows the licensee to sell, for consumption on the licensed premises, beer, wine, mixed spirit drink, and spirits only to bona fide members of the club who have attained the age of 21 years. As used in this subsection, "bona fide member" means an individual admitted as a charter member or admitted in accordance with the bylaws of the club, who maintains current membership by the payment of annual dues, whose name and address is entered on the list of members, and who has voting rights to regularly elect the board of directors, officers, executive committee, or similar body that conducts the affairs and management of the club. For an incorporated or unincorporated nonprofit veterans' organization that is a branch or chapter of a national organization or an organization chartered by the United States Congress, a bona fide member includes a member of another branch or chapter who possesses an identification card indicating current membership in the same national or congressionally chartered veterans' organization. For a branch, chapter, lodge, aerie, or other local unit of a national fraternal nonprofit association that is exempt from federal income taxes under section 501(c)(8) or 501(c)(10) of the internal revenue code, 26 USC 501, a bona fide member includes a member of another branch, chapter, lodge, aerie, or local unit who possesses an identification card indicating current membership in the same national fraternal nonprofit association.

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

(3) A club shall give public notice of the intent of the commission to issue the club a club license by publication in a newspaper published or in general circulation within the local governmental unit at least 10 days before the commission

issues the license. A club that is a chapter of a national organization that has had a license for 10 or more years may apply for a license without a waiting period. Public notice of the commission's intent to renew the club license is not required.

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

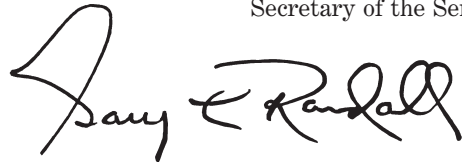
(5) The affairs and management of the club must be conducted by a board of directors, executive committee, or similar body chosen by the members. A member, officer, agent, or employee of the club must not be paid, or directly or indirectly receive in the form of salary or other compensation, profits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

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

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor