

Act No. 155
Public Acts of 2018
Approved by the Governor
May 23, 2018
Filed with the Secretary of State
May 23, 2018
EFFECTIVE DATE: October 1, 2018

STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018

Introduced by Senators Hansen, Proos, Schuitmaker, MacGregor, Emmons and Bieda

ENROLLED SENATE BILL No. 440

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 sections 221 and 543 (MCL 436.1221 and 436.1543), section 543 as amended by 2016 PA 434, and by adding section 303a.

The People of the State of Michigan enact:

Sec. 221. (1) The commission may maintain a revolving fund that is to be derived from the money deposited to the credit of the commission with the state treasurer. From time to time, money must be transferred from the revolving fund to the general fund in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594. The fund provided for in this section must be used for replenishing, maintaining, warehousing, and distributing liquor stock throughout this state and for administration of this act. The commission shall make a monthly report of the revolving fund to the state treasurer and to the budget director. The report must include an itemized account of all money received and all expenditures made by the commission during the month covered in the report.

(2) Interest earnings on common cash attributable to the revolving fund must be credited to the revolving fund and must be available to the commission for administration of this act.

(3) All money received by the commission under this act must be turned over to the state treasurer according to department of treasury procedures.

(4) All money deposited by the commission with the state treasurer must be credited to the revolving fund for expenditures or transfers authorized under subsection (1).

Sec. 303a. (1) The Michigan craft beverage council fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the Michigan craft beverage council fund. The state treasurer shall direct the investment of the Michigan craft beverage council fund. The state treasurer shall credit to the Michigan craft beverage council fund interest and earnings from fund investments.

(3) Money in the Michigan craft beverage council fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) Subject to subsection (5), money from the Michigan craft beverage council fund shall be expended annually, upon appropriation, for the following:

(a) Not more than \$80,000.00 may be used by the department of agriculture and rural development to administer the grants program under section 303.

(b) Not less than 50% of the money that is expended after the expenditure under subdivision (a) shall be used for grants under section 303(7)(a).

(c) For grants under section 303(7)(b).

(d) For the Michigan craft beverage council to carry out its responsibilities under this act.

(5) Notwithstanding subsection (4), if the Michigan craft beverage council receives money under section 303(9)(a), the money may be expended for the purposes and subject to the conditions for which it was received.

(6) As used in this section, "Michigan craft beverage council" means the Michigan craft beverage council created in section 303.

Sec. 543. (1) Quarterly, on the commission's recommendation, this state shall pay pursuant to appropriation in the manner prescribed by law to the city, village, or township in which a full-time police department or full-time ordinance enforcement department is maintained or, if a police department or full-time ordinance enforcement department is not maintained, to the county, to be credited to the sheriff's department of the county in which the licensed premises are located, 55% of the amount of the proceeds of the retailers' license fees and license renewal fees collected in that jurisdiction, for the specific purpose of enforcing this act and the rules promulgated under this act. Forty-one and one-half percent of the amount of the proceeds of retailers' license and license renewal fees collected must be deposited in a special fund to be annually appropriated to the commission for carrying out the licensing and enforcement provisions of this act. Any unencumbered or uncommitted money in the special fund must revert to the general fund of this state 12 months after the end of each fiscal year in which the money was collected. The legislature shall appropriate 3-1/2% of the amount of the proceeds of retailers' license and license renewal fees collected to be credited to a special fund in the state treasury for the purposes of promoting and sustaining programs for the prevention, rehabilitation, care, and treatment of alcoholics. This subsection does not apply to retail license fees collected for railroad or Pullman cars, watercraft, aircraft, or wine auctions or to the transfer fees provided in section 529.

(2) All license and license renewal fees, other than retail license and license renewal fees and wholesale vendor license and license renewal fees, must be credited to the Michigan craft beverage council fund created in section 303a. On the effective date of the 2018 amendatory act that amended this section, any money in the former grape and wine industry council account is transferred to the Michigan craft beverage council fund.

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

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

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

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

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

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

(9) The liquor control enforcement and license investigation revolving fund is created within the state treasury. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. Money in the fund at the close of the fiscal year must remain in the fund and must not lapse to the general fund. The commission shall expend money from the fund, on appropriation, only for enforcement of this act

and the rules promulgated under this act and for license investigations. The commission shall not use more than 35% of the money appropriated to the fund under this subsection to carry out the licensing provisions of this act.

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

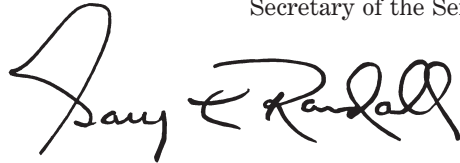
Enacting section 1. This amendatory act takes effect October 1, 2018.

Enacting section 2. This amendatory act does not take effect unless House Bill No. 4667 of the 99th Legislature 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