

HOUSE BILL No. 6545

November 9, 2010, Introduced by Rep. Walsh 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 518 and 525 (MCL 436.1518 and 436.1525), section 518 as amended by 2005 PA 166 and section 525 as amended by 2010 PA 175.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 518. (1) As used in this section:

2 (a) "Motorsports entertainment complex" means a closed-course
3 motorsports facility and its ancillary grounds that comply with all
4 of the following:

5 (i) Has at least 1,500 fixed seats for race patrons.

6 (ii) Has at least 7 scheduled days of motorsports events each
7 calendar year.

1 (iii) Serves food and beverages at the facility during
2 sanctioned motorsports events each calendar year through concession
3 outlets, which may be staffed by individuals who represent or are
4 members of 1 or more nonprofit civic or charitable organizations
5 that directly financially benefit from the concession outlets'
6 sales.

7 (iv) Engages in tourism promotion.

8 (b) "Motorsports event" means a motorsports race and its
9 ancillary activities that have been sanctioned by a sanctioning
10 body.

11 (c) "Owner" means a person who owns and operates a motorsports
12 entertainment complex.

13 (d) "Sanctioning body" means the American motorcycle
14 association (AMA); auto racing club of America (ARCA); championship
15 auto racing teams (CART); grand American road racing association
16 (GRAND AM); Indy racing league (IRL); national association for
17 stock car auto racing (NASCAR); nation hot rod association (NHRA);
18 professional sportscar racing (PSR); sports car club of America
19 (SCCA); United States auto club (USAC); Michigan state promoters
20 association; or any successor organization or any other nationally
21 or internationally recognized governing body of motorsports that
22 establishes an annual schedule of motorsports events and grants
23 rights to conduct the events, that has established and administers
24 rules and regulations governing all participants involved in the
25 events and all persons conducting the events, and that requires
26 certain liability assurances, including insurance.

27 ~~—— (2) Notwithstanding the quota provisions of section 531, the~~

1 ~~commission may issue motorsports event licenses for the sale of~~
2 ~~beer and wine for consumption on the premises to the owner of a~~
3 ~~motorsports entertainment complex for use during sanctioned~~
4 ~~motorsports events only.~~

5 (2) NOTWITHSTANDING THE QUOTA PROVISIONS OF SECTION 531, THE
6 COMMISSION MAY ISSUE MOTORSPORTS EVENT LICENSES FOR THE SALE OF
7 BEER AND WINE OR BEER, WINE, MIXED SPIRIT DRINK, AND SPIRITS FOR
8 CONSUMPTION ON THE PREMISES TO THE OWNER OF A MOTORSPORTS
9 ENTERTAINMENT COMPLEX FOR USE DURING SANCTIONED MOTORSPORTS EVENTS
10 ONLY. THE SALE OF BEER, WINE, MIXED SPIRIT DRINK, AND SPIRITS AT
11 CONCESSION OUTLETS OR ADDITIONAL LOCATIONS WITHIN THE MOTORSPORTS
12 ENTERTAINMENT COMPLEX DURING MOTORSPORTS SANCTIONED EVENTS SHALL
13 NOT BE CONSIDERED ADDITIONAL BARS FOR THE PURPOSE OF DETERMINING A
14 LICENSE FEE PURSUANT TO SECTION 525(1)(O). AN APPLICANT FOR A
15 LICENSE UNDER THIS SECTION THAT ELECTS TO SELL BEER AND WINE ONLY
16 SHALL PAY TO THE COMMISSION A LICENSE FEE OF \$250.00. AN APPLICANT
17 FOR A LICENSE UNDER THIS SECTION THAT ELECTS TO SELL BEER, WINE,
18 MIXED SPIRIT DRINK, AND SPIRITS SHALL PAY TO THE COMMISSION A
19 LICENSE FEE OF \$600.00.

20 (3) For a period of time not to exceed 7 consecutive days
21 during which public access is permitted to a motorsports
22 entertainment complex in connection with a motorsports event,
23 members of the general public at least 21 years or older may bring
24 beer and wine not purchased at the licensed motorsports
25 entertainment complex into the motorsports entertainment complex
26 and possess and consume that beer and wine. Possession and
27 consumption of beer and wine under this section are allowed only in

1 portions of the motorsports entertainment complex open to the
2 general public that are also part of the licensed premises of a
3 retail licensee under both of the following circumstances:

4 (a) The licensed premises are located within the motorsports
5 entertainment complex.

6 (b) The retail licensee holds a license for consumption on the
7 licensed premises of the motorsports entertainment complex.

8 (4) A person holding a license for the sale of alcoholic
9 liquor for consumption on the premises at a motorsports
10 entertainment complex is subject to the civil liability provisions
11 of section 801 if the civil action is brought by or on behalf of an
12 individual who suffers damage or is personally injured by a minor
13 or visibly intoxicated person by reason of the unlawful consumption
14 of alcoholic liquor on the licensed premises by that minor or
15 visibly intoxicated person if the unlawful consumption is proven to
16 be a proximate cause of the damage, injury, or death of the
17 individual, whether the alcoholic liquor was sold or furnished by
18 the licensee or was brought onto the licensed premises under
19 subsection (3).

20 Sec. 525. (1) Except as otherwise provided for in this
21 section, the following license fees shall be paid at the time of
22 filing applications or as otherwise provided in this act:

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

26 (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or
27 fraction of a barrel, production annually with a maximum fee of

1 \$1,000.00, and in addition \$50.00 for each motor vehicle used in
2 delivery to retail licensees. A fee increase does not apply to a
3 manufacturer of less than 15,000 barrels production per year.

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

6 (d) Wine makers, blenders, and rectifiers of wine, including
7 makers, blenders, and rectifiers of wines containing 21% or less
8 alcohol by volume, \$100.00. The small wine maker license fee is
9 \$25.00.

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

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

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

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

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

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

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

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

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. If a hotel of
14 class B sells beer, wine, mixed spirit drink, and spirits in more
15 than 1 public bar, the fee entitles the hotel to sell in only 1
16 public bar, other than a bedroom, and a license shall be secured
17 for each additional public bar, other than a bedroom, the fee for
18 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. ~~If~~ **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. The membership list for the
3 purpose only of determining the license fees to be paid under this
4 subdivision shall be the accredited list of members as determined
5 by a sworn affidavit 30 days before the closing of the license
6 year. This subdivision does not prevent the commission from
7 checking a membership list and making its own determination from
8 the list or otherwise. The list of members and additional members
9 is not required of a club paying the maximum fee. The maximum fee
10 shall not exceed \$750.00 for any 1 club.

11 (q) Warehouse, to be fixed by the commission with a minimum
12 fee for each warehouse of \$50.00.

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

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

22 (t) Brandy manufacturer, \$100.00.

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

24 (v) Brewpub, \$100.00.

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

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

27 (y) Motorsports event license, ~~\$250.00~~. **THE AMOUNT AS DESCRIBED**

1 **AND DETERMINED UNDER SECTION 518(2).**

2 (z) Small distiller, \$100.00.

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

4 (2) The fees provided in this act for the various types of
5 licenses shall not be prorated for a portion of the effective
6 period of the license. Notwithstanding subsection (1), the initial
7 license fee for any licenses issued under section 531(3) ~~and~~**OR** (4)
8 is \$20,000.00. The renewal license fee shall be the amount
9 described in subsection (1). However, the commission shall not
10 impose the \$20,000.00 initial license fee for applicants whose
11 license eligibility was already approved on July 20, 2005.

12 (3) Beginning July 23, 2004, and except in the case of any
13 resort or resort economic development license issued under section
14 531(2), (3), (4), ~~and~~**OR** (5) ~~and~~**OR** a license issued under section
15 521, the commission shall issue an initial or renewal license not
16 later than 90 days after the applicant files a completed
17 application. Receipt of the application is considered the date the
18 application is received by any agency or department of the state of
19 Michigan. If the application is considered incomplete by the
20 commission, the commission shall notify the applicant in writing,
21 or make the information electronically available, within 30 days
22 after receipt of the incomplete application, describing the
23 deficiency and requesting the additional information. The
24 determination of the completeness of an application does not
25 operate as an approval of the application for the license and does
26 not confer eligibility upon an applicant determined otherwise
27 ineligible for issuance of a license. The 90-day period is tolled

1 under any of the following circumstances:

2 (a) Notice sent by the commission of a deficiency in the
3 application until the date all of the requested information is
4 received by the commission.

5 (b) The time period during which actions required by a party
6 other than the applicant or the commission are completed that
7 include, but are not limited to, completion of construction or
8 renovation of the licensed premises; mandated inspections by the
9 commission or by any state, local, or federal agency; approval by
10 the legislative body of a local unit of government; criminal
11 history or criminal record checks; financial or court record
12 checks; or other actions mandated by this act or rule or as
13 otherwise mandated by law or local ordinance.

14 (4) If the commission fails to issue or deny a license within
15 the time required by this section, the commission shall return the
16 license fee and shall reduce the license fee for the applicant's
17 next renewal application, if any, by 15%. The failure to issue a
18 license within the time required under this section does not allow
19 the commission to otherwise delay the processing of the
20 application, and that application, upon completion, shall be placed
21 in sequence with other completed applications received at that same
22 time. The commission shall not discriminate against an applicant in
23 the processing of the application based upon the fact that the
24 license fee was refunded or discounted under this subsection.

25 (5) ~~Beginning October 1, 2005, the~~ **THE** chair of the commission
26 shall submit a report by December 1 of each year to the standing
27 committees and appropriations subcommittees of the senate and house

1 of representatives concerned with liquor license issues. The chair
2 of the commission shall include all of the following information in
3 the report concerning the preceding fiscal year:

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

7 (b) The number of applications denied.

8 (c) The number of applicants not issued a license within the
9 90-day time period and the amount of money returned to licensees
10 under subsection (4).

11 (6) As used in this section, "completed application" means an
12 application complete on its face and submitted with any applicable
13 licensing fees as well as any other information, records, approval,
14 security, or similar item required by law or rule from a local unit
15 of government, a federal agency, or a private entity but not from
16 another department or agency of the state of Michigan.