

HOUSE BILL No. 6043

May 1, 2008, Introduced by Reps. Farrah, Sak, Byrnes, Johnson, Ward, Warren, Gillard, Horn, Griffin, Accavitti, Simpson, Cheeks and Tobocman 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 525, 1111, and 1114 (MCL 436.1525, 436.2111, and 436.2114), section 525 as amended by 2006 PA 539 and section 1114 as added by 2004 PA 134, and by adding section 1116.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

7 (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or

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

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

7 (d) Wine makers, blenders, and rectifiers of wine, including
8 makers, blenders, and rectifiers of wines containing 21% or less
9 alcohol by volume, \$100.00. The small wine maker license fee is
10 \$25.00.

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

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

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

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

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

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

1 part of a system or chain of merchandising.

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

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

12 (m) Hotels of class B selling beer, wine, mixed spirit drink,
13 and spirits, a minimum fee of \$600.00 and, for all bedrooms in
14 excess of 20, \$3.00 for each additional bedroom. If a hotel of
15 class B sells beer, wine, mixed spirit drink, and spirits in more
16 than 1 public bar, the fee entitles the hotel to sell in only 1
17 public bar, other than a bedroom, and a license shall be secured
18 for each additional public bar, other than a bedroom, the fee for
19 which is \$350.00.

20 (n) Taverns, selling beer and wine, \$250.00.

21 (o) Class C license selling beer, wine, mixed spirit drink,
22 and spirits, \$600.00. If a class C licensee sells beer, wine, mixed
23 spirit drink, and spirits in more than 1 bar, a fee of \$350.00
24 shall be paid for each additional bar. In municipally owned or
25 supported facilities in which nonprofit organizations operate
26 concession stands, a fee of \$100.00 shall be paid for each
27 additional bar.

1 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,
2 \$300.00 for clubs having 150 or fewer duly accredited members and
3 \$1.00 for each additional member. The membership list for the
4 purpose only of determining the license fees to be paid under this
5 subdivision shall be the accredited list of members as determined
6 by a sworn affidavit 30 days before the closing of the license
7 year. This subdivision does not prevent the commission from
8 checking a membership list and making its own determination from
9 the list or otherwise. The list of members and additional members
10 is not required of a club paying the maximum fee. The maximum fee
11 shall not exceed \$750.00 for any 1 club.

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

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

20 (s) Airlines licensed to carry passengers in this state that
21 sell, offer for sale, provide, or transport alcoholic liquor,
22 \$600.00.

23 (t) Brandy manufacturer, \$100.00.

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

25 (v) Brewpub, \$100.00.

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

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

1 (y) Motorsports event license, \$250.00.

2 (z) **SUNDAY MORNING PERMIT, \$250.00.**

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

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

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

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

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

24 (5) Beginning October 1, 2005, the chair of the commission
25 shall submit a report by December 1 of each year to the standing
26 committees and appropriations subcommittees of the senate and house
27 of representatives concerned with liquor license issues. The chair

1 of the commission shall include all of the following information in
2 the report concerning the preceding fiscal year:

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

6 (b) The number of applications denied.

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

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

16 Sec. 1111. (1) The sale of beer and wine between the hours of
17 2 a.m. and 12 midnight on Sunday may be prohibited in any county,
18 city, village, or township by a majority vote of the electors
19 voting at a regular state election. Not more often than once in
20 every 4 years, upon the filing of a petition with the county, city,
21 village, or township clerk, as applicable, requesting the
22 submission of the question of the Sunday sale of beer and wine, the
23 clerk shall submit that question to the electors of the county,
24 city, village, or township at the next regular state election held
25 in that county, city, village, or township. A petition filed under
26 this subsection shall be filed not less than 60 days before the
27 regular state election. A ballot question under this subsection

1 shall not be submitted more often than once in any 4-year period.

2 (2) In the case of a county, city, or township, the petition
3 shall be signed by a number of the registered and qualified
4 electors of the county, city, or township that is not less than ~~35%~~
5 8% of the total number of votes cast for all candidates for the
6 office of secretary of state in that county, city, or township at
7 the last general election held for that purpose and, in the case of
8 a village the petition shall be signed by a number of the
9 registered and qualified electors of the village that is less than
10 ~~35%~~8% of the total number of votes cast for all candidates for the
11 office of president of the village at the last village election
12 held for that purpose.

13 (3) The question of the Sunday sale of beer and wine shall be
14 submitted by ballot in substantially the following form:

15 "Shall the sale of beer and wine within (the county, city,
16 village, or township as the case may be) between the hours of 2
17 a.m. and 12 midnight on Sunday be prohibited?

18 Yes

19 No"

20 (4) All votes on the question submitted to the electors under
21 this section shall be taken, counted, and canvassed in the same
22 manner as votes cast in county, city, village, or township
23 election, as applicable, are taken, counted, and canvassed. Ballots
24 shall be furnished by the election commission or similar body of
25 the respective county, city, village, or township. If a majority of
26 the electors voting at an election conducted under this section
27 vote in favor of the question submitted, the sale of beer and wine

1 within that county, city, village, or township between the hours of
2 2 a.m. and 12 midnight on Sunday is prohibited.

3 Sec. 1114. (1) Notwithstanding R 436.1403 and R 436.1503 of
4 the Michigan administrative code and except as otherwise provided
5 under this act or rule of the commission, an on-premises and an
6 off-premises licensee shall not sell, give away, or furnish
7 alcoholic liquor between the hours of 2 a.m. and 7 a.m. on any day
8 and shall not sell, give away, or furnish alcoholic liquor between
9 the hours of 2 a.m. and 12 noon, EST, on Sunday. ~~And~~

10 (2) **NOTWITHSTANDING R 436.1403 AND R 436.1503 OF THE MICHIGAN**
11 **ADMINISTRATIVE CODE AND EXCEPT AS OTHERWISE PROVIDED UNDER THIS**
12 **ACT, AN** on-premises and an off-premises licensee shall not sell,
13 give away, or furnish spirits between the hours of 2 a.m. and 12
14 midnight on Sunday, unless issued a Sunday sales permit by the
15 commission that allows the licensee to sell spirits on Sunday
16 between the hours of 12 noon, EST, and 12 midnight.

17 (3) ~~(2)~~—For purposes of R 436.1403 and R 436.1503 of the
18 Michigan administrative code, 12 noon on Sunday is considered 12
19 noon on Sunday, EST, for any licensee located in the central time
20 zone.

21 (4) ~~(3)~~—A reference to the time of day under this act or a
22 rule of the commission includes daylight savings time, when
23 observed.

24 (5) **AS APPLICABLE, THIS SECTION IS SUBJECT TO ANY SUNDAY**
25 **MORNING PERMITS ISSUED UNDER SECTION 1116.**

26 **SEC. 1116. (1) NOTWITHSTANDING R 436.1403 AND R 436.1503 OF**
27 **THE MICHIGAN ADMINISTRATIVE CODE AND EXCEPT AS OTHERWISE PROVIDED**

1 IN SUBSECTION (3) AND THIS CHAPTER, AN ON-PREMISES OR OFF-PREMISES
2 LICENSEE, OR BOTH, MAY SELL OR FURNISH ALCOHOLIC LIQUOR BETWEEN THE
3 HOURS OF 7 A.M. AND 12 NOON, EST, ON SUNDAY IF THAT LICENSEE HOLDS
4 A SUNDAY MORNING PERMIT ISSUED UNDER THIS SECTION BY THE
5 COMMISSION. A CITY, VILLAGE, OR TOWNSHIP MAY PROHIBIT, BY
6 RESOLUTION, THE ISSUANCE OF A SUNDAY MORNING PERMIT TO ONLY ON-
7 PREMISES OR ONLY OFF-PREMISES LICENSEES OR MAY COMPLETELY PROHIBIT,
8 BY RESOLUTION, THE ISSUANCE OF A SUNDAY MORNING PERMIT TO ANY
9 LICENSEES.

10 (2) SUBJECT TO A RESOLUTION PROVIDING OTHERWISE, AN ON-
11 PREMISES OR OFF-PREMISES LICENSEE, OR BOTH, DESIRING TO SELL OR
12 FURNISH ALCOHOLIC LIQUOR ON SUNDAY FROM 7 A.M. UNTIL 12 NOON, EST,
13 SHALL APPLY TO THE COMMISSION FOR A SUNDAY MORNING PERMIT AND PAY
14 THE ADDITIONAL FEE DESCRIBED IN SECTION 525 FOR EACH APPLICATION. A
15 PERMIT ISSUED UNDER THIS SECTION IS AN ADDENDUM TO EACH SPECIFIC
16 ON-PREMISES OR OFF-PREMISES LICENSE, AND A LICENSEE HOLDING MORE
17 THAN 1 LICENSE AT A SPECIFIC LOCATION SHALL SUBMIT A SEPARATE
18 APPLICATION AND PAY THE CORRESPONDING FEE FOR EACH PERMIT. SUBJECT
19 TO THE LICENSING QUALIFICATIONS IN THIS ACT AND RULES PROMULGATED
20 UNDER THIS ACT, THE COMMISSION SHALL ISSUE A SUNDAY MORNING PERMIT
21 TO AN APPLICANT NOT PROHIBITED UNDER THE CIRCUMSTANCES DESCRIBED IN
22 SUBSECTION (3).

23 (3) A SUNDAY MORNING PERMIT DOES NOT AUTHORIZE THE SERVING OF
24 ALCOHOLIC LIQUOR IN CONTRAVENTION OF ANY OF THE FOLLOWING:

25 (A) SECTION 1111 IF THE COUNTY, CITY, VILLAGE, OR TOWNSHIP
26 WHERE THE LICENSED PREMISES ARE LOCATED PROHIBITS THE SALE OF BEER
27 AND WINE FOR CONSUMPTION ON OR OFF LICENSED PREMISES BETWEEN THE

1 HOURS OF 2 A.M. AND 12 MIDNIGHT, EST, ON SUNDAY.

2 (B) SECTION 1113 IF THE COUNTY WHERE THE LICENSED PREMISES ARE
3 LOCATED HAS NOT AUTHORIZED THE SALE OF SPIRITS AND MIXED SPIRIT
4 DRINK FOR CONSUMPTION ON OR OFF LICENSED PREMISES, OR BOTH, BETWEEN
5 2 A.M. AND 12 MIDNIGHT, ON SUNDAY.

6 (C) A RESOLUTION PASSED BY THE CITY, VILLAGE, OR TOWNSHIP
7 WHERE THE LICENSED PREMISES ARE LOCATED PROHIBITING THE ISSUANCE OF
8 A SUNDAY MORNING PERMIT TO OFF-PREMISES OR ON-PREMISES LICENSEES,
9 OR BOTH.

10 (4) A COUNTY, CITY, VILLAGE, OR TOWNSHIP THAT HAS NOT
11 PROHIBITED THE SALE OF BEER AND WINE FOR CONSUMPTION ON OR OFF THE
12 LICENSED PREMISES BETWEEN THE HOURS OF 2 A.M. AND 12 MIDNIGHT UNDER
13 SECTION 1111 OR THAT HAS AUTHORIZED THE SALE OF SPIRITS AND MIXED
14 SPIRIT DRINK FOR CONSUMPTION ON OR OFF THE LICENSED PREMISES
15 BETWEEN THE HOURS OF 2 A.M. AND 12 MIDNIGHT UNDER SECTION 1113, OR
16 BOTH, IS NOT REQUIRED TO AUTHORIZE THE ISSUANCE OF A SUNDAY MORNING
17 PERMIT.

18 (5) THE ISSUANCE OF A SUNDAY MORNING PERMIT UNDER THIS SECTION
19 ONLY ALLOWS THE PERMIT HOLDER TO SELL OR FURNISH THE TYPE OF
20 ALCOHOLIC LIQUOR AUTHORIZED BY ITS LICENSE.

21 (6) NOTWITHSTANDING SUBSECTION (3)(C), THE COMMISSION SHALL
22 ISSUE A SUNDAY MORNING PERMIT TO A MOTORSPORTS ENTERTAINMENT
23 COMPLEX APPLICANT HOLDING A LICENSE UNDER THIS ACT THAT SUBMITS THE
24 APPROPRIATE FEE AND COMPLETED APPLICATION. THE PERMIT SHALL BE
25 LIMITED ONLY TO THE TYPE OF ALCOHOLIC LIQUOR AND ON-PREMISES OR
26 OFF-PREMISES SERVICE, OR BOTH, THAT IS AUTHORIZED BY THE LICENSE
27 HELD BY THE MOTORSPORTS ENTERTAINMENT COMPLEX. AS USED IN THIS

1 SUBSECTION, "MOTORSPORTS ENTERTAINMENT COMPLEX" MEANS THAT TERM AS
2 DEFINED IN SECTION 518(1)(A).

3 Enacting section 1. This amendatory act takes effect 60 days
4 after the date it is enacted.