

HOUSE BILL No. 4437

March 15, 2011, Introduced by Reps. Pscholka, Cotter, Haveman, Nesbitt, MacGregor, Ananich, Dillon, Wayne Schmidt, Johnson, Shirkey, Jenkins, Hughes, Stapleton, Daley, Santana, O'Brien, Bumstead, Farrington, Lyons, Pettalia, Horn, LaFontaine, Ouimet, MacMaster, Huuki, Damrow, Rendon, Shaughnessy, Hooker, Scott, Potvin, Yonker, Price and Hovey-Wright 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 525 (MCL 436.1525), as amended by 2010 PA 279.

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 and are
 4 subject to allocation under section 543:

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

8 (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or
 9 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~~ **WHETHER** the location
27 ~~may be a~~ **IS** 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~~ **IN EXCESS OF 20**, but not more than \$500.00
11 **TOTAL.**

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~~ **IN EXCESS OF 20**. If
15 a hotel of class B sells beer, wine, mixed spirit drink, and
16 spirits in more than 1 public bar, ~~the fee entitles the hotel to~~
17 ~~sell in only 1 public bar, other than a bedroom, and a license~~
18 ~~shall be secured~~ **A FEE OF \$350.00 SHALL BE PAID** for each additional
19 public bar, other than a bedroom. ~~, the fee for 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. Subject to section 518(2), if a class C
23 licensee sells beer, wine, mixed spirit drink, and spirits in more
24 than 1 bar, a fee of \$350.00 shall be paid for each additional bar.
25 In municipally owned or supported facilities in which nonprofit
26 organizations operate concession stands, a fee of \$100.00 shall be
27 paid for each 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 **IN EXCESS OF 150**. ~~The membership~~
4 ~~list for the purpose only of determining the license fees to be~~
5 ~~paid under this subdivision shall be the accredited~~ **CLUBS SHALL**
6 **SUBMIT A** list of **ACCREDITED** members ~~as determined by a sworn~~
7 affidavit 30 days before the closing of the license year **WHICH**
8 **SHALL BE USED ONLY FOR DETERMINING THE LICENSE FEES TO BE PAID**
9 **UNDER THIS SUBDIVISION**. This subdivision does not prevent the
10 commission from checking a membership list and making its own
11 determination from the list or otherwise. The list of members and
12 additional members is not required of a club paying the maximum
13 fee. The maximum fee shall not exceed \$750.00 for any 1 club.

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

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

22 (s) Airlines licensed to carry passengers in this state that
23 sell, offer for sale, provide, or transport alcoholic liquor,
24 \$600.00.

25 (t) Brandy manufacturer, \$100.00.

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

27 (v) Brewpub, \$100.00.

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

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

3 (y) Motorsports event license, the amount as described and
4 determined under section 518(2).

5 (z) Small distiller, \$100.00.

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

7 (bb) Nonpublic continuing care retirement center license,
8 \$600.00.

9 (2) The fees provided in this act for the various types of
10 licenses shall not be prorated for a portion of the effective
11 period of the license. Notwithstanding subsection (1), the initial
12 license fee for any licenses issued under section 531(3) or (4) is
13 \$20,000.00. The renewal license fee shall be the amount described
14 in subsection (1). However, the commission shall not impose the
15 \$20,000.00 initial license fee for applicants whose license
16 eligibility was already approved on July 20, 2005.

17 (3) ~~Beginning July 23, 2004, and except in the case of any~~
18 ~~resort or resort economic development license issued under section~~
19 ~~531(2), (3), (4), or (5) or a license issued under section 521, the~~
20 **THE** commission shall issue an initial or renewal license not later
21 than ~~90~~**60** days after the applicant files a completed application.
22 ~~Receipt of the~~**THE** application is considered **TO BE RECEIVED** the
23 date the application is received by any agency or department of ~~the~~
24 ~~state of Michigan~~**THIS STATE**. If the **COMMISSION DETERMINES THAT AN**
25 application is ~~considered incomplete, by the commission, the~~
26 commission shall notify the applicant in writing, or make the
27 information electronically available, within ~~30~~**7** days after

1 receipt of the incomplete application, describing the deficiency
 2 and requesting the additional information. **IF THE COMMISSION DOES**
 3 **NOT NOTIFY AN APPLICANT WHETHER AN APPLICATION IS COMPLETE WITHIN 7**
 4 **DAYS AFTER RECEIPT OF THE APPLICATION, THE COMMISSION SHALL**
 5 **CONSIDER THAT APPLICATION COMPLETE.** The determination of the
 6 completeness of an application ~~does not operate as~~ **IS NOT** an
 7 approval of the application for the license and does not confer
 8 eligibility upon an applicant determined otherwise ineligible for
 9 issuance of a license. The ~~90-day~~ **60-DAY** period is tolled **FOR THE**
 10 **FOLLOWING PERIODS** under any of the following circumstances:

11 (a) ~~Notice~~ **IF NOTICE IS** sent by the commission of a deficiency
 12 in the application, until the date all of the requested information
 13 is received by the commission.

14 (b) ~~The~~ **FOR THE** time period ~~during which~~ **REQUIRED TO COMPLETE**
 15 actions required by a ~~party~~ **PERSON**, other than the applicant or the
 16 commission, ~~are completed that include~~ **INCLUDING**, but ~~are not~~
 17 limited to, completion of construction or renovation of the
 18 licensed premises; mandated inspections by the commission or by any
 19 state, local, or federal agency; approval by the legislative body
 20 of a local unit of government; criminal history or criminal record
 21 checks; financial or court record checks; or other actions mandated
 22 by this act or rule or as otherwise mandated by law or local
 23 ordinance.

24 (4) If the commission fails to issue or deny a license within
 25 the **60-DAY** time **PERIOD** required by this section, the commission
 26 shall ~~return the license fee and shall reduce the license fee for~~
 27 ~~the applicant's next renewal application, if any, by 15%~~ **GRANT A**

1 60-DAY PROBATIONARY LICENSE TO THE APPLICANT. IF THE COMMISSION
2 DOES NOT MAKE A DECISION REGARDING THE DENIAL OR ISSUANCE OF THE
3 LICENSE AFTER THE EXPIRATION OF BOTH THE 60-DAY PERIOD AND 60-DAY
4 PROBATIONARY LICENSE PERIOD DESCRIBED IN THIS SUBSECTION, THE
5 COMMISSION SHALL ISSUE THE REQUESTED LICENSE. The failure to issue
6 a license within the time required under this section does not
7 allow the commission to otherwise delay the processing of the
8 application, and that application, upon completion, shall be placed
9 in sequence with other completed applications received at that same
10 time. **AT ANY TIME DURING THE 60-DAY PROBATIONARY LICENSE PERIOD,**
11 **THE COMMISSION MAY DENY AN APPLICATION FOR LICENSURE IF IT**
12 **DETERMINES THAT THE APPLICANT IS NOT QUALIFIED.** The commission
13 shall not discriminate against an applicant in the processing of
14 the application based upon the fact that ~~the license fee was~~
15 ~~refunded or discounted~~ **A PROBATIONARY LICENSE WAS ISSUED** under this
16 subsection.

17 (5) ~~Beginning October 1, 2005, the~~ **THE** chair of the commission
18 shall submit a report by December 1 of each year to the standing
19 committees and appropriations subcommittees of the senate and house
20 of representatives concerned with liquor license issues. The chair
21 of the commission shall include all of the following information in
22 the report concerning the preceding fiscal year:

23 (a) The number of initial and renewal applications the
24 commission received and completed within the ~~90-day~~ **60-DAY** time
25 period described in subsection (3).

26 (b) The number of applications denied.

27 (c) The number of applicants not issued a license within the

1 ~~90-day 60-DAY~~ time period. and the amount of money returned to
2 ~~licensees under subsection (4).~~

3 (6) As used in this section: ~~,"completed~~

4 (A) **"COMPLETED** application" means an application complete on
5 its face and submitted with any applicable licensing fees as well
6 as any other information, records, approval, security, or similar
7 item required by law or rule from a local unit of government, a
8 federal agency, or a private entity but not from another department
9 or agency of ~~the state of Michigan~~ **THIS STATE.**

10 (B) **"PROBATIONARY LICENSE" MEANS A LICENSE OF THE TYPE**
11 **REQUESTED BY AN APPLICANT THAT IS ISSUED AS A RESULT OF A DELAY IN**
12 **THE COMMISSION'S DECISION TO GRANT OR DENY A LICENSE APPLICATION IN**
13 **A TIMELY MANNER.**