

# SENATE BILL No. 1002

March 1, 2012, Introduced by Senator HANSEN 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  
10      \$1,000.00, and in addition \$50.00 for each motor vehicle used in  
11      delivery to retail licensees. A fee increase does not apply to a

1 manufacturer of less than 15,000 barrels production per year.

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

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

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

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

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

14 (h) Wholesale vendors other than manufacturers of beer,  
15 \$300.00 for the first motor vehicle used in delivery to retail  
16 licensees and \$50.00 for each additional motor vehicle used in  
17 delivery to retail licensees.

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

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

26 (k) Specially designated distributors licensed by the  
27 commission to distribute spirits and mixed spirit drink in the

1 original package for the commission for consumption off the  
2 premises, \$150.00 per year, and an additional fee of \$3.00 for each  
3 \$1,000.00 or major fraction of that amount in excess of \$25,000.00  
4 of the total retail value of merchandise purchased under each  
5 license from the commission during the previous calendar year.

6 (l) Hotels of class A selling beer and wine, a minimum fee of  
7 \$250.00 and ~~, for all bedrooms in excess of 20,~~ \$1.00 for each  
8 ~~additional bedroom~~ **IN EXCESS OF 20**, but not more than \$500.00  
9 **TOTAL.**

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

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

19 (o) Class C license selling beer, wine, mixed spirit drink,  
20 and spirits, \$600.00. Subject to section 518(2), if a class C  
21 licensee sells beer, wine, mixed spirit drink, and spirits in more  
22 than 1 bar, a fee of \$350.00 shall be paid for each additional bar.  
23 In municipally owned or supported facilities in which nonprofit  
24 organizations operate concession stands, a fee of \$100.00 shall be  
25 paid for each additional bar.

26 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,  
27 \$300.00 for clubs having 150 or fewer ~~duly~~ accredited members and

1 \$1.00 for each ~~additional member~~ **IN EXCESS OF 150**. ~~The membership~~  
2 ~~list for the purpose only of determining the license fees to be~~  
3 ~~paid under this subdivision shall be the accredited CLUBS SHALL~~  
4 **SUBMIT A** list of members ~~as determined by a sworn affidavit 30 days~~  
5 before the closing of the license year **WHICH SHALL BE USED ONLY FOR**  
6 **DETERMINING THE LICENSE FEES TO BE PAID UNDER THIS SUBDIVISION.**

7 This subdivision does not prevent the commission from checking a  
8 membership list and making its own determination from the list or  
9 otherwise. The list of members and additional members is not  
10 required of a club paying the maximum fee. The maximum fee shall  
11 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, the amount as described and  
2 determined under section ~~518(2)~~. **518(2)**.

3 (z) Small distiller, \$100.00.

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

5 (bb) Nonpublic continuing care retirement center license,  
6 \$600.00.

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

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

1 completeness of an application ~~does not operate as~~ **IS NOT** an  
2 approval of the application for the license and does not confer  
3 eligibility upon an applicant determined otherwise ineligible for  
4 issuance of a license. The 90-day period is tolled **FOR THE**  
5 **FOLLOWING PERIODS** under any of the following circumstances:

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

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

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

1 the processing of the application based upon the fact that the  
2 license fee was refunded or discounted under this subsection.

3 (5) IF AN APPLICANT SUBMITS A COMPLETE APPLICATION UNDER THIS  
4 SECTION, FILES AN ACCEPTABLE PROOF OF FINANCIAL RESPONSIBILITY FORM  
5 UNDER SECTION 803, AND PAYS THE APPLICABLE LICENSING FEE, THE  
6 COMMISSION SHALL, WITHIN 14 CALENDAR DAYS OF A REQUEST, GRANT OR  
7 DENY A 60-DAY CONDITIONAL LICENSE TO AN APPLICANT SEEKING AN  
8 INITIAL LICENSE FOR SELLING ALCOHOLIC LIQUOR FOR CONSUMPTION OFF  
9 THE PREMISES.

10 (6) A CONDITIONAL LICENSE ISSUED UNDER SUBSECTION (5) EXPIRES  
11 60 DAYS FROM THE DATE IT IS ISSUED. AN APPLICANT MAY APPLY FOR ONE  
12 30-DAY EXTENSION OF A CONDITIONAL LICENSE ISSUED UNDER SUBSECTION  
13 (5). THE COMMISSION SHALL IMMEDIATELY SUSPEND A CONDITIONAL LICENSE  
14 ISSUED UNDER SUBSECTION (5) IF ANY OF THE FOLLOWING EVENTS OCCUR  
15 DURING THE PENDENCY OF THE LICENSE:

16 (A) THE COMMISSION ISSUES A FINAL ORDER DENYING OR APPROVING  
17 THE INITIAL LICENSE APPLICATION THAT SERVES AS THE BASIS FOR THE  
18 CONDITIONAL LICENSE.

19 (B) THE APPLICANT FAILS TO MAINTAIN ADEQUATE PROOF OF ITS  
20 FINANCIAL RESPONSIBILITY.

21 (C) THE CONDITIONALLY APPROVED LICENSEE IS FOUND RESPONSIBLE  
22 FOR A VIOLATION OF THIS ACT RESULTING IN A SUSPENSION OR REVOCATION  
23 OF THE LICENSE.

24 (7) ~~(5) Beginning October 1, 2005, the~~ THE chair of the  
25 commission shall submit a report by December 1 of each year to the  
26 standing committees and appropriations subcommittees of the senate  
27 and house of representatives concerned with liquor license issues.

1 The chair of the commission shall include all of the following  
2 information in 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 (8) ~~(6)~~—As used in this section, "completed application" means  
11 an application complete on its face and submitted with any  
12 applicable licensing fees as well as any other information,  
13 records, approval, security, or similar item required by law or  
14 rule from a local unit of government, a federal agency, or a  
15 private entity but not from another department or agency of the  
16 state of Michigan.