

**SUBSTITUTE FOR
HOUSE BILL NO. 4668**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
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:

1 Sec. 221. (1) The commission ~~is authorized to~~ **MAY** maintain a
2 revolving fund that is to be derived from the money deposited to
3 the credit of the commission with the state treasurer. From time to
4 time, ~~amounts shall~~ **MONEY MUST** be transferred from the revolving
5 fund to the general fund in accordance with the management and
6 budget act, 1984 PA 431, MCL 18.1101 to 18.1594. The fund provided
7 for in this section ~~shall~~ **MUST** be used for replenishing,
8 maintaining, warehousing, and distributing liquor stock throughout
9 ~~the~~ **THIS** state and for administration of this act. The commission

1 shall make a monthly report of the **REVOLVING** fund to the state
2 treasurer and to the budget director. The report ~~shall contain~~ **MUST**
3 **INCLUDE** an itemized account of all money received and all
4 expenditures made by the commission during the month covered in the
5 report.

6 (2) Interest earnings on common cash attributable to the
7 revolving fund ~~shall~~ **MUST** be credited to the revolving fund and
8 ~~shall~~ **MUST** be available to the commission for administration of
9 this act.

10 (3) All money received by the commission under this act ~~shall~~
11 **MUST** be turned over to the state treasurer according to department
12 of treasury procedures.

13 (4) All money deposited by the commission with the state
14 treasurer ~~shall~~ **MUST** be either credited to the revolving fund for
15 expenditures **OR TRANSFERS** authorized under subsection (1). ~~or~~
16 ~~credited to the general fund to be available for the purposes for~~
17 ~~which the general fund is available.~~

18 **SEC. 303A. (1) THE MICHIGAN CRAFT BEVERAGE COUNCIL FUND IS**
19 **CREATED WITHIN THE STATE TREASURY.**

20 **(2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM**
21 **ANY SOURCE FOR DEPOSIT INTO THE MICHIGAN CRAFT BEVERAGE COUNCIL**
22 **FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE**
23 **MICHIGAN CRAFT BEVERAGE COUNCIL FUND. THE STATE TREASURER SHALL**
24 **CREDIT TO THE MICHIGAN CRAFT BEVERAGE COUNCIL FUND INTEREST AND**
25 **EARNINGS FROM FUND INVESTMENTS.**

26 **(3) MONEY IN THE MICHIGAN CRAFT BEVERAGE COUNCIL FUND AT THE**
27 **CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT**

1 LAPSE TO THE GENERAL FUND.

2 (4) SUBJECT TO SUBSECTION (5), MONEY FROM THE MICHIGAN CRAFT
3 BEVERAGE COUNCIL FUND SHALL BE EXPENDED ANNUALLY, UPON
4 APPROPRIATION, FOR THE FOLLOWING:

5 (A) NOT MORE THAN \$80,000.00 MAY BE USED BY THE DEPARTMENT OF
6 AGRICULTURE AND RURAL DEVELOPMENT TO ADMINISTER THE GRANTS PROGRAM
7 UNDER SECTION 303.

8 (B) NOT LESS THAN 50% OF THE MONEY THAT IS EXPENDED AFTER THE
9 EXPENDITURE UNDER SUBDIVISION (A) SHALL BE USED FOR GRANTS UNDER
10 SECTION 303(7) (A) .

11 (C) FOR GRANTS UNDER SECTION 303(7) (B) .

12 (D) FOR THE MICHIGAN CRAFT BEVERAGE COUNCIL TO CARRY OUT ITS
13 RESPONSIBILITIES UNDER THIS ACT.

14 (5) NOTWITHSTANDING SUBSECTION (4), IF THE MICHIGAN CRAFT
15 BEVERAGE COUNCIL RECEIVES MONEY UNDER SECTION 303(9) (A), THE MONEY
16 MAY BE EXPENDED FOR THE PURPOSES AND SUBJECT TO THE CONDITIONS FOR
17 WHICH IT WAS RECEIVED.

18 (6) AS USED IN THIS SECTION, "MICHIGAN CRAFT BEVERAGE COUNCIL"
19 MEANS THE MICHIGAN CRAFT BEVERAGE COUNCIL CREATED IN SECTION 303.

20 Sec. 543. (1) Quarterly, on the commission's recommendation,
21 ~~the~~ **THIS** state shall pay pursuant to appropriation in the manner
22 prescribed by law to the city, village, or township in which a
23 full-time police department or full-time ordinance enforcement
24 department is maintained or, if a police department or full-time
25 ordinance enforcement department is not maintained, to the county,
26 to be credited to the sheriff's department of the county in which
27 the licensed premises are located, 55% of the amount of the

1 proceeds of the retailers' license fees and license renewal fees
2 collected in that jurisdiction, for the specific purpose of
3 enforcing this act and the rules promulgated under this act. Forty-
4 one and one-half percent of the amount of the proceeds of
5 retailers' license and license renewal fees collected must be
6 deposited in a special fund to be annually appropriated to the
7 commission for carrying out the licensing and enforcement
8 provisions of this act. Any unencumbered or uncommitted money in
9 the special fund must revert to the general fund of this state 12
10 months after the end of each fiscal year in which the money was
11 collected. The legislature shall appropriate 3-1/2% of the amount
12 of the proceeds of retailers' license and license renewal fees
13 collected to be credited to a special fund in the state treasury
14 for the purposes of promoting and sustaining programs for the
15 prevention, rehabilitation, care, and treatment of alcoholics. This
16 subsection does not apply to retail license fees collected for
17 railroad or Pullman cars, watercraft, aircraft, or wine auctions or
18 to the transfer fees provided in section 529.

19 (2) All license and license renewal fees, other than retail
20 license and license renewal fees and wholesale vendor license and
21 license renewal fees, must be credited to the ~~grape and wine~~
22 ~~industry~~ **MICHIGAN CRAFT BEVERAGE** council **FUND** created in section
23 ~~303, to be used as provided in section 303. Money credited to the~~
24 ~~grape and wine industry council must not revert to the general fund~~
25 ~~at the close of the fiscal year, but must remain in the account to~~
26 ~~which it was credited to be used as provided in section 303.~~ **303A.**
27 **ON THE EFFECTIVE DATE OF THE 2018 AMENDATORY ACT THAT AMENDED THIS**

**1 SECTION, ANY MONEY IN THE FORMER GRAPE AND WINE INDUSTRY COUNCIL
2 ACCOUNT IS TRANSFERRED TO THE MICHIGAN CRAFT BEVERAGE COUNCIL FUND.**

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

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

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

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

1 fund.

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

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

9 (9) The liquor control enforcement and license investigation
10 revolving fund is created within the state treasury. The state
11 treasurer shall direct the investment of the fund. The state
12 treasurer shall credit to the fund interest and earnings from fund
13 investments. Money in the fund at the close of the fiscal year must
14 remain in the fund and must not lapse to the general fund. The
15 commission shall expend money from the fund, on appropriation, only
16 for enforcement of this act and the rules promulgated under this
17 act and for license investigations. The commission shall not use
18 more than 35% of the money appropriated to the fund under this
19 subsection to carry out the licensing provisions of this act.

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

25 Enacting section 1. This amendatory act takes effect October
26 1, 2018.

27 Enacting section 2. This amendatory act does not take effect

1 unless House Bill No. 4667 of the 99th Legislature is enacted into
2 law.