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SFA

BILL ANALYSIS

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Senate Bill 331 (as introduced 3-15-01)

Sponsor: Senator Glenn D. Steil

Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 4-30-01

CONTENT

The bill would amend the Michigan Liquor Control Code to do all of the following:

- Add two license classes, "Class G-1" and "Class G-2", for private-membership golf courses.**
- Allow an on-premises licensee of any class to reclassify to another class of on-premises license.**
- Revise provisions pertaining to a liquor license issued to a "club".**
- Delete a provision under which the Liquor Control Commission may not approve more than one wine-tasting location, per wine maker, in a licensing year.**

Private-Membership Golf Courses

Under the bill, "Class G-1 license" would mean a place licensed to sell beer, wine, mixed spirit drinks, and spirits, at retail, for on-premises consumption at a golf course having at least 18 holes that measured at least 5,000 yards. "Class G-2 license" would mean a place licensed to sell beer and wine, at retail, for on-premises consumption at such a golf course. Either license could be issued only to a facility that allowed member access by means of payments that included annual paid membership fees.

A Class G-1 license would permit beer, wine, mixed spirit drinks, and spirits to be sold for on-premises consumption only to members required to pay an annual membership fee. A Class G-2 license would permit beer and wine to be sold for on-premises consumption only to members required to pay an annual membership fee. In both cases, consumption would be limited to members and their bona fide guests.

The fee for a Class G-1 license would be \$1,000, and the fee for a Class G-2 license would be \$500.

License Transfer or Reclassification

Under the Code, a local governmental unit's liquor license quota does not bar the right of an existing licensee to renew or transfer the license and does not bar the right of a tavern or Class A hotel from requesting reclassification of a license to Class C, subject to the Commission's consent, unless local option laws prevent the sale of spirits and mixed spirit drinks. The bill provides instead that a local quota would not bar the right of a licensee to renew or transfer a license and would not bar the right of an on-premises licensee of any class to reclassify to another class of on-premises license in a manner not in violation of law, subject to the Commission's consent.

The bill also specifies that, subject to the Code's limitations and quotas and to local legislative approval, the Commission could approve the transfer of ownership and location of an on-premises escrowed license within the same county to a Class G-1 or G-2 license, or could approve the reclassification to a Class G-1 or G-2 license of an existing on-premises licensee at the location to be licensed. A resort or economic development on-premises license created under the Code, however, could not be issued as or reclassified to a Class G-1 or G-2 license.

Clubs

Under the Code, "club" means an association, the majority of whose members are citizens, for the promotion of some common object not including associations organized for a commercial or business purpose, the object of which is money profit, owning, hiring, or leasing a building, or space in a building, of an extent and character that in the Commission's judgment may be suitable and adequate for the reasonable and comfortable use and accommodation of its members and their guests. Under the bill, "club" would mean a nonprofit association organized for the promotion of some common purpose, the object of which was owning, hiring, or leasing a building, or space in a building, of an extent and character that in the Commission's judgment could be suitable and adequate for the reasonable and comfortable use and accommodation of its members and their guests, but would not include an association organized for a commercial or business purpose.

A club licensed under the Code may sell beer, wine, mixed spirit drinks, and spirits for on-premises consumption only to bona fide members who have attained the age of 21 years. The bill also would limit consumption to members and their bona fide guests.

MCL 436.1107 et al.

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would create two new classes of licenses for privately owned golf clubs. The additional revenue generated by the license fees would be used to offset the cost of regulating these new license classifications. Of this revenue, 55% would go to the local unit of government.

Fiscal Analyst: M. Tyszkiewicz