

HOUSE BILL No. 5190

September 20, 2005, Introduced by Reps. McConico, Lemmons, III, Cushingberry, Farrah, Tobocman, Leland and Lemmons, Jr. 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, 543, and 1114 (MCL 436.1525, 436.1543, and 436.2114), section 525 as amended by 2004 PA 266 and section 1114 as added by 2004 PA 134, and by adding sections 1116 and 1117.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

5 (a) Manufacturers of spirits, but not including makers,
6 blenders, and rectifiers of wines containing 21% or less alcohol by

1 volume, \$1,000.00.

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

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

9 (d) Wine makers, blenders, and rectifiers of wine, including
10 makers, blenders, and rectifiers of wines containing 21% or less
11 alcohol by volume, \$100.00. The small wine maker license fee is
12 \$25.00.

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

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

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

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

23 (i) Watercraft, licensed to carry passengers, selling
24 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of
25 \$500.00 per year computed on the basis of \$1.00 per person per
26 passenger capacity.

27 (j) Specially designated merchants, for selling beer or wine

1 for consumption off the premises only but not at wholesale, \$100.00
2 for each location regardless of the fact that the location may be a
3 part of a system or chain of merchandising.

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

11 (l) Hotels of class A selling beer and wine, a minimum fee of
12 \$250.00 and, for all bedrooms in excess of 20, \$1.00 for each
13 additional bedroom, but not more than \$500.00.

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

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

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

1 concession stands, a fee of \$100.00 shall be paid for each
2 additional bar.

3 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,
4 \$300.00 for clubs having 150 or fewer duly accredited members and
5 \$1.00 for each additional member. The membership list for the
6 purpose only of determining the license fees to be paid under this
7 ~~section~~ **SUBDIVISION** shall be the accredited list of members as
8 determined by a sworn affidavit 30 days before the closing of the
9 license year. This ~~section~~ **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 5
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) LATE NIGHT PERMIT, \$1,000.00.**

4 **(Z) SUNDAY MORNING PERMIT, \$500.00.**

5 (2) The fees provided in this act for the various types of
6 licenses **AND PERMITS** shall not be prorated for a portion of the
7 effective period of the license **OR PERMIT**.

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

26 (a) Notice sent by the commission of a deficiency in the
27 application until the date all of the requested information is

1 received by the commission.

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

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

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

1 the report concerning the preceding fiscal year:

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

5 (b) The number of applications denied.

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

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

15 Sec. 543. (1) Quarterly, upon recommendation of the
16 commission, the state shall pay **PURSUANT TO APPROPRIATION** in the
17 manner prescribed by law to the city, village, or township in which
18 a full-time police department or full-time ordinance enforcement
19 department is maintained or, if a police department or full-time
20 ordinance enforcement department is not maintained, to the county,
21 to be credited to the sheriff's department of the county in which
22 the licensed premises are located, 55% of the amount of the
23 proceeds of the retailers' license fees and license renewal fees
24 collected in that jurisdiction, for the specific purpose of
25 enforcing this act and the rules promulgated under this act. Forty-
26 one and one-half percent of the amount of the proceeds of
27 retailers' license and license renewal fees collected shall be

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

14 (2) All license and license renewal fees, other than retail
15 license, ~~and~~ license renewal fees, **AND PERMIT FEES UNDER SECTION**
16 **525(1)(Y) AND (Z)**, shall be credited to the grape and wine industry
17 council created in section 303, to be used as provided in section
18 303. Money credited to the grape and wine industry council shall
19 not revert to the state general fund at the close of the fiscal
20 year, but shall remain in the account to which it was credited to
21 be used as provided in section 303.

22 (3) All retail license fees collected for railroad or Pullman
23 cars, watercraft, or aircraft, and the transfer fees provided in
24 section 529 shall be deposited in the special fund created in
25 subsection (1) for carrying out the licensing and enforcement
26 provisions of this act.

27 (4) **PERMIT FEES FOR THE LATE NIGHT PERMITS AND SUNDAY MORNING**

1 PERMITS IMPOSED IN SECTION 525(1)(Y) AND (Z) SHALL BE DEPOSITED
2 INTO THE REVOLVING FUND CREATED IN SECTION 221 FOR REALLOCATION AND
3 APPROPRIATION AS FIRE PROTECTION GRANTS.

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

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

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

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

26 (5) THIS SECTION IS SUBJECT TO ANY LATE NIGHT AND SUNDAY
27 MORNING PERMITS ISSUED UNDER SECTIONS 1116 AND 1117.

1 SEC. 1116. (1) NOTWITHSTANDING R 436.1403 AND R 436.1503 OF
2 THE MICHIGAN ADMINISTRATIVE CODE AND EXCEPT AS OTHERWISE PROVIDED
3 IN SUBSECTION (3) AND THIS CHAPTER, A CLASS C LICENSEE MAY SELL OR
4 FURNISH ALCOHOLIC LIQUOR FROM 2 A.M. UNTIL 4 A.M., EST, ON TUESDAY
5 MORNING THROUGH SUNDAY MORNING IF THAT LICENSEE HOLDS A LATE NIGHT
6 PERMIT ISSUED UNDER THIS SECTION BY THE COMMISSION.

7 (2) A CLASS C LICENSEE WISHING TO SELL ALCOHOLIC LIQUOR FROM 2
8 A.M. UNTIL 4 A.M., EST, ON TUESDAY MORNING THROUGH SUNDAY MORNING
9 SHALL APPLY TO THE COMMISSION FOR A LATE NIGHT PERMIT AND PAY THE
10 ADDITIONAL FEE DESCRIBED IN SECTION 525. THE COMMISSION SHALL ISSUE
11 A LATE NIGHT PERMIT TO AN APPLICANT NOT PROHIBITED UNDER THE
12 CIRCUMSTANCES DESCRIBED IN SUBSECTION (3).

13 (3) THE COMMISSION SHALL NOT ISSUE A LATE NIGHT PERMIT TO A
14 RETAILER LOCATED WITHIN ANY OF THE FOLLOWING:

15 (A) A COUNTY, CITY, VILLAGE, OR TOWNSHIP THAT PROHIBITS THE
16 SALE OF BEER AND WINE FOR CONSUMPTION ON AND OFF THE LICENSED
17 PREMISES BETWEEN THE HOURS OF 2 A.M. AND 12 MIDNIGHT, EST, ON
18 SUNDAY PURSUANT TO SECTION 1111.

19 (B) A COUNTY THAT HAS NOT AUTHORIZED THE SALE OF SPIRITS AND
20 MIXED SPIRIT DRINK FOR CONSUMPTION ON OR OFF THE LICENSED PREMISES,
21 OR BOTH, AFTER 12 NOON, EST, ON SUNDAYS PURSUANT TO SECTION 1113.

22 (C) A COUNTY, CITY, VILLAGE, OR TOWNSHIP THAT HAS PASSED A
23 RESOLUTION PROHIBITING THE ISSUANCE OF LATE NIGHT PERMITS.

24 (4) A COUNTY, CITY, VILLAGE, OR TOWNSHIP MAY, BY RESOLUTION
25 DULY PASSED, PROHIBIT THE ISSUANCE OF LATE NIGHT PERMITS.

26 (5) THE ISSUANCE OF A LATE NIGHT PERMIT UNDER THIS SECTION
27 ONLY ALLOWS THE PERMIT HOLDER TO SELL OR FURNISH THE TYPE OF

1 ALCOHOLIC LIQUOR AUTHORIZED BY ITS LICENSE.

2 SEC. 1117. (1) NOTWITHSTANDING R 436.1403 AND R 436.1503 OF
3 THE MICHIGAN ADMINISTRATIVE CODE AND EXCEPT AS OTHERWISE PROVIDED
4 IN SUBSECTION (3) AND THIS CHAPTER, A CLASS C LICENSEE MAY SELL OR
5 FURNISH ALCOHOLIC LIQUOR BETWEEN THE HOURS OF 9 A.M. AND 12 NOON,
6 EST, ON SUNDAY IF THAT LICENSEE HOLDS A SUNDAY MORNING PERMIT
7 ISSUED UNDER THIS SECTION BY THE COMMISSION.

8 (2) A CLASS C LICENSEE WISHING TO SELL ALCOHOLIC LIQUOR
9 BETWEEN THE HOURS OF 9 A.M. AND 12 NOON, EST, ON SUNDAY SHALL APPLY
10 TO THE COMMISSION FOR A SUNDAY MORNING PERMIT AND PAY THE
11 ADDITIONAL FEE DESCRIBED IN SECTION 525. THE COMMISSION SHALL ISSUE
12 A SUNDAY MORNING PERMIT TO AN APPLICANT NOT PROHIBITED UNDER THE
13 CIRCUMSTANCES DESCRIBED IN SUBSECTION (3).

14 (3) THE COMMISSION SHALL NOT ISSUE A SUNDAY MORNING PERMIT TO
15 A RETAILER LOCATED WITHIN ANY OF THE FOLLOWING:

16 (A) A COUNTY, CITY, VILLAGE, OR TOWNSHIP THAT PROHIBITS THE
17 SALE OF BEER AND WINE FOR CONSUMPTION ON AND OFF THE LICENSED
18 PREMISES BETWEEN THE HOURS OF 2 A.M. AND 12 MIDNIGHT, EST, ON
19 SUNDAY PURSUANT TO SECTION 1111.

20 (B) A COUNTY THAT HAS NOT AUTHORIZED THE SALE OF SPIRITS AND
21 MIXED SPIRIT DRINK FOR CONSUMPTION ON OR OFF THE LICENSED PREMISES,
22 OR BOTH, AFTER 12 NOON, EST, ON SUNDAYS PURSUANT TO SECTION 1113.

23 (C) A COUNTY, CITY, VILLAGE, OR TOWNSHIP THAT HAS PASSED A
24 RESOLUTION PROHIBITING THE ISSUANCE OF SUNDAY MORNING PERMITS.

25 (4) A COUNTY, CITY, VILLAGE, OR TOWNSHIP MAY, BY RESOLUTION
26 DULY PASSED, PROHIBIT THE ISSUANCE OF SUNDAY MORNING PERMITS.

27 (5) THE ISSUANCE OF A SUNDAY MORNING PERMIT UNDER THIS SECTION

- 1 ONLY ALLOWS THE PERMIT HOLDER TO SELL OR FURNISH THE TYPE OF
- 2 ALCOHOLIC LIQUOR AUTHORIZED BY ITS LICENSE.