

SENATE BILL No. 752

September 13, 2005, Introduced by Senator McMANUS and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending sections 525 and 1114 (MCL 436.1525 and 436.2114), section 525 as amended by 2004 PA 266 and section 1114 as added by 2004 PA 134, and by adding section 1116.

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
7 volume, \$1,000.00.

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

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

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

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

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

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

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

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

26 (j) Specially designated merchants, for selling beer or wine
27 for consumption off the premises only but not at wholesale, \$100.00

1 for each location regardless of the fact that the location may be a
2 part of a system or chain of merchandising.

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

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

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

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

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

1 additional bar.

2 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,
3 \$300.00 for clubs having 150 or fewer duly accredited members and
4 \$1.00 for each additional member. The membership list for the
5 purpose only of determining the license fees to be paid under this
6 ~~section~~ **SUBDIVISION** shall be the accredited list of members as
7 determined by a sworn affidavit 30 days before the closing of the
8 license year. This ~~section~~ **SUBDIVISION** does not prevent the
9 commission from checking a membership list and making its own
10 determination from the list or otherwise. The list of members and
11 additional members is not required of a club paying the maximum
12 fee. The maximum fee shall not exceed \$750.00 for any 1 club.

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

15 (r) Special licenses, a fee of \$50.00 per day, except that the
16 fee for that license or permit issued to any bona fide nonprofit
17 association, duly organized and in continuous existence for 1 year
18 before the filing of its application, is \$25.00. Not more than 5
19 special licenses may be granted to any organization, including an
20 auxiliary of the organization, in a calendar year.

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

24 (t) Brandy manufacturer, \$100.00.

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

26 (v) Brewpub, \$100.00.

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

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

2 (Y) **LATE NIGHT PERMIT, \$1,500.00.**

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

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

24 (a) Notice sent by the commission of a deficiency in the
25 application until the date all of the requested information is
26 received by the commission.

27 (b) The time period during which actions required by a party

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

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

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

27 (a) The number of initial and renewal applications the

1 commission received and completed within the 90-day time period
2 described in subsection (3).

3 (b) The number of applications denied.

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

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

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

20 (2) **NOTWITHSTANDING R 436.1403 AND R 436.1503 OF THE MICHIGAN**
21 **ADMINISTRATIVE CODE AND EXCEPT AS OTHERWISE PROVIDED UNDER THIS**
22 **ACT, AN** on-premises and an off-premises licensee shall not sell,
23 give away, or furnish spirits between the hours of 2 a.m. and 12
24 midnight on Sunday, unless issued a Sunday sales permit by the
25 commission that allows the licensee to sell spirits on Sunday
26 between the hours of 12 noon, EST, and 12 midnight.

27 (3) ~~(2)~~ For purposes of R 436.1403 and R 436.1503 of the

1 Michigan administrative code, 12 noon on Sunday is considered 12
2 noon on Sunday, EST, for any licensee located in the central time
3 zone.

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

7 (5) THIS SECTION IS SUBJECT TO ANY PERMITS ISSUED UNDER
8 SECTION 1116.

9 SEC. 1116. (1) NOTWITHSTANDING R 436.1403 AND R 436.1503 OF
10 THE MICHIGAN ADMINISTRATIVE CODE AND EXCEPT AS OTHERWISE PROVIDED
11 IN SUBSECTION (3) AND THIS CHAPTER, ANY RETAILER MAY SELL, GIVE
12 AWAY, OR FURNISH ALCOHOLIC LIQUOR FROM 2 A.M. UNTIL 4 A.M. IF THAT
13 LICENSEE HOLDS A LATE NIGHT PERMIT ISSUED UNDER THIS SECTION BY THE
14 COMMISSION.

15 (2) A RETAILER WISHING TO SELL ALCOHOLIC LIQUOR FROM 2 A.M.
16 UNTIL 4 A.M. SHALL APPLY TO THE COMMISSION FOR A LATE NIGHT PERMIT
17 AND PAY THE ADDITIONAL FEE DESCRIBED IN SECTION 525. THE
18 COMMISSION SHALL ISSUE A LATE NIGHT PERMIT TO AN APPLICANT NOT
19 PROHIBITED UNDER THE CIRCUMSTANCES DESCRIBED IN SUBSECTION (3).

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

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

26 (B) A COUNTY THAT HAS NOT AUTHORIZED THE SALE OF SPIRITS AND
27 MIXED SPIRIT DRINK FOR CONSUMPTION ON OR OFF THE LICENSED PREMISES,

1 OR BOTH, AFTER 12 NOON, EST, ON SUNDAYS PURSUANT TO SECTION 1113.

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

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

6 (5) THE ISSUANCE OF A LATE NIGHT PERMIT UNDER THIS SECTION
7 ONLY ALLOWS THE PERMIT HOLDER TO SELL, GIVE AWAY, OR FURNISH THE
8 TYPE OF ALCOHOLIC LIQUOR AUTHORIZED BY ITS LICENSE.