

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 671**

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 2010 PA 213.

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

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

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

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

14 (4) All money deposited by the commission with the state
15 treasurer ~~shall~~ **MUST** be either credited to the **ANY OF THE**
16 **FOLLOWING:**

17 (A) **THE** revolving fund for expenditures authorized under
18 subsection (1). ~~or credited to the~~

19 (B) **THE** general fund to be available for the purposes for
20 which the general fund is available.

21 (C) **THE MICHIGAN CRAFT BEVERAGE COUNCIL DESCRIBED IN SECTION**
22 **303, TO BE USED AS DESCRIBED IN SECTION 303.**

23 Sec. 543. (1) Quarterly, ~~upon~~ **ON THE COMMISSION'S**
24 recommendation, ~~of the commission,~~ the state shall pay pursuant to
25 appropriation in the manner prescribed by law to the city, village,
26 or township in which a full-time police department or full-time
27 ordinance enforcement department is maintained or, if a police

1 department or full-time ordinance enforcement department is not
2 maintained, to the county, to be credited to the sheriff's
3 department of the county in which the licensed premises are
4 located, 55% of the amount of the proceeds of the retailers'
5 license fees and license renewal fees collected in that
6 jurisdiction, for the specific purpose of enforcing this act and
7 the rules promulgated under this act. Forty-one and one-half
8 percent of the amount of the proceeds of retailers' license and
9 license renewal fees collected ~~shall~~**MUST** be deposited in a special
10 fund to be annually appropriated to the commission for carrying out
11 the licensing and enforcement provisions of this act. Any
12 unencumbered or uncommitted money in the special fund ~~shall~~**MUST**
13 revert to the general fund of the state 12 months after the end of
14 each fiscal year in which the funds were collected. The legislature
15 shall appropriate 3-1/2% of the amount of the proceeds of
16 retailers' license and license renewal fees collected to be
17 credited to a special fund in the state treasury for the purposes
18 of promoting and sustaining programs for the prevention,
19 rehabilitation, care, and treatment of alcoholics. This subsection
20 does not apply to retail license fees collected for railroad or
21 Pullman cars, watercraft, aircraft, or wine auctions or to the
22 transfer fees provided in section 529.

23 (2) All license and license renewal fees, other than retail
24 license and license renewal fees, ~~shall~~**MUST** be credited to the
25 ~~grape and wine industry~~**MICHIGAN CRAFT BEVERAGE** council created
26 **DESCRIBED** in section 303, to be used as provided in section 303.
27 Money credited to the ~~grape and wine industry~~**MICHIGAN CRAFT**

1 **BEVERAGE** council shall not revert to the state general fund at the
2 close of the fiscal year, but shall remain in the account to which
3 it was credited to be used as provided in section 303.

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

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

16 (5) The license fee imposed on direct shipper licenses and any
17 violation fines imposed by the commission ~~shall~~**MUST** be deposited
18 into the direct shipper enforcement revolving fund. The direct
19 shipper enforcement revolving fund is created within the state
20 treasury. The state treasurer shall direct the investment of the
21 fund. The state treasurer shall credit to the fund interest and
22 earnings from fund investments. Money in the fund at the close of
23 the fiscal year shall remain in the fund and shall not lapse to the
24 general fund. The commission shall expend money from the fund, ~~upon~~
25 **ON** appropriation, only for enforcement of the provisions of section
26 203 and related projects.

27 (6) One hundred percent of the wine auction license fee

1 imposed in section 525(1)(aa) shall ~~shall~~ **MUST** be deposited into the
2 general fund.

3 **(7) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE**
4 **ADDITIONAL \$160.00 LICENSE FEE IMPOSED ON A LICENSEE SELLING**
5 **ALCOHOLIC LIQUOR BETWEEN THE HOURS OF 7 A.M. ON SUNDAY AND 12 NOON**
6 **ON SUNDAY IS ALLOCATED TO THE GENERAL FUND.**

7 **(8)** ~~(7)~~ As used in this section, "license fee enhancement"
8 means the money representing the difference between the license fee
9 imposed for a license under section 525(1) and the additional
10 amount imposed for resort and resort economic development licenses
11 under section 525(2).

12 ~~—— (8) Notwithstanding any other provision of this section, the~~
13 ~~additional \$160.00 license fee imposed upon any licensee selling~~
14 ~~alcoholic liquor between the hours of 7 a.m. on Sunday and 12 noon~~
15 ~~on Sunday is allocated to the general fund.~~

16 Enacting section 1. This amendatory act takes effect 90 days
17 after the date it is enacted into law.

18 Enacting section 2. This amendatory act does not take effect
19 unless House Bill No. 5025 of the 98th Legislature is enacted into
20 law.