

SUBSTITUTE FOR  
HOUSE BILL NO. 5878

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending section 525 (MCL 436.1525), as amended by 2002 PA  
76.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

5       (a) Manufacturers of spirits, but not including makers,  
6 blenders, and rectifiers of wines containing 21% or less alcohol  
7 by volume, \$1,000.00.

8       (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or  
9 fraction of a barrel, production annually with a maximum fee of  
10 \$1,000.00, and in addition \$50.00 for each motor vehicle used in

1 delivery to retail licensees. A fee increase ~~shall~~ **does** not  
2 apply to a manufacturer of less than 15,000 barrels production  
3 per year.

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

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

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

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

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

16 (h) Wholesale vendors other than manufacturers of beer,  
17 \$300.00 for the first motor vehicle used in delivery to retail  
18 licensees and \$50.00 for each additional motor vehicle used in  
19 delivery to retail licensees.

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

24 (j) Specially designated merchants, for selling beer or wine  
25 for consumption off the premises only but not at wholesale,  
26 \$100.00 for each location regardless of the fact that the  
27 location may be a part of a system or chain of merchandising.

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

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

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

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

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

1 (p) Clubs selling beer, wine, mixed spirit drink, and  
2 spirits, \$300.00 for clubs having 150 or fewer duly accredited  
3 members and \$1.00 for each additional member. The membership  
4 list for the purpose only of determining the license fees to be  
5 paid under this section shall be the accredited list of members  
6 as determined by a sworn affidavit 30 days before the closing of  
7 the license year. This section ~~shall~~ **does** not prevent the  
8 commission from checking a membership list and making its own  
9 determination from the list or otherwise. The list of members  
10 and additional members ~~shall~~ **is** not ~~be~~ required of a club  
11 paying the maximum fee. The maximum fee shall not exceed \$750.00  
12 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  
16 the fee for that license or permit issued to any bona fide  
17 nonprofit association, duly organized and in continuous existence  
18 for 1 year before the filing of its application, ~~shall be~~ **is**  
19 \$25.00. Not more than 5 special licenses may be granted to any  
20 organization, including an auxiliary of the organization, in a  
21 calendar year.

22 (s) Airlines licensed to carry passengers in this state  
23 ~~which~~ **that** sell, offer for sale, provide, or transport  
24 alcoholic liquor, \$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 (2) The fees provided in this act for the various types of  
4 licenses shall not be prorated for a portion of the effective  
5 period of the license.

6 (3) Beginning the effective date of the amendatory act that  
7 added this subsection and except in the case of any resort or  
8 resort economic development license issued under section 531(2),  
9 (3), (4), and (5), the commission shall issue an initial or  
10 renewal license not later than 90 days after the applicant files  
11 a completed application. Receipt of the application is  
12 considered the date the application is received by any agency or  
13 department of the state of Michigan. If the application is  
14 considered incomplete by the commission, the commission shall  
15 notify the applicant in writing, or make the information  
16 electronically available, within 30 days after receipt of the  
17 incomplete application, describing the deficiency and requesting  
18 the additional information. The determination of the  
19 completeness of an application does not operate as an approval of  
20 the application for the license and does not confer eligibility  
21 upon an applicant determined otherwise ineligible for issuance of  
22 a license. The 90-day period is tolled under any of the  
23 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 within  
10 the time required by this section, the commission shall return  
11 the license fee and shall reduce the license fee for the  
12 applicant's next renewal application, if any, by 15%. The  
13 failure to issue a license within the time required under this  
14 section does not allow the department to otherwise delay the  
15 processing of the application, and that application, upon  
16 completion, shall be placed in sequence with other completed  
17 applications received at that same time. The commission shall  
18 not discriminate against an applicant in the processing of the  
19 application based upon the fact that the license fee was refunded  
20 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  
24 house of representatives concerned with liquor license issues.  
25 The chair of the commission shall include all of the following  
26 information in 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 within the  
5 90-day time period and the amount of money returned to licensees  
6 under subsection (4).

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