

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4541

(As amended, September 6, 2005)

<<A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending sections 518, 525, and 537 (MCL 436.1518, 436.1525, and
436.1537), section 518 as added by 2002 PA 725, section 525 as
amended by 2005 PA 97, and section 537 as amended by 2001 PA 223.>>

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 518. (1) As used in this section:

2 (a) "Motorsports entertainment complex" means a closed-course
3 motorsports facility and its ancillary grounds that comply with all
4 of the following:

5 (i) Has at least ~~70,000~~ 1,500 fixed seats for race patrons.

6 (ii) Has at least 7 scheduled days of motorsports events each

1 calendar year.

2 ~~—— (iii) Has at least 4 motorsports events each calendar year.~~

3 (iii) ~~—(iv)—~~ Serves food and beverages at the facility during
 4 sanctioned **MOTORSPORTS** events each calendar year through concession
 5 outlets, ~~a majority of~~ which ~~are~~ **MAY BE** staffed by individuals
 6 who represent or are members of 1 or more nonprofit civic or
 7 charitable organizations that directly financially benefit from the
 8 concession outlets' sales.

9 (iv) ~~—(v)—~~ Engages in tourism promotion.

10 ~~—— (vi) Has located on the property exhibitions of motorsports~~
 11 ~~history, events, or vehicles.~~

12 (b) "Motorsports event" means a motorsports race and its
 13 ancillary activities that have been sanctioned by a sanctioning
 14 body.

15 (c) "Owner" means a person who owns and operates a motorsports
 16 entertainment complex.

17 (d) "Sanctioning body" means the American motorcycle
 18 association (AMA); auto racing club of America (ARCA); championship
 19 auto racing teams (CART); grand American road racing association
 20 (GRAND AM); Indy racing league (IRL); national association for
 21 stock car auto racing (NASCAR); nation hot rod association (NHRA);
 22 professional sportscar racing (PSR); sports car club of ~~america~~
 23 **AMERICA** (SCCA); United States auto club (USAC); **MICHIGAN STATE**
 24 **PROMOTERS ASSOCIATION**; or any successor organization or any other
 25 nationally or internationally recognized governing body of
 26 motorsports that establishes an annual schedule of motorsports
 27 events and grants rights to conduct the events, that has

1 established and administers rules and regulations governing all
2 participants involved in the events and all persons conducting the
3 events, and that requires certain liability assurances, including
4 insurance.

5 (2) NOTWITHSTANDING THE QUOTA PROVISIONS OF SECTION 531, THE
6 COMMISSION MAY ISSUE MOTORSPORTS EVENT LICENSES FOR THE SALE OF
7 BEER AND WINE FOR CONSUMPTION ON THE PREMISES TO THE OWNER OF A
8 MOTORSPORTS ENTERTAINMENT COMPLEX FOR USE DURING SANCTIONED
9 MOTORSPORTS EVENTS ONLY.

10 (3) ~~(2)~~ For a period of time not to exceed 7 consecutive
11 days during which public access is permitted to a motorsports
12 entertainment complex in connection with a motorsports event,
13 members of the general public at least 21 years or older may bring
14 ~~alcoholic liquor~~ **BEER AND WINE** not purchased at the **LICENSED**
15 motorsports entertainment complex into the motorsports
16 entertainment complex and possess and consume that ~~alcoholic~~
17 ~~liquor~~ **BEER AND WINE**. Possession and consumption of ~~alcoholic~~
18 ~~liquor~~ **BEER AND WINE** under this section are allowed **ONLY** in
19 portions of the motorsports entertainment complex open to the
20 general public that are also part of the licensed premises of a
21 retail licensee ~~only~~ under both of the following circumstances:

22 (a) The licensed premises are located within the motorsports
23 entertainment complex.

24 (b) The retail licensee holds a license for consumption on the
25 licensed premises of the motorsports entertainment complex.

26 (4) ~~(3)~~ A person holding a license for the sale of alcoholic
27 liquor for consumption on the premises at a motorsports

1 entertainment complex is subject to the civil liability provisions
2 of section 801 if the civil action is brought by or on behalf of an
3 individual who suffers damage or is personally injured by a minor
4 or visibly intoxicated person by reason of the unlawful consumption
5 of alcoholic liquor on the licensed premises by that minor or
6 visibly intoxicated person if the unlawful consumption is proven to
7 be a proximate cause of the damage, injury, or death of the
8 individual, whether the alcoholic liquor was sold or furnished by
9 the licensee or was brought onto the licensed premises under
10 subsection ~~—(2)—~~ (3).

11 Sec. 525. (1) Except as otherwise provided for in this
12 section, the following license fees shall be paid at the time of
13 filing applications or as otherwise provided in this act:

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

17 (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or
18 fraction of a barrel, production annually with a maximum fee of
19 \$1,000.00, and in addition \$50.00 for each motor vehicle used in
20 delivery to retail licensees. A fee increase does not apply to a
21 manufacturer of less than 15,000 barrels production per year.

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

24 (d) Wine makers, blenders, and rectifiers of wine, including
25 makers, blenders, and rectifiers of wines containing 21% or less
26 alcohol by volume, \$100.00. The small wine maker license fee is
27 \$25.00.

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

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

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

7 (h) Wholesale vendors other than manufacturers of beer,
8 \$300.00 for the first motor vehicle used in delivery to retail
9 licensees and \$50.00 for each additional motor vehicle used in
10 delivery to retail licensees.

11 (i) Watercraft, licensed to carry passengers, selling
12 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of
13 \$500.00 per year computed on the basis of \$1.00 per person per
14 passenger capacity.

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

19 (k) Specially designated distributors licensed by the
20 commission to distribute spirits and mixed spirit drink in the
21 original package for the commission for consumption off the
22 premises, \$150.00 per year, and an additional fee of \$3.00 for each
23 \$1,000.00 or major fraction of that amount in excess of \$25,000.00
24 of the total retail value of merchandise purchased under each
25 license from the commission during the previous calendar year.

26 (l) Hotels of class A selling beer and wine, a minimum fee of
27 \$250.00 and, for all bedrooms in excess of 20, \$1.00 for each

1 additional bedroom, but not more than \$500.00.

2 (m) Hotels of class B selling beer, wine, mixed spirit drink,
3 and spirits, a minimum fee of \$600.00 and, for all bedrooms in
4 excess of 20, \$3.00 for each additional bedroom. If a hotel of
5 class B sells beer, wine, mixed spirit drink, and spirits in more
6 than 1 public bar, the fee entitles the hotel to sell in only 1
7 public bar, other than a bedroom, and a license shall be secured
8 for each additional public bar, other than a bedroom, the fee for
9 which is \$350.00.

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

11 (o) Class C license selling beer, wine, mixed spirit drink,
12 and spirits, \$600.00. If a class C licensee sells beer, wine, mixed
13 spirit drink, and spirits in more than 1 bar, a fee of \$350.00
14 shall be paid for each additional bar. In municipally owned or
15 supported facilities in which nonprofit organizations operate
16 concession stands, a fee of \$100.00 shall be paid for each
17 additional bar.

18 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,
19 \$300.00 for clubs having 150 or fewer duly accredited members and
20 \$1.00 for each additional member. The membership list for the
21 purpose only of determining the license fees to be paid under this
22 subdivision shall be the accredited list of members as determined
23 by a sworn affidavit 30 days before the closing of the license
24 year. This subdivision does not prevent the commission from
25 checking a membership list and making its own determination from
26 the list or otherwise. The list of members and additional members
27 is not required of a club paying the maximum fee. The maximum fee

1 shall not exceed \$750.00 for any 1 club.

2 (q) Warehouse, to be fixed by the commission with a minimum
3 fee for each warehouse of \$50.00.

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

10 (s) Airlines licensed to carry passengers in this state that
11 sell, offer for sale, provide, or transport alcoholic liquor,
12 \$600.00.

13 (t) Brandy manufacturer, \$100.00.

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

15 (v) Brewpub, \$100.00.

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

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

18 **(Y) MOTORSPORTS EVENT LICENSE, \$250.00.**

19 (2) The fees provided in this act for the various types of
20 licenses shall not be prorated for a portion of the effective
21 period of the license. Notwithstanding subsection (1), the initial
22 license fee for any licenses issued under section 531(3) and (4) is
23 \$20,000.00. The renewal license fee shall be the amount described
24 in subsection (1). However, the commission shall not impose the
25 \$20,000.00 initial license fee for applicants whose license
26 eligibility was already approved on ~~the effective date of the~~
27 ~~amendatory act that added this sentence~~ **JULY 20, 2005.**

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

18 (a) Notice sent by the commission of a deficiency in the
19 application until the date all of the requested information is
20 received by the commission.

21 (b) The time period during which actions required by a party
22 other than the applicant or the commission are completed that
23 include, but are not limited to, completion of construction or
24 renovation of the licensed premises; mandated inspections by the
25 commission or by any state, local, or federal agency; approval by
26 the legislative body of a local unit of government; criminal
27 history or criminal record checks; financial or court record

1 checks; or other actions mandated by this act or rule or as
2 otherwise mandated by law or local ordinance.

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

14 (5) Beginning October 1, 2005, the chair of the commission
15 shall submit a report by December 1 of each year to the standing
16 committees and appropriations subcommittees of the senate and house
17 of representatives concerned with liquor license issues. The chair
18 of the commission shall include all of the following information in
19 the report concerning the preceding fiscal year:

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

23 (b) The number of applications denied.

24 (c) The number of applicants not issued a license within the
25 90-day time period and the amount of money returned to licensees
26 under subsection (4).

27 (6) As used in this section, "completed application" means an

1 application complete on its face and submitted with any applicable
2 licensing fees as well as any other information, records, approval,
3 security, or similar item required by law or rule from a local unit
4 of government, a federal agency, or a private entity but not from
5 another department or agency of the state of Michigan.

6 Sec. 537. (1) The following classes of vendors may sell
7 alcoholic liquors at retail as provided in this section:

8 (a) Taverns where beer and wine may be sold for consumption on
9 the premises only.

10 (b) Class C license where beer, wine, mixed spirit drink, and
11 spirits may be sold for consumption on the premises.

12 (c) Clubs where beer, wine, mixed spirit drink, and spirits
13 may be sold for consumption on the premises only to bona fide
14 members where consumption is limited to these members and their
15 bona fide guests, who have attained the age of 21 years.

16 (d) Hotels of class A where beer and wine may be sold for
17 consumption on the premises and in the rooms of bona fide
18 registered guests. Hotels of class B where beer, wine, mixed spirit
19 drink, and spirits may be sold for consumption on the premises and
20 in the rooms of bona fide registered guests.

21 (e) Specially designated merchants, where beer and wine may be
22 sold for consumption off the premises only.

23 (f) Specially designated distributors where spirits and mixed
24 spirit drink may be sold for consumption off the premises only.

25 (g) Special licenses where beer and wine or beer, wine, mixed
26 spirit drink, and spirits may be sold for consumption on the
27 premises only.

1 (h) Dining cars or other railroad or Pullman cars, watercraft,
2 or aircraft, where alcoholic liquor may be sold for consumption on
3 the premises only, subject to rules promulgated by the commission.

4 (i) Brewpubs where beer manufactured on the premises by the
5 licensee may be sold for consumption on or off the premises by any
6 of the following licensees:

7 (i) Class C.

8 (ii) Tavern.

9 (iii) Class A hotel.

10 (iv) Class B hotel.

11 (j) Micro brewers where beer produced by the micro brewer may
12 be sold to a consumer for consumption on or off the brewery
13 premises.

14 (k) Class G-1 license where beer, wine, mixed spirit drink,
15 and spirits may be sold for consumption on the premises only to
16 members required to pay an annual membership fee and consumption is
17 limited to these members and their bona fide guests.

18 (l) Class G-2 license where beer and wine may be sold for
19 consumption on the premises only to members required to pay an
20 annual membership fee and consumption is limited to these members
21 and their bona fide guests.

22 **(M) MOTORSPORTS EVENT LICENSE WHERE BEER AND WINE MAY BE SOLD**
23 **FOR CONSUMPTION ON THE PREMISES DURING SANCTIONED MOTORSPORTS**
24 **EVENTS ONLY.**

25 (2) A wine maker may sell wine made by that wine maker in a
26 restaurant for consumption on or off the premises if the restaurant
27 is owned by the wine maker or operated by another person under an

1 agreement approved by the commission and located on the premises
2 where the wine maker is licensed.

3 (3) A wine maker, with the prior written approval of the
4 commission, may conduct wine tastings of wines made by that wine
5 maker and may sell the wine made by that wine maker for consumption
6 off the premises at a location other than the premises where the
7 wine maker is licensed to manufacture wine, under the following
8 conditions:

9 (a) The premises upon which the wine tasting occurs conforms
10 to local and state sanitation requirements.

11 (b) Payment of a \$100.00 fee per location is made to the
12 commission.

13 (c) The wine tasting locations shall be considered licensed
14 premises.

15 (d) Wine tasting does not take place between the hours of 2
16 a.m. and 7 a.m. Monday through Saturday, or between 2 a.m. and 12
17 noon on Sunday.

18 (e) The premises and the licensee comply with and are subject
19 to all applicable rules promulgated by the commission.