

# HOUSE BILL No. 5236

October 26, 1989, Introduced by Reps. Alley, Joe Young, Jr., Joe Young, Sr. and Camp and referred to the Committee on Liquor Control.

A bill to amend sections 19, 24, and 31a of Act No. 8 of the Public Acts of the Extra Session of 1933, entitled as amended "The Michigan liquor control act," sections 19 and 24 as amended by Act No. 118 of the Public Acts of 1989 and section 31a as added by Act No. 170 of the Public Acts of 1981, being sections 436.19, 436.24, and 436.31a of the Michigan Compiled Laws; and to add section 31b.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Sections 19, 24, and 31a of Act No. 8 of the  
2 Public Acts of the Extra Session of 1933, sections 19 and 24 as  
3 amended by Act No. 118 of the Public Acts of 1989 and section 31a  
4 as added by Act No. 170 of the Public Acts of 1981, being sec-  
5 tions 436.19, 436.24, and 436.31a of the Michigan Compiled Laws,  
6 are amended and section 31b is added to read as follows:

1       Sec. 19. (1) The following license fees shall be paid at  
2 the time of filing applications or as otherwise provided in this  
3 act:

4       (a) Manufacturers of spirits, but not including makers,  
5 blenders, and rectifiers of wines containing 21% of alcohol or  
6 less by volume, \$10,000.00.

7       (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or  
8 fraction of a barrel, production annually with a maximum fee of  
9 \$1,000.00, and in addition \$50.00 for each motor vehicle used in  
10 delivery to retail licensees. A fee increase shall not apply to  
11 a manufacturer of less than 15,000 barrels production per year.

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

14       (d) Wine makers, blenders, and rectifiers of wine, including  
15 makers, blenders, and rectifiers of wines containing 21% or less  
16 alcohol by volume, \$100.00. The small wine maker license fee  
17 shall be \$25.00.

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

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

22       (g) Dining cars or other railroad or pullman cars selling  
23 alcoholic liquor, \$100.00 per train.

24       (h) Wholesale vendors other than manufacturers of beer,  
25 \$300.00 for the first motor vehicle used in delivery to retail  
26 licensees and \$50.00 for each additional motor vehicle used in  
27 delivery to retail licensees.

1 (i) Watercraft, licensed to carry passengers, selling  
2 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of  
3 \$500.00 per year computed on the basis of \$1.00 per person per  
4 passenger capacity.

5 (j) Specially designated merchants, for selling beer or wine  
6 for consumption off the premises only, but not at wholesale,  
7 \$100.00 for each location regardless of the fact that the loca-  
8 tion may be a part of a system or chain of merchandising.

9 (k) Specially designated distributors licensed by the com-  
10 mission to distribute spirits and mixed spirit drink in the orig-  
11 inal package for the commission for consumption off the premises,  
12 \$150.00 per year; and \$3.00 additional fee for each \$1,000.00 or  
13 major fraction of that amount in excess of \$25,000.00 of the  
14 total retail value of merchandise purchased under each license  
15 from the liquor control commission during the previous calendar  
16 year.

17 (l) Hotels of class A selling beer and wine, a minimum fee  
18 of \$250.00 and for all bedrooms in excess of 20, \$1.00 for each  
19 additional bedroom, but not to exceed \$500.00.

20 (m) Hotels of class B selling beer, wine, mixed spirit  
21 drink, and spirits, a minimum fee of \$600.00 and for all bedrooms  
22 in excess of 20, \$3.00 for each additional bedroom. If a hotel  
23 of class B sells beer, wine, mixed spirit drink, and spirits in  
24 more than 1 public bar, the fee shall entitle the hotel to sell  
25 in only 1 public bar, other than a bedroom, and a license shall  
26 be secured for each additional public bar, other than a bedroom,  
27 the fee for which shall be \$350.00.

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

2 (o) Class C license selling beer, wine, mixed spirit drink,  
3 and spirits, \$600.00. If a class C licensee sells beer, wine,  
4 mixed spirit drink, and spirits in more than 1 bar, a fee of  
5 \$350.00 shall be paid for each additional bar. In municipally  
6 owned or supported facilities in which nonprofit organizations  
7 operate concession stands, a fee of \$100.00 shall be paid for  
8 each additional bar.

9 (p) Clubs selling beer, wine, mixed spirit drink, and spir-  
10 its, \$300.00 for clubs having 150 or less duly accredited members  
11 and \$1.00 for each additional member. The membership list for  
12 the purpose only of determining the license fees to be paid under  
13 this section shall be the accredited list of members as deter-  
14 mined by a sworn affidavit 30 days before the closing of the  
15 license year. This section shall not prevent the commission from  
16 checking a membership list and making its own determination from  
17 the list or otherwise. The list of members and additional mem-  
18 bers shall not be required of a club paying the maximum fee. The  
19 maximum fee shall not exceed \$750.00 for any 1 club.

20 (q) Warehouses, to be fixed by the commission with a minimum  
21 fee for each warehouse of \$50.00.

22 (r) Special licenses, a fee of \$50.00 per day, except that  
23 the fee for that license or permit issued to any bona fide non-  
24 profit association, duly organized and in continuous existence  
25 for 1 year before the filing of its application, shall be  
26 \$25.00. Not more than 5 special licenses may be granted to any

1 organization, including an auxiliary of the organization, in a  
2 calendar year.

3 (s) Airlines licensed to carry passengers in this state,  
4 which sell, offer for sale, provide, or transport alcoholic  
5 liquor, \$600.00.

6 (t) Brandy manufacturer, \$100.00.

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

8 (V) BREWERY-PUBLIC HOUSE, \$25.00.

9 (2) The fees provided in this act for the various types of  
10 licenses shall not be prorated for a portion of the effective  
11 period of the license.

12 Sec. 24. The following classes of vendors may sell alco-  
13 holic liquors at retail as provided in this section:

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

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

18 (c) Clubs where beer, wine, mixed spirit drink, and spirits  
19 may be sold for consumption on the premises only to bona fide  
20 members, who have attained the age of 21 years.

21 (d) Hotels of class A where beer and wine may be sold for  
22 consumption on the premises and in the rooms of bona fide regis-  
23 tered guests. Hotels of class B where beer, wine, mixed spirit  
24 drink, and spirits may be sold for consumption on the premises  
25 and in the rooms of bona fide registered guests.

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

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

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

7 (h) Dining cars or other railroad or pullman cars, water-  
8 craft, or aircraft, where alcoholic liquor may be sold for con-  
9 sumption on the premises only, subject to rules promulgated by  
10 the commission.

11 (I) BREWERY-PUBLIC HOUSES, WHERE BEER MANUFACTURED BY THE  
12 LICENSEE MAY BE SOLD FOR CONSUMPTION ON OR OFF THE LICENSED  
13 PREMISES.

14 Sec. 31a. (1) A brewer, or the parent company, a subsid-  
15 iary or an affiliate of a brewer which parent company, subsid-  
16 iary, or affiliate is located in this state may acquire, develop,  
17 sell, lease, finance, maintain, operate, or promote real property  
18 occupied or to be occupied by another vendor, except a wholesal-  
19 er, if all of the following exist:

20 (a) The brewer has received written approval of the commis-  
21 sion before entering into any arrangement or contract between the  
22 parties regarding the real property.

23 (b) The legislative body of the city, village, or township  
24 where the property is located certifies to the commission that  
25 the real property is in an urban, commercial, or community rede-  
26 velopment area and is designated as such by a state or federal  
27 agency.

1 (c) Any arrangement or contract entered into between the  
2 brewer, its parent company, subsidiary, or affiliate and another  
3 vendor ~~shall~~ DOES not directly or indirectly influence or con-  
4 trol the brand of alcoholic liquor sold or to be sold by the  
5 vendor and ~~shall only be~~ IS ONLY concerned with real property.

6 (2) The commission may deny or approve an arrangement or  
7 contract to be entered into under ~~this section~~ SUBSECTION (1).  
8 In denying or approving an arrangement or contract, the commis-  
9 sion shall consider all of the following:

10 (a) That the arrangement or contract to be entered into is  
11 concerned only with real property.

12 (b) That the certification required under subsection (1)(b)  
13 has been received by the commission.

14 (c) That the arrangement or contract does not violate this  
15 act or the rules promulgated under this act.

16 (3) The commission may review any arrangement or contract  
17 under ~~this section~~ SUBSECTION (1) at the time that 1 of the  
18 parties to the arrangement or contract applies for or renews a  
19 license. The commission may deny, revoke, or suspend the license  
20 of a party to the arrangement or contract if the commission finds  
21 that the party to the arrangement or contract has violated this  
22 act or the rules promulgated under this act.

23 (4) A BREWER THAT MANUFACTURES MORE THAN 10,000 BARRELS OF  
24 BEER PER YEAR MAY HOLD AN INTEREST IN RETAIL PROPERTY ON WHICH  
25 THE BREWER OPERATES 1 RETAIL ESTABLISHMENT WHERE BEER MANUFAC-  
26 TURED BY THAT BREWER IS SOLD FOR CONSUMPTION ON OR OFF THE  
27 PREMISES. A RETAIL ESTABLISHMENT MAY BE LOCATED AT THE PREMISES

1 OF THE BREWER'S MANUFACTURING FACILITY OR AT ANOTHER LOCATION  
2 APPROVED BY THE COMMISSION. A SPECIALLY DESIGNATED MERCHANT'S  
3 LICENSE IS NOT REQUIRED TO OPERATE A RETAIL ESTABLISHMENT UNDER  
4 THIS SUBSECTION, BUT EACH BREWER IN THIS STATE MAY OPERATE NOT  
5 MORE THAN 1 RETAIL ESTABLISHMENT UNDER THIS SUBSECTION. THIS  
6 SUBSECTION DOES NOT AFFECT THE OPERATION OF A BREWERY HOSPITALITY  
7 ROOM.

8 (5) ~~(4)~~ A wholesaler shall not be a party to, directly or  
9 indirectly, an arrangement or contract under this section.

10 SEC. 31B. (1) A BREWERY-PUBLIC HOUSE LICENSE SHALL ALLOW  
11 THE LICENSEE TO DO ALL OF THE FOLLOWING:

12 (A) MANUFACTURE ON THE LICENSED PREMISES, STORE, TRANSPORT,  
13 SELL TO WHOLESALERS, AND EXPORT NOT MORE THAN 10,000 BARRELS OF  
14 BEER ANNUALLY.

15 (B) SELL ON THE LICENSED PREMISES BEER MANUFACTURED BY THE  
16 LICENSEE ON THE LICENSED PREMISES, AT RETAIL, FOR CONSUMPTION ON  
17 THE PREMISES.

18 (C) SELL BEER MANUFACTURED BY THE LICENSEE ON THE LICENSED  
19 PREMISES DIRECTLY TO SPECIALLY DESIGNATED MERCHANTS FOR RESALE AT  
20 RETAIL.

21 (2) A BREWERY-PUBLIC HOUSE LICENSEE, OR ANY PERSON HAVING AN  
22 INTEREST IN THE LICENSEE, SHALL NOT BE LICENSED AS A BREWER OR AN  
23 OUTSTATE SELLER OF BEER.

24 (3) A BREWERY-PUBLIC HOUSE LICENSEE, OR ANY PERSON HAVING AN  
25 INTEREST IN THE LICENSEE, MAY ALSO BE LICENSED AS A SPECIALLY  
26 DESIGNATED MERCHANT.