

**SUBSTITUTE FOR
SENATE BILL NO. 216**

(As amended, November 10, 2010)

<<A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending sections 518 and 525 (MCL 436.1518 and 436.1525),
section 518 as amended by 2005 PA 166 and section 525 as amended by
2010 PA 175.>>

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 1,500 fixed seats for race patrons.

1 (ii) Has at least 7 scheduled days of motorsports events each
2 calendar year.

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

9 (iv) Engages in tourism promotion.

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

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

15 (d) "Sanctioning body" means the American motorcycle
16 association (AMA); auto racing club of America (ARCA); championship
17 auto racing teams (CART); grand American road racing association
18 (GRAND AM); Indy racing league (IRL); national association for
19 stock car auto racing (NASCAR); nation hot rod association (NHRA);
20 professional sportscar racing (PSR); sports car club of America
21 (SCCA); United States auto club (USAC); Michigan state promoters
22 association; or any successor organization or any other nationally
23 or internationally recognized governing body of motorsports that
24 establishes an annual schedule of motorsports events and grants
25 rights to conduct the events, that has established and administers
26 rules and regulations governing all participants involved in the
27 events and all persons conducting the events, and that requires

1 certain liability assurances, including insurance.

2 ~~—— (2) Notwithstanding the quota provisions of section 531, the~~
3 ~~commission may issue motorsports event licenses for the sale of~~
4 ~~beer and wine for consumption on the premises to the owner of a~~
5 ~~motorsports entertainment complex for use during sanctioned~~
6 ~~motorsports events only.~~

7 (2) NOTWITHSTANDING THE QUOTA PROVISIONS OF SECTION 531, THE
8 COMMISSION MAY ISSUE MOTORSPORTS EVENT LICENSES FOR THE SALE OF
9 BEER AND WINE OR BEER, WINE, MIXED SPIRIT DRINK, AND SPIRITS FOR
10 CONSUMPTION ON THE PREMISES TO THE OWNER OF A MOTORSPORTS
11 ENTERTAINMENT COMPLEX FOR USE DURING SANCTIONED MOTORSPORTS EVENTS
12 ONLY. THE SALE OF BEER, WINE, MIXED SPIRIT DRINK, AND SPIRITS AT
13 CONCESSION OUTLETS OR ADDITIONAL LOCATIONS WITHIN THE MOTORSPORTS
14 ENTERTAINMENT COMPLEX DURING MOTORSPORTS SANCTIONED EVENTS SHALL
15 NOT BE CONSIDERED ADDITIONAL BARS FOR THE PURPOSE OF DETERMINING A
16 LICENSE FEE PURSUANT TO SECTION 525(1)(O). AN APPLICANT FOR A
17 LICENSE UNDER THIS SECTION THAT ELECTS TO SELL BEER AND WINE ONLY
18 SHALL PAY TO THE COMMISSION A LICENSE FEE OF \$250.00. AN APPLICANT
19 FOR A LICENSE UNDER THIS SECTION THAT ELECTS TO SELL BEER, WINE,
20 MIXED SPIRIT DRINK, AND SPIRITS SHALL PAY TO THE COMMISSION A
21 LICENSE FEE OF \$600.00.

22 (3) For a period of time not to exceed 7 consecutive days
23 during which public access is permitted to a motorsports
24 entertainment complex in connection with a motorsports event,
25 members of the general public at least 21 years or older may bring
26 beer and wine not purchased at the licensed motorsports
27 entertainment complex into the motorsports entertainment complex

1 and possess and consume that beer and wine. Possession and
2 consumption of beer and wine under this section are allowed only in
3 portions of the motorsports entertainment complex open to the
4 general public that are also part of the licensed premises of a
5 retail licensee under both of the following circumstances:

6 (a) The licensed premises are located within the motorsports
7 entertainment complex.

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

10 (4) A person holding a license for the sale of alcoholic
11 liquor for consumption on the premises at a motorsports
12 entertainment complex is subject to the civil liability provisions
13 of section 801 if the civil action is brought by or on behalf of an
14 individual who suffers damage or is personally injured by a minor
15 or visibly intoxicated person by reason of the unlawful consumption
16 of alcoholic liquor on the licensed premises by that minor or
17 visibly intoxicated person if the unlawful consumption is proven to
18 be a proximate cause of the damage, injury, or death of the
19 individual, whether the alcoholic liquor was sold or furnished by
20 the licensee or was brought onto the licensed premises under
21 subsection (3).

22 Sec. 525. (1) Except as otherwise provided for in this
23 section, the following license fees shall be paid at the time of
24 filing applications or as otherwise provided in this act **AND ARE**
25 **SUBJECT TO ALLOCATION UNDER SECTION 543:**

26 (a) Manufacturers of spirits, but not including makers,
27 blenders, and rectifiers of wines containing 21% or less alcohol by

1 volume, \$1,000.00.

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

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

9 (d) Wine makers, blenders, and rectifiers of wine, including
10 makers, blenders, and rectifiers of wines containing 21% or less
11 alcohol by volume, \$100.00. The small wine maker license fee is
12 \$25.00.

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

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

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

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

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

27 (j) Specially designated merchants, for selling beer or wine

1 for consumption off the premises only but not at wholesale, \$100.00
2 for each location regardless of the fact that the location may be a
3 part of a system or chain of merchandising.

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

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

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

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

23 (o) Class C license selling beer, wine, mixed spirit drink,
24 and spirits, \$600.00. ~~If~~**SUBJECT TO SECTION 518(2), IF** a class C
25 licensee sells beer, wine, mixed spirit drink, and spirits in more
26 than 1 bar, a fee of \$350.00 shall be paid for each additional bar.
27 In municipally owned or supported facilities in which nonprofit

1 organizations operate concession stands, a fee of \$100.00 shall be
2 paid for each additional bar.

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

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

16 (r) Special licenses, a fee of \$50.00 per day, except that the
17 fee for that license or permit issued to any bona fide nonprofit
18 association, duly organized and in continuous existence for 1 year
19 before the filing of its application, is \$25.00. Not more than 12
20 special licenses may be granted to any organization, including an
21 auxiliary of the organization, in a calendar year.

22 (s) Airlines licensed to carry passengers in this state that
23 sell, offer for sale, provide, or transport alcoholic liquor,
24 \$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 (y) Motorsports event license, ~~\$250.00~~ **THE AMOUNT AS DESCRIBED**
4 **AND DETERMINED UNDER SECTION 518(2).**

5 (z) Small distiller, \$100.00.

6 (aa) Wine auction license, \$50,000.00.

7 **(BB) NONPUBLIC CONTINUING CARE RETIREMENT CENTER LICENSE,**
8 **\$600.00.**

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. Notwithstanding subsection (1), the initial
12 license fee for any licenses issued under section 531(3) ~~and~~ **OR** (4)
13 is \$20,000.00. The renewal license fee shall be the amount
14 described in subsection (1). However, the commission shall not
15 impose the \$20,000.00 initial license fee for applicants whose
16 license eligibility was already approved on July 20, 2005.

17 (3) Beginning July 23, 2004, and except in the case of any
18 resort or resort economic development license issued under section
19 531(2), (3), (4), ~~and~~ **OR** (5) ~~and~~ **OR** a license issued under section
20 521, the commission shall issue an initial or renewal license not
21 later than 90 days after the applicant files a completed
22 application. Receipt of the application is considered the date the
23 application is received by any agency or department of the state of
24 Michigan. If the application is considered incomplete by the
25 commission, the commission shall notify the applicant in writing,
26 or make the information electronically available, within 30 days
27 after receipt of the incomplete application, describing the

1 deficiency and requesting the additional information. The
2 determination of the completeness of an application does not
3 operate as an approval of the application for the license and does
4 not confer eligibility upon an applicant determined otherwise
5 ineligible for issuance of a license. The 90-day period is tolled
6 under any of the following circumstances:

7 (a) Notice sent by the commission of a deficiency in the
8 application until the date all of the requested information is
9 received by the commission.

10 (b) The time period during which actions required by a party
11 other than the applicant or the commission are completed that
12 include, but are not limited to, completion of construction or
13 renovation of the licensed premises; mandated inspections by the
14 commission or by any state, local, or federal agency; approval by
15 the legislative body of a local unit of government; criminal
16 history or criminal record checks; financial or court record
17 checks; or other actions mandated by this act or rule or as
18 otherwise mandated by law or local ordinance.

19 (4) If the commission fails to issue or deny a license within
20 the time required by this section, the commission shall return the
21 license fee and shall reduce the license fee for the applicant's
22 next renewal application, if any, by 15%. The failure to issue a
23 license within the time required under this section does not allow
24 the commission to otherwise delay the processing of the
25 application, and that application, upon completion, shall be placed
26 in sequence with other completed applications received at that same
27 time. The commission shall not discriminate against an applicant in

1 the processing of the application based upon the fact that the
2 license fee was refunded or discounted under this subsection.

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

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

12 (b) The number of applications denied.

13 (c) The number of applicants not issued a license within the
14 90-day time period and the amount of money returned to licensees
15 under subsection (4).

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