

# Legislative Analysis

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## CLUB LIQUOR LICENSE: DEFINE “MEMBER”

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5260 as introduced**  
**Sponsor: Rep. Tom Barrett**

Analysis available at  
<http://www.legislature.mi.gov>

**Senate Bill 662 as passed by the Senate**  
**Sponsor: Sen. Rick Jones**

**Committee: Regulatory Reform**  
**Complete to 2-13-18**

### SUMMARY:

House Bill 5260 and Senate Bill 662, which are similar but not identical, would each amend a provision within the Michigan Liquor Control Code to allow members of clubs such as the Benevolent and Protective Order of Elks, the Loyal Order of Moose, and veteran’s organizations, e.g., the Veterans of Foreign Wars (VFW), to consume alcohol at a branch or affiliate of the same organization.

Currently, a club license allows the licensee to sell beer, wine, mixed spirit drink, and spirits for consumption on the licensed premises only to *bona fide members* of the club who are at least 21 years of age.

House Bill 5260 would revise the Michigan Liquor Control Code to specify that *bona fide members* would mean members of the club and that the term would include members of any affiliated, subsidiary, or parent organization.

Senate Bill 662 would amend the same provision within the Code but would specify that *bona fide member* would mean an individual admitted as a charter member or admitted in accordance with a club’s bylaws:

- Who maintains current membership by paying annual dues;
- Whose name and address is entered on the list of members; and
- Who has voting rights to regularly elect the board of directors, officers, executive committee, or similar body that conducts the affairs and management of the club.

Similarly, for an incorporated or unincorporated nonprofit veteran’s organization that is a branch or chapter of a national or congressionally chartered organization, a *bona fide member* would include a member of another branch or chapter who possesses an identification card indicating current membership in the same national or congressionally chartered veterans’ organization.

For a branch, chapter, lodge, aerie, or other local unit of a national fraternal nonprofit association that is exempt from federal income taxes under Section 501(c)(8) or 501(c)(10) of the Internal Revenue Code, a *bona fide member* would include a member of another

branch, chapter, lodge, aerie, or local unit who possesses an identification card indicating current membership in the same national fraternal nonprofit association.

Currently, the Michigan Liquor Control Commission must give public notice of its intent to issue the club license by publication in a newspaper published or in general circulation within the local governmental unit at least 10 days before it issues the license. Senate Bill 662 would instead require the club to give notice of the commission's intent to issue the license at least 10 days before the commission issues the license by publication in the local or locally circulated newspaper.

House Bill 5260 and Senate Bill 662 would each take effect 90 days after enactment.

MCL 436.1532 (both bills)

**FISCAL IMPACT:**

Neither House Bill 5260 nor Senate Bill 662 would have a fiscal impact on any unit of state or local government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.