

SUBSTITUTE FOR  
HOUSE BILL NO. 5260

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending section 532 (MCL 436.1532), as added by 2001 PA 223.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 532. (1) A club license allows the licensee to sell, for  
2 consumption on the licensed premises, beer, wine, mixed spirit  
3 drink, and spirits only to bona fide members of the club who have  
4 attained the age of 21 years. **AS USED IN THIS SUBSECTION, "BONA**  
5 **FIDE MEMBER" MEANS AN INDIVIDUAL ADMITTED AS A CHARTER MEMBER OR**  
6 **ADMITTED IN ACCORDANCE WITH THE BYLAWS OF THE CLUB, WHO MAINTAINS**  
7 **CURRENT MEMBERSHIP BY THE PAYMENT OF ANNUAL DUES, WHOSE NAME AND**  
8 **ADDRESS IS ENTERED ON THE LIST OF MEMBERS, AND WHO HAS VOTING**  
9 **RIGHTS TO REGULARLY ELECT THE BOARD OF DIRECTORS, OFFICERS,**  
10 **EXECUTIVE COMMITTEE, OR SIMILAR BODY THAT CONDUCTS THE AFFAIRS AND**

1 MANAGEMENT OF THE CLUB. FOR AN INCORPORATED OR UNINCORPORATED  
2 NONPROFIT VETERANS' ORGANIZATION THAT IS A BRANCH OR CHAPTER OF A  
3 NATIONAL ORGANIZATION OR AN ORGANIZATION CHARTERED BY THE UNITED  
4 STATES CONGRESS, A BONA FIDE MEMBER INCLUDES A MEMBER OF ANOTHER  
5 BRANCH OR CHAPTER WHO POSSESSES AN IDENTIFICATION CARD INDICATING  
6 CURRENT MEMBERSHIP IN THE SAME NATIONAL OR CONGRESSIONALLY  
7 CHARTERED VETERANS' ORGANIZATION. FOR A BRANCH, CHAPTER, LODGE,  
8 AERIE, OR OTHER LOCAL UNIT OF A NATIONAL FRATERNAL NONPROFIT  
9 ASSOCIATION THAT IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION  
10 501(C) (8) OR 501(C) (10) OF THE INTERNAL REVENUE CODE, 26 USC 501, A  
11 BONA FIDE MEMBER INCLUDES A MEMBER OF ANOTHER BRANCH, CHAPTER,  
12 LODGE, AERIE, OR LOCAL UNIT WHO POSSESSES AN IDENTIFICATION CARD  
13 INDICATING CURRENT MEMBERSHIP IN THE SAME NATIONAL FRATERNAL  
14 NONPROFIT ASSOCIATION.

15 (2) Except as otherwise provided in subsection ~~(2)~~, (3), the  
16 commission shall not issue a license to a club unless the club has  
17 been in existence for a period of not less than 2 years before the  
18 application for the license.

19 (3) ~~(2) Public~~ **A CLUB SHALL GIVE PUBLIC** notice of the intent  
20 of the commission to issue the club **A CLUB** license ~~shall be given~~  
21 by publication in ~~some~~ **A** newspaper published or in general  
22 circulation within the local governmental unit at least 10 days  
23 before the ~~issuance of~~ **COMMISSION ISSUES** the license. A club that  
24 is a chapter of a national organization that has had a license for  
25 10 or more years may apply for a license without a waiting period.  
26 Public notice of the commission's intent to renew the club license  
27 is not required.

1           (4) ~~(3) Except in the case of~~ **FOR** a club paying a maximum fee,  
2 within 10 days after February 1 of each year the club shall file  
3 with the commission a list of names and residences of its members  
4 and make a similar filing of the name and residence with the  
5 commission within 10 days after the election of an additional  
6 member. The annual filing ~~shall~~ **MUST** also include a statement that  
7 the club's annual aggregate membership fees or dues and other  
8 income, exclusive of the proceeds from the sale of alcoholic  
9 liquor, are sufficient to defray the annual rental of its leased or  
10 rented premises or, if the premises are owned by the club, are  
11 sufficient to meet the taxes, insurance, repairs, and interest on a  
12 mortgage on the premises.

13           (5) ~~(4) The affairs and management of the club shall~~ **MUST** be  
14 conducted by a board of directors, executive committee, or similar  
15 body chosen by the members. A member, officer, agent, or employee  
16 of the club ~~shall~~ **MUST** not be paid, or directly or indirectly  
17 receive in the form of salary or other compensation, profits from  
18 the disposition of alcoholic liquor to the club or to the members  
19 of the club, beyond the amount of salary fixed and voted at  
20 meetings by the members or by its directors or other governing body  
21 and as reported by the club to the commission, within 3 months  
22 after the meeting.

23           Enacting section 1. This amendatory act takes effect 90 days  
24 after the date it is enacted into law.