

**SUBSTITUTE FOR  
SENATE BILL NO. 230**

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending sections 233 and 525 (MCL 436.1233 and 436.1525),  
section 233 as amended by 2020 PA 126 and section 525 as amended by  
2016 PA 434.

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

1           Sec. 233. (1) The commission shall establish uniform prices  
2 for the sale of alcoholic liquor by specially designated  
3 distributors. The prices must return a gross profit to the  
4 commission of not less than 51% and not greater than 65%. If  
5 alcoholic liquor purchased by the commission has not met sales  
6 standards established by the commission for 6 months, the  
7 commission may sell the alcoholic liquor at a price to be approved



1 by the state administrative board.

2 (2) Notwithstanding subsection (1), the commission may  
3 establish by rule prices for the sale of alcoholic liquor to  
4 hospitals, charitable institutions, and military establishments  
5 located in this state.

6 (3) Except as otherwise provided in this subsection, specially  
7 designated distributors and on-premises licensees are entitled to a  
8 17% discount from the uniform prices described in subsection (1) on  
9 alcoholic liquor purchased from this state. Beginning ~~with the~~  
10 ~~enactment date of the amendatory act that added this sentence until~~  
11 ~~12 months after the enactment date, **July 1, 2020 through December**~~  
12 **31, 2023**, on-premises licensees are entitled to a 23% discount from  
13 the uniform prices described in subsection (1) on alcoholic liquor  
14 purchased from this state.

15 Sec. 525. (1) Except as otherwise provided in this section,  
16 the following license fees must be paid at the time of filing  
17 applications or as otherwise provided in this act and are subject  
18 to allocation under section 543:

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

22 (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or  
23 fraction of a barrel, production annually with a maximum fee of  
24 \$1,000.00, and in addition \$50.00 for each motor vehicle used in  
25 delivery to retail licensees. A fee increase does not apply to a  
26 manufacturer of less than 15,000 barrels production per year.

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

29 (d) Wine makers, blenders, and rectifiers of wine, including



1 makers, blenders, and rectifiers of wines containing 21% or less  
2 alcohol by volume, \$100.00. The small wine maker license fee is  
3 \$25.00.

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

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

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

10 (h) Wholesale vendors other than manufacturers of beer,  
11 \$300.00 for the first motor vehicle used in delivery to retail  
12 licensees and \$50.00 for each additional motor vehicle used in  
13 delivery to retail licensees.

14 (i) Watercraft, licensed to carry passengers, selling  
15 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of  
16 \$500.00 per year computed on the basis of \$1.00 per person per  
17 passenger capacity.

18 (j) Specially designated merchants, for selling beer or wine  
19 for consumption off the premises only but not at wholesale, \$100.00  
20 for each location regardless of whether the location is part of a  
21 system or chain of merchandising.

22 (k) Specially designated distributors licensed by the  
23 commission to distribute spirits and mixed spirit drink in the  
24 original package for the commission for consumption off the  
25 premises, \$150.00 per year, and an additional fee of \$3.00 for each  
26 \$1,000.00 or major fraction of that amount in excess of \$25,000.00  
27 of the total retail value of merchandise purchased under each  
28 license from the commission during the previous calendar year.

29 (l) Hotels of class A selling beer and wine, a minimum fee of



1 \$250.00 and \$1.00 for each bedroom in excess of 20, but not more  
2 than \$500.00 total.

3 (m) Hotels of class B selling beer, wine, mixed spirit drink,  
4 and spirits, a minimum fee of \$600.00 and \$3.00 for each bedroom in  
5 excess of 20. If a hotel of class B sells beer, wine, mixed spirit  
6 drink, and spirits in more than 1 public bar, a fee of \$350.00 must  
7 be paid for each additional public bar, other than a bedroom.

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

9 (o) Class C license selling beer, wine, mixed spirit drink,  
10 and spirits, \$600.00. Subject to section 518(2), if a class C  
11 licensee sells beer, wine, mixed spirit drink, and spirits in more  
12 than 1 bar, a fee of \$350.00 must be paid for each additional bar.  
13 In municipally owned or supported facilities in which nonprofit  
14 organizations operate concession stands, a fee of \$100.00 must be  
15 paid for each additional bar.

16 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,  
17 \$300.00 for clubs having 150 or fewer accredited members and \$1.00  
18 for each member in excess of 150. Clubs shall submit a list of  
19 members by an affidavit 30 days before the closing of the license  
20 year. The affidavit must be used only for determining the license  
21 fees to be paid under this subdivision. This subdivision does not  
22 prevent the commission from checking a membership list and making  
23 its own determination from the list or otherwise. The list of  
24 members and additional members is not required of a club paying the  
25 maximum fee. The maximum fee must not exceed \$750.00 for any 1  
26 club.

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

29 (r) Special licenses, a fee of \$50.00 per day, except that the



1 fee for the license or permit issued to a bona fide nonprofit  
2 association, organized and in continuous existence for 1 year  
3 before the filing of its application, is \$25.00. The commission  
4 shall not grant more than 12 special licenses to any organization,  
5 including an auxiliary of the organization, in a calendar year.

6 (s) Airlines licensed to carry passengers in this state that  
7 sell, offer for sale, provide, or transport alcoholic liquor,  
8 \$600.00.

9 (t) Brandy manufacturer, \$100.00.

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

11 (v) Brewpub, \$100.00.

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

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

14 (y) Motorsports event license, the amount as described and  
15 determined under section 518(2).

16 (z) Small distiller, \$100.00.

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

18 (bb) Nonpublic continuing care retirement center license,  
19 \$600.00.

20 (cc) Conditional license approved under subsection (6) and  
21 issued under subsection (7), \$300.00.

22 (2) The fees provided in this act for the various types of  
23 licenses must not be prorated for a portion of the effective period  
24 of the license. Notwithstanding subsection (1), the initial license  
25 fee for a license issued under section 531(3) or (4) is \$20,000.00.  
26 The renewal license fee is the amount described in subsection (1).  
27 However, the commission shall not impose the \$20,000.00 initial  
28 license fee for applicants whose license eligibility was already  
29 approved on July 20, 2005.



1           (3) If the commission requires an applicant to submit  
2 fingerprints, the applicant shall have the fingerprints taken by a  
3 local law enforcement agency, the department of state police, or  
4 any other person qualified to take fingerprints as determined by  
5 the department of state police. The applicant shall submit the  
6 fingerprints and the appropriate state and federal fees, which  
7 shall be borne by the applicant, to the department of state police  
8 and the Federal Bureau of Investigation for a criminal history  
9 check. After conducting the criminal history check, the department  
10 of state police shall provide the commission with a report of the  
11 criminal history check. The report must include criminal history  
12 record information concerning the person who is the subject of the  
13 criminal history check that is maintained by the department of  
14 state police. If a criminal arrest fingerprint card is subsequently  
15 submitted to the department of state police and matches against a  
16 fingerprint that was submitted under this act and stored in its  
17 automated fingerprint identification system (AFIS) database, the  
18 department of state police shall notify the commission.

19           (4) Except for a resort or resort economic development license  
20 issued under section 531(2), (3), (4), or (5) or a license issued  
21 under section 521a, the commission shall issue an initial or  
22 renewal license not later than 90 days after the applicant files a  
23 completed application. The application is considered to be received  
24 the date the application is received by an agency or department of  
25 this state. If the commission determines that an application is  
26 incomplete, the commission shall notify the applicant in writing,  
27 or make the information electronically available, within 30 days  
28 after receipt of the incomplete application, describing the  
29 deficiency and requesting the additional information. The



1 determination of the completeness of an application is not an  
2 approval of the application for the license and does not confer  
3 eligibility on an applicant determined otherwise ineligible for  
4 issuance of a license. The 90-day period is tolled for the  
5 following periods under any of the following circumstances:

6 (a) If notice is sent by the commission of a deficiency in the  
7 application, until the date all of the requested information is  
8 received by the commission.

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

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

29 (6) If, in addition to a completed application under this



1 section, an applicant submits a separate form requesting a  
2 conditional license with an acceptable proof of financial  
3 responsibility form under section 803, an executed property  
4 document, and, for an application to transfer the location of an  
5 existing retailer license other than specially designated  
6 distributor license, a church or school proximity affidavit on a  
7 form prescribed by the commission attesting that the proposed  
8 location is not within 500 feet of a church or school building  
9 using the method of measurement required under section 503, the  
10 commission shall, after considering the arrest and conviction  
11 records or previous violation history in the management, operation,  
12 or ownership of a licensed business, approve or deny a conditional  
13 license. A conditional license issued under subsection (7) must  
14 only include any existing permits and approvals held in connection  
15 with the license, other than permits or approvals for which the  
16 conditional applicant does not meet the requirements in this act or  
17 rules promulgated under this act, or permits or approvals that the  
18 conditional applicant has requested to cancel as part of the  
19 application that serves as the basis for the conditional license.  
20 The commission shall not issue a new permit with a conditional  
21 license issued under subsection (7). The following applicants may  
22 request a conditional license:

23 (a) An applicant seeking to transfer ownership of an existing  
24 retailer license at the same location to sell alcoholic liquor for  
25 consumption on or off the premises.

26 (b) An applicant seeking to transfer the ownership and  
27 location of an existing retailer license, other than a specially  
28 designated distributor license, to sell alcoholic liquor for  
29 consumption on or off the premises.





1 (c) An applicant seeking a new specially designated merchant  
2 license, other than a specially designated merchant license issued  
3 under section 533(6), not to be held in conjunction with a license  
4 for the sale of alcoholic liquor for consumption on the premises.

5 (7) The commission shall issue a conditional license to  
6 applicants approved under subsection (6) within 20 business days  
7 after receipt of a completed application and a completed  
8 conditional license request form and documentation for a  
9 conditional license at a single location. The commission may take  
10 up to 30 business days to issue conditional licenses to approved  
11 applicants seeking conditional licenses at multiple locations.  
12 However, for an applicant described under this subsection that is  
13 seeking a specially designated merchant license under section  
14 533(7), the commission may take up to 45 business days to issue a  
15 conditional license. Notwithstanding the applicant's submission of  
16 a church or school proximity affidavit under subsection (6), if the  
17 commission determines that a conditional license in conjunction  
18 with an application to transfer the location of an existing  
19 retailer license has been issued under this subsection at a  
20 proposed location that is within 500 feet of a church or school  
21 building, the commission shall suspend the conditional license and  
22 notify the church or school of the proposed location under the  
23 rules promulgated under this act. If the commission issues a  
24 conditional license under this subsection based on a church or  
25 school proximity affidavit under subsection (6) without knowledge  
26 that the representations included in the affidavit are incorrect,  
27 this state is not liable to any person for the commission's  
28 issuance of the conditional license. The commission may assume  
29 without inquiry the existence of the facts contained in the



1 affidavit.

2 (8) A conditional license approved under subsection (6) and  
3 issued under subsection (7) is nontransferable and nonrenewable. A  
4 conditional licensee is required to comply with the server training  
5 requirements in section 501(1) beginning on the date a conditional  
6 license is issued under subsection (7) regardless of whether the  
7 conditional licensee is actively operating under the conditional  
8 license.

9 (9) A conditional license approved under subsection (6) and  
10 issued under subsection (7) expires when the first of the following  
11 occurs:

12 (a) The commission issues an order of denial of the license  
13 application that serves as the basis for the conditional license  
14 and all administrative remedies before the commission have been  
15 exhausted.

16 (b) The commission issues the license under subsection (4) for  
17 which the applicant submitted the license application that serves  
18 as the basis for the conditional license.

19 (c) The licensee or conditional licensee notifies the  
20 commission in writing that the initial or conditional application  
21 should be canceled.

22 (d) One year passes after the date the conditional license was  
23 issued, notwithstanding any suspension of the conditional license  
24 by the commission.

25 (10) If a conditional licensee fails to maintain acceptable  
26 proof of its financial responsibility as required under section  
27 803, the commission shall summarily suspend the conditional license  
28 under section 92(2) of the administrative procedures act of 1969,  
29 1969 PA 306, MCL 24.292, until the conditional licensee files an



1 acceptable proof of financial responsibility form under section  
2 803. If a conditional license is revoked, the conditional licensee  
3 shall not recover from this state or a unit of local government any  
4 compensation for property, future income, or future economic loss  
5 because of the revocation.

6 (11) On issuing a conditional license under subsection (7),  
7 the commission shall, until the conditional license expires under  
8 subsection (9), place the existing license under subsection (4) for  
9 which the applicant submitted the application that serves as the  
10 basis for the conditional license in escrow in compliance with R  
11 436.1107 of the Michigan Administrative Code. If the conditional  
12 license expires under subsection (9), an existing licensee may do 1  
13 of the following:

14 (a) Request that the commission release the license from  
15 escrow.

16 (b) Keep the license in escrow. The escrow date for compliance  
17 with R 436.1107 of the Michigan Administrative Code is the date the  
18 conditional license expires.

19 (12) The chair of the commission shall submit a report by  
20 December 1 of each year to the standing committees and  
21 appropriations subcommittees of the senate and house of  
22 representatives concerned with liquor license issues. The chair of  
23 the commission shall include all of the following information in  
24 the report concerning the preceding fiscal year:

25 (a) The number of initial and renewal applications the  
26 commission received and completed within the 90-day time period  
27 described in subsection (4).

28 (b) The number of applications denied.

29 (c) The number of applicants not issued a license within the



1 90-day time period and the amount of money returned to licensees  
2 under subsection (5).

3 (13) Notwithstanding anything in this act to the contrary, all  
4 of the following annual renewal fees are waived for the 2021  
5 renewal:

6 (a) The fees required in subsections (1)(i), (l), (m), (n),  
7 (o), (p), (v), (w), (x), (y), and (bb).

8 (b) The fee required for the license described in subsection  
9 (1)(j) if the license is held in conjunction with an on-premises  
10 license.

11 (c) The fees required in section 536.

12 (d) The fees required in sections 522, 547, 551, 1114, and  
13 1115 for permits issued to on-premises retailers and manufacturers  
14 with permits or licenses issued under section 536.

15 (14) ~~(13)~~—As used in this section, "completed application"  
16 means an application complete on its face and submitted with any  
17 applicable licensing fees as well as any other information,  
18 records, approval, security, or similar item required by law or  
19 rule from a local unit of government, a federal agency, or a  
20 private entity but not from another department or agency of this  
21 state.

