



Michigan Department of Licensing and Regulatory Affairs  
Liquor Control Commission (MLCC)  
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## **Club Licensing Requirements & General Information**

A Club license, as defined by MCL 436.1107(5), is a nonprofit association, whether incorporated or unincorporated, organized for the promotion of some common purpose, the object of which is owning, hiring, or leasing a building, or space in a building, of an extent and character as in the judgment of the Commission may be suitable and adequate for the reasonable and comfortable use and accommodation of its members and their guests, but does not include an association organized for a commercial or business purpose.

Club licenses are commonly issued to nonprofit fraternal, social, and veteran organizations, but may be issued to any nonprofit organization that qualifies and has been in continuous existence for two (2) years. A Club licensee must be self-supporting without the sale of alcoholic liquor. The affairs and management of the organization must be conducted by a board of directors, executive committee, or similar body chosen by the members.

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### **How to Apply**

All applicants requesting new Club license must submit the following:

- **Application Form** – [Club License Application \(LCC-102\)](#)
- **Local Governmental Unit Approval** – The legislative body of the local unit of government where the new Club licenses will be located may pass a resolution to recommend the applicant's application for the new Club license or it may also record its approval on the [Local Government Approval Form \(LCC-106\)](#).
- **Inspection Fee** - A \$70.00 nonrefundable inspection fee is required for each license requested in an application. For example, if an applicant has requested a new Club license and a new Specially Designated Merchant (SDM) license in conjunction, the inspection fee would be \$140.00.
- **License & Permit Fees** – The initial and annual renewal fee for a Club license is \$300.00, plus an additional \$1.00 per member over the first 150 members. The maximum fee is \$750.00 for organizations that have 600 or more members. Additional fees will vary based upon whether additional licenses and permits are requested in conjunction with a Club license.

- **Club Resolution & Affidavit Relative to Racial Discrimination** – A fillable copy of the resolution and affidavit is included on page 2 of the Club License Application (LCC-102) form. Administrative rule R 436.1127 provides that an applicant for a Club license must submit a certified copy of a resolution requesting a license, which was adopted at a bona-fide club meeting and approved by a majority of the members. An organization must also certify that its charter, constitution, by-laws, franchise, membership application, or related documents under which the organization currently operates do not contain any racial disqualifications for membership or guest privileges.
  - **Copy of Public Notice Published By Club License Applicant** – MCL 436.1532(3) requires that a Club license applicant must give public notice of the intent of the Commission to issue the applicant a Club license by publication in a newspaper published or in general circulation within the local governmental unit at least ten (10) days before the Commission issues the license.
  - **Property Document** – Applicants must provide documentation that demonstrates they will have control over the property that comprises the proposed licensed premises. Property documents include deeds, land contracts, and lease agreements.
  - **Copy of current, filed Articles of Incorporation**
  - **List of Authorized Signers** – Certified copy of the minutes of a meeting of its board of directors or a resolution approved by the organization naming the persons authorized the application and other documents required by the Commission.
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### **Licensing Process**

- The Licensing Division reviews the application and corresponding documents for completeness and verifies the appropriate fees have been received. If additional documents, fees, or corrections to documents are needed, Licensing will notify the applicant.
- Once all the necessary documents have been received Licensing will submit the request to the Enforcement Division for its investigation.
- The Enforcement Division will contact the applicant to schedule an interview with the applicant. At this meeting an investigator will review with the applicant documents, including:
  - financial documents
  - property documents
  - other items pertaining to the application – this will include a review of the minutes of the organization’s meetings in English
- After the interview, the investigator will prepare a report for the Commission regarding the investigation and submit the request back to the Licensing Division for further processing.

- The Licensing Division reviews the report from the Enforcement Division and any additional documents received during the interview process. The request is prepared for the Commission to consider and placed on a docket for an upcoming licensing meeting.
  - The Commission considers the request, including:
    - the liquor license operating history of the applicant (if a current or prior licensee)
    - the arrest and conviction record of the applicant
    - whether the applicant meets the requirements for a license
    - the applicant's financial information
    - opinions of the local legislative body or police department, if received.
  - The Commission will approve or deny the request based on these factors. Occasionally, the Commission will request more information from the applicant before making a final decision.
  - After the Commission makes a decision on the request, the file is returned to the Licensing Division for final processing.
    - Approval orders are sent to the applicant requesting any final items before the issuance of the license.
    - Denial orders are sent to the applicant and the applicant may appeal the decision.
  - When all the final items are received by the Licensing Division, the completed request is forwarded to the Renewal Unit for the issuance of the physical license documents.
    - Any changes in financial provisions at the time of closing which do not conform to the terms previously indicated and investigated may require submission of new forms and possible additional investigation.
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### **Other Licenses That May Be Held in Conjunction With a Club License**

A **Specially Designated Merchant (SDM)** license for the sale of beer, wine, and mixed spirit drink products for consumption off the licensed premises (take-out) may be held in conjunction with a Club license.

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### **Permits, Permissions, and Authorizations**

**Sunday Sales Permit (A.M.)** - A permit that allows the sale of spirits, mixed spirit drink, beer, and wine on Sunday mornings between 7:00am and 12:00 noon, if allowed by the local unit of government.

**Sunday Sales Permit (P.M.)** - A permit that allows the sale of spirits and mixed spirit drink products on Sunday afternoons and evenings between 12:00 noon and 2:00am (Monday morning), if allowed by the local unit of government.

**Specific Purpose Permit** - A permit that allows specific types of activities (such as the service of food, sporting activities, meetings, etc.) to occur on the licensed premises outside the legal hours for the sale of alcohol. A specific purpose permit does not allow the sale of alcohol outside of the legal hours of sale.

**Dance Permit** - Allows dancing by patrons of a business with an on-premises license. Often combined with an Entertainment Permit.

**Entertainment Permit** - Permits certain types of live entertainment at a business with an on-premises license. An entertainment permit does not allow topless activity. Often combined with a Dance Permit.

**Extended Hours Permit** - A permit held in conjunction with a Dance or Entertainment Permit (or both) that allows dancing or entertainment on the licensed premises outside the legal hours for the sale of alcohol. An Extended Hours Permit does not allow the sale of alcohol outside of the legal hours of sale.

**Living Quarters Permit** - Allows living quarters to be directly connected to the licensed premises.

**Topless Activity Permit** - Allows topless activity by the employees, agents, or contractors of a business with an on-premises license.

**Direct Connection permission** - Allows connections from the licensed premises to unlicensed premises.

**Outdoor Service authorization** - Authorization granted by the Commission for a licensee to sell alcohol outdoors in an area controlled by the licensee. This can be a patio area next to the licensed premises or a space as large as a golf course.

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## **Churches & Schools**

A new application to sell alcoholic beverages at retail, or a request to transfer location of an existing license, may be denied if the proposed location is within 500 feet of a church or school. The Commission may waive the church/school provision if the church or school does not file an objection to the proposed license. If the church or school does file an objection, the Commission shall hold a hearing before making a decision on the issuance of the license.

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## **Proof of Financial Responsibility**

- Liquor liability coverage of at least \$50,000.00 is required by Michigan law for active operation of a licensed business. Types of acceptable coverage are:

- liquor liability insurance
  - cash
  - unencumbered securities
  - constant value bond
  - membership in an authorized group self-insurance pool
- For more information, please read the instructions in the [Proof of Financial Responsibility \(LC-95\)](#).
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### **Sale of Alcoholic Liquor To Bona Fide Members Only**

A Club licensee may sell alcoholic liquor, which includes beer, wine, mixed spirit drinks, or spirits, **to bona fide members only** of the organization that holds the Club license, including beer or wine sold under a Specially Designated Merchant license for consumption off the premises. The Club licensee may not sell alcoholic liquor to a member that is under 21 years old. The Liquor Control Commission does not regulate the sale of food and non-members of the organization that holds a Club license are not restricted by the Liquor Control Code from purchasing food from a Club licensee.

Pursuant to MCL 436.1532(1), a bona fide member is an individual admitted as a charter member or admitted in accordance with the bylaws of the organization, subject to the following:

1. He or she must maintain current membership by the payment of annual dues;
2. His or her name and address is entered on the list of members; and,
3. He or she has voting rights to regularly elect the board of directors, officers, executive committee, or similar body that conducts the affairs and management of the organization.

For an incorporated or unincorporated nonprofit veterans' organization that is a branch or chapter of a national organization or an organization chartered by the United States Congress, a bona fide member includes 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, 26 USC 501, a bona fide member includes 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.

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### **Law Enforcement Powers of Members**

Generally, a person who holds law enforcement powers or has a spouse who holds law enforcement powers is ineligible for a liquor license, except for nonprofit fraternal

organizations partially comprised of law enforcement official. MCL 436.1523(1) states, "...a nonprofit fraternal organization incorporated under the laws of this state, whose membership is not totally composed of law enforcement personnel or public officeholders charged with the duty of enforcing any penal laws or ordinances of a governmental body, may be issued a Club liquor license if the organization is otherwise qualified."

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### **Purchases of Alcoholic Liquor For Cash**

The Liquor Control Code requires the sale of alcoholic liquor by licensees to be for cash only or by credit card. However, pursuant to MCL 436.2013(f), a bona fide member of an organization that holds a Club license may purchase alcoholic liquor on credit.