

SENATE BILL No. 165

March 13, 1991, Introduced by Senators POLLACK, WELBORN, MILLER, DE GROW, EHLERS, GAST, HONIGMAN, CARL, DINGELL, STABENOW, HART, CONROY, GEAKE, SCHWARZ, ARTHURHULTZ, KOIVISTO, V. SMITH, FAXON, VAUGHN, CHERRY, BERRYMAN, BARCIA, VAN REGENMORTER, HOLMES, O'BRIEN, DILLINGHAM and CISKY and referred to the Committee on State Affairs and Military/Veteran Affairs.

A bill to amend section 17 of Act No. 8 of the Public Acts of the Extra Session of 1933, entitled as amended "The Michigan liquor control act," as amended by Act No. 118 of the Public Acts of 1989, being section 436.17 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 17 of Act No. 8 of the Public Acts of
2 the Extra Session of 1933, as amended by Act No. 118 of the
3 Public Acts of 1989, being section 436.17 of the Michigan
4 Compiled Laws, is amended to read as follows:

5 Sec. 17. (1) The commission may issue licenses, as provided
6 in this act, upon the payment of the fees provided in section 19
7 and the filing of the bonds required in section 22, or liability
8 insurance as provided in section 22a. HOWEVER, THE COMMISSION
9 SHALL NOT ISSUE OR RENEW A LICENSE FOR CONSUMPTION ON THE

1 PREMISES OF ALCOHOLIC LIQUOR TO ANY PERSON WHOSE FACILITIES
2 DISCRIMINATE ON THE BASIS OF SEX EXCEPT THAT REST ROOM OR LOCKER
3 ROOM FACILITIES MAY BE SEGREGATED ON THE BASIS OF SEX.

4 (2) The commission shall issue licenses to manufacturers
5 only when 25% or more of the capital stock is owned by residents
6 of this state, except that these limitations shall not apply to
7 manufacturers of wine, mixed spirit drink, beer, or malt beverage
8 or to distillers or rectifiers.

9 (3) A full-year license issued by the commission shall
10 expire on April 30 following the date of issuance or the date
11 fixed by the commission. A license issued under this act shall
12 be construed to be a contract between the commission and the
13 licensee and shall be signed by both parties. When a licensee
14 dies, the commission may approve the operation of the establishment
15 by a personal representative or independent personal representative
16 duly appointed by the proper court, pending the settlement
17 of the estate of the deceased licensee. The commission may
18 approve a receiver or trustee appointed by a ~~proper~~ court OF
19 COMPETENT JURISDICTION to operate the licensed establishment of a
20 licensee of the commission. The commission may grant a part-year
21 license for a proportionate part of the license fee specified in
22 section 19. In a resort area the commission shall grant a
23 license for as short a period as 3 months. A license may be
24 transferred with the consent of the commission. A class C or
25 specially designated distributor license obtained other than by
26 transfer shall not be transferred within 3 years after its
27 issuance except if the licensee clearly and convincingly shows

1 that unusual hardship will result if the transfer is not
2 consented to by the commission. Except as provided in section
3 17b, an application for a license to sell alcoholic liquor for
4 consumption on the premises, except in a city having a population
5 of 1,000,000 or more, shall be approved by the local legislative
6 body in which the applicant's place of business is located before
7 the license is granted by the commission, except that in the case
8 of an application for renewal of an existing license, if an
9 objection to a renewal has not been filed with the commission by
10 the local legislative body not less than 30 days before the date
11 of expiration of the license, the approval of the local legisla-
12 tive body shall not be required. The commission shall provide
13 the local legislative body and the local chief of police with the
14 name, home and business addresses, and home and business phone
15 numbers to accomplish the local legislative reviews of new and
16 transferred license applications called for in this subsection.
17 Upon request of the local legislative body after due notice and
18 proper hearing by the local legislative body and the commission,
19 the commission shall revoke the license of a licensee granted a
20 license to sell alcoholic liquor for consumption on the premises,
21 or the commission shall revoke any permit issued by the commis-
22 sion which is held in conjunction with a license to sell alco-
23 holic liquor for consumption on the premises.

24 (4) A local legislative body, by resolution, may request
25 that the commission revoke the license of a licensee granted a
26 license to sell alcoholic liquor for consumption off the premises
27 whose place of business is located within the local legislative

1 body's jurisdiction and who has been determined pursuant to
2 commission violation hearings to have sold or furnished alcoholic
3 liquor, on at least 3 separate occasions in a single calendar
4 year, to a person who is less than 21 years of age, ~~provided~~
5 ~~said~~ IF THOSE violations did not involve the use of falsified or
6 fraudulent identification by the person who is less than 21 years
7 of age. If the commission verifies that the licensee who is the
8 subject of the resolution has been found to have committed the
9 violations as prescribed in this subsection, the commission may
10 suspend or revoke the licensee's license, and any permit held in
11 conjunction with the license.

12 (5) Except as otherwise provided in this act, a license
13 other than a special license which has been approved by the gov-
14 erning authority of such state owned land shall not be issued by
15 the commission to sell alcoholic liquor, either on or off the
16 premises, if the property or establishment to be covered by the
17 license is situated in or on state owned land. However, this
18 prohibition shall not apply to the following land:

19 (a) The Michigan state fairgrounds.

20 (b) The Upper Peninsula state fairgrounds.

21 (c) Armories, air bases, and naval installations owned or
22 leased by the state or provided by the federal government by
23 either lease, license, or use permit and used by outside parties
24 of a nonmilitary or state governmental nature.

25 (d) Land which was under lease to a person licensed in the
26 calendar year 1954 and on which a licensed establishment is
27 presently located.

1 (e) Land which was owned or leased by the federal
2 government, used as a military installation, and transferred to
3 this state before January 1, 1980 pursuant to Act No. 151 of the
4 Public Acts of 1978, being sections 3.551 to 3.561 of the
5 Michigan Compiled Laws. Two additional licenses may be issued
6 pursuant to this subdivision for establishments located on this
7 state land without regard to or effect on the quota provisions of
8 section 19c in the local governmental unit in which the license
9 will be issued. A person issued a license pursuant to this sub-
10 division may renew the license and transfer ownership of the
11 license, without regard to or effect on the quota provisions of
12 section 19c, if title to the property covered by the license is
13 transferred from the state to another person or to another gov-
14 ernmental unit. The commission shall not transfer a license
15 issued under this subdivision to another location. Before the
16 issuance of a license, and annually thereafter before the issu-
17 ance of a license for a new licensing period, the applicant for a
18 license shall submit to the commission a certificate from the
19 department or agency charged with control of the land setting
20 forth that the issuance of a license is not incompatible with the
21 objects and purposes entrusted to that department or agency under
22 the law establishing control of the land in the department or
23 agency. This subsection shall not prohibit the issuance of a
24 license pursuant to section 17h.

25 (f) Property owned by the Michigan state waterways commis-
26 sion and leased to persons under the harbor development act, Act
27 No. 79 of the Public Acts of 1988, being sections 281.1251 to

1 281.1268 of the Michigan Compiled Laws. A license may be issued
2 under this subdivision to a lessee without regard to the quota
3 provisions of section 19c, but the license shall not be issued
4 without the written approval of the Michigan state waterways com-
5 mission or its designee. A license issued under this subdivision
6 shall not be transferable as to ownership or location, and, if
7 the licensee goes out of business, the license shall be surren-
8 dered to the ~~liquor control~~ commission.

9 (6) This act shall not prohibit a hotel, which is or was the
10 holder of a license authorizing the retail sale of alcoholic
11 liquor for consumption on the premises, from applying for and
12 receiving, under this act, any other and different type of
13 license authorizing the retail sale of alcoholic liquor for con-
14 sumption on the premises ~~—, nor shall—~~ AND the application for
15 the license SHALL NOT be considered a new application for a
16 license ~~—~~ so long as the total number of public licenses for
17 consumption on the premises ~~—shall—~~ DOES not exceed the autho-
18 rized total established in this act and the sale of alcoholic
19 liquor is approved by the electors. The commission may divide
20 the state into 3 zones and establish for each zone an anniversary
21 date for renewal of full-year retail licenses in the licensing
22 year. The commission shall promulgate rules pursuant to the
23 administrative procedures act of 1969, Act No. 306 of the Public
24 Acts of 1969, as amended, being sections 24.201 to 24.328 of the
25 Michigan Compiled Laws, for the effective administration of the
26 renewal of licenses.

1 (7) The commission, with the written approval of the
2 department of natural resources in the case of the Michigan state
3 fairgrounds and the department of agriculture —, in the case of
4 the Upper Peninsula state fairgrounds —, may issue without
5 regard to the quota provision of section 19c a tavern license to
6 a person as concessionaire leasing or renting a portion of either
7 the Upper Peninsula state fairgrounds or the state fairgrounds,
8 or both, to service the licensed area in use for recreational or
9 exhibition purposes, other than at the time of the annual state
10 fair, under section 6 of the Michigan exposition and fairgrounds
11 act, Act No. 361 of the Public Acts of 1978, being section
12 285.166 of the Michigan Compiled Laws, and the annual Upper
13 Peninsula state fair, under section 2 of Act No. 89 of the Public
14 Acts of 1927, as amended, being section 285.142 of the Michigan
15 Compiled Laws. A license issued under this subsection is not
16 transferable.

17 (8) Notwithstanding section 3, a collector, who is 21 years
18 of age or older, of ceramic commemorative bottles containing
19 alcoholic liquor and which bear an unbroken federal tax stamp or
20 seal may sell or trade the bottles to other such collectors of
21 the bottles without obtaining a license pursuant to this act.
22 All sales conducted pursuant to this subsection shall be for the
23 purpose of exchanging ceramic commemorative bottles between pri-
24 vate collectors of the bottles and shall not be for the purpose
25 of selling alcoholic liquor for personal consumption. A sale or
26 exchange conducted pursuant to this subsection shall not occur in
27 any of the following ways:

1 (a) In connection with the business of a holder of an
2 alcoholic liquor license.

3 (b) In connection with any other business.