

SENATE BILL No. 288

April 24, 1991, Introduced by Senators DI NELLO, DUNASKISS, O'BRIEN and HART 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
8 liability insurance as provided in section 22a.

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

6 (3) A full-year license issued by the commission shall
7 expire on April 30 following the date of issuance or the date
8 fixed by the commission. A license issued under this act shall
9 be construed ~~to be~~ AS a contract between the commission and the
10 licensee AS FURTHER DESCRIBED IN SECTION 2I and shall be signed
11 by both parties. ~~When~~ IF a licensee dies, the commission may
12 approve the operation of the LICENSED establishment by a personal
13 representative or independent personal representative duly
14 appointed by the ~~proper~~ court OF COMPETENT JURISDICTION, pend-
15 ing the settlement of the estate of the deceased licensee. The
16 commission may approve a receiver or trustee appointed by a
17 ~~proper~~ court OF COMPETENT JURISDICTION to operate the licensed
18 establishment of a DECEASED licensee. ~~of the commission.~~ The
19 commission may grant a part-year license for a proportionate part
20 of the license fee specified in section 19. In a resort area,
21 the commission shall grant a license for A PERIOD OF TIME as
22 short ~~a period~~ as 3 months. A license may be transferred with
23 the consent of the commission. A class C or specially designated
24 distributor license obtained IN A MANNER other than by transfer
25 shall not be transferred within 3 years after its issuance except
26 ~~if~~ UNDER CIRCUMSTANCES WHERE the licensee clearly and
27 convincingly ~~shows~~ DEMONSTRATES that unusual hardship will

1 result if the transfer ~~is~~ DOES not ~~consented to by~~ RECEIVE
2 THE CONSENT OF the commission. Except as provided FOR in section
3 17b OR IN A CITY HAVING A POPULATION OF 1,000,000 OR MORE AND AS
4 A CONDITION TO THE COMMISSION'S APPROVAL OF AN APPLICATION, an
5 application for a license to sell alcoholic liquor for consump-
6 tion on the premises ~~, except in a city having a population of~~
7 ~~1,000,000 or more,~~ shall be approved by the local legislative
8 body in which the applicant's place of business is located
9 ~~before the license is granted by the commission, except that it~~
10 NOT MORE THAN 30 DAYS AFTER NOTIFICATION OF THE APPLICATION FROM
11 THE COMMISSION UNLESS THIS TIME PERIOD IS EXTENDED BY THE COMMIS-
12 SION FOR GOOD CAUSE BASED UPON A WRITTEN REQUEST FOR EXTENSION
13 ACCOMPANIED BY SUPPORTING DOCUMENTATION ACCEPTABLE TO THE
14 COMMISSION. IF AN EXTENSION IS NOT OBTAINED BY THE LOCAL LEGIS-
15 LATIVE BODY, THE COMMISSION SHALL PRESUME APPROVAL BY THE LOCAL
16 LEGISLATIVE BODY. that in IN the case of an application for
17 renewal of an existing license, if an objection to a renewal has
18 not been filed with the commission by the local legislative body
19 not less than 30 days before the date of expiration of the
20 license, the approval of the local legislative body shall not be
21 required. The commission shall provide the local legislative
22 body and the local chief of police with the name, home and busi-
23 ness addresses, and home and business phone numbers to accomplish
24 the local legislative reviews of new and transferred license
25 applications ~~called for in~~ REQUIRED BY this subsection. Upon
26 request of the local legislative body after due notice and proper
27 hearing by the local legislative body and the commission, the

1 commission shall revoke the license of a licensee granted a
2 license to sell alcoholic liquor for consumption on the premises
3 ~~—, or the commission shall revoke any permit issued by the~~
4 ~~commission which is~~ held in conjunction with ~~a~~ THAT license.
5 ~~to sell alcoholic liquor for consumption on the premises.~~

6 (4) A local legislative body, by resolution, may request
7 that the commission revoke the license of a licensee granted a
8 license to sell alcoholic liquor for consumption off the premises
9 whose place of business is located within the local legislative
10 body's jurisdiction and who has been determined pursuant to com-
11 mission violation hearings to have sold or furnished alcoholic
12 liquor, on at least 3 separate occasions in a single calendar
13 year, to a person who is less than 21 years of age ~~—, provided~~
14 ~~said~~ IF THOSE violations did not involve the use of falsified or
15 fraudulent identification by the person who is less than 21 years
16 of age. If the commission verifies that the licensee who is the
17 subject of the resolution has been found to have committed the
18 violations as prescribed in this subsection, the commission may
19 suspend or revoke the licensee's license ~~—~~ and any permit held
20 in conjunction with ~~the~~ THAT license.

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

1 (a) The Michigan state fairgrounds.

2 (b) The Upper Peninsula state fairgrounds.

3 (c) Armories, air bases, and naval installations owned or
4 leased by the state or provided by the federal government by
5 either lease, license, or use permit and used by outside parties
6 of a nonmilitary or ~~state~~ NONSTATE governmental nature.

7 (d) Land which was under lease to a person licensed in the
8 calendar year 1954 and on which a licensed establishment is pres-
9 ently located.

10 (e) Land which was owned or leased by the federal govern-
11 ment, used as a military installation, and transferred to this
12 state before January 1, 1980 pursuant to Act No. 151 of the
13 Public Acts of 1978, being sections 3.551 to 3.561 of the
14 Michigan Compiled Laws. Two additional licenses may be issued
15 pursuant to this subdivision for establishments located on this
16 state land without regard to or effect on the quota provisions of
17 section 19c in the local governmental unit in which the license
18 will be issued. A person issued a license pursuant to this sub-
19 division may renew the license and transfer ownership of the
20 license, without regard to or effect on the quota provisions of
21 section 19c, if title to the property covered by the license is
22 transferred from the state to another person or to another gov-
23 ernmental unit. The commission shall not transfer a license
24 issued under this subdivision to another location. Before the
25 issuance of a license, and annually thereafter before the issu-
26 ance of a license for a new licensing period, the applicant for a
27 license shall submit to the commission a certificate from the

1 department or agency charged with control of the land setting
2 forth that the issuance of a license is not incompatible with the
3 objects and purposes entrusted to that department or agency under
4 the law establishing control of the land in the department or
5 agency. This subsection shall not prohibit the issuance of a
6 license pursuant to section 17h.

7 (f) Property owned by the Michigan state waterways commis-
8 sion and leased to persons under the harbor development act, Act
9 No. 79 of the Public Acts of 1988, being sections 281.1251 to
10 281.1268 of the Michigan Compiled Laws. A license may be issued
11 under this subdivision to a lessee without regard to the quota
12 provisions of section 19c, but the license shall not be issued
13 without the written approval of the Michigan state waterways com-
14 mission or its designee. A license issued under this subdivision
15 shall not be transferable as to ownership or location, and, if
16 the licensee goes out of business, the license shall be surren-
17 dered to the ~~liquor control~~ commission.

18 (6) This act shall not prohibit a hotel ~~—~~ which is or was
19 the holder of a license authorizing the retail sale of alcoholic
20 liquor for consumption on the premises ~~—~~ from applying for and
21 receiving ~~—~~ under this act ~~—~~ any other and different type of
22 license authorizing the retail sale of alcoholic liquor for con-
23 sumption on the premises, ~~nor shall~~ AND the application for the
24 license SHALL NOT be considered a new application for a license
25 ~~—~~ so long as the total number of public licenses for consump-
26 tion on the premises ~~shall~~ DOES not exceed the authorized total
27 established in this act and the sale of alcoholic liquor is

1 approved by the electors. The commission may divide the state
2 into 3 zones and establish for each zone an anniversary date for
3 renewal of full-year retail licenses in the licensing year. The
4 commission shall promulgate rules pursuant to the administrative
5 procedures act of 1969, Act No. 306 of the Public Acts of 1969,
6 as amended, being sections 24.201 to 24.328 of the Michigan
7 Compiled Laws, for the ~~effective~~ administration of the renewal
8 of licenses.

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

25 (8) Notwithstanding section 3, a collector ~~—~~ who is 21
26 years of age or older ~~—~~ of ceramic commemorative bottles
27 containing alcoholic liquor and which bear an unbroken federal

1 tax stamp or seal may sell or trade the bottles to other such
2 collectors of the bottles without obtaining a license pursuant to
3 this act. All sales conducted pursuant to this subsection shall
4 be for the purpose of exchanging ceramic commemorative bottles
5 between private collectors of the bottles and shall not be for
6 the purpose of selling alcoholic liquor for personal
7 consumption. A sale or exchange conducted pursuant to this sub-
8 section shall not occur in any of the following ways:

9 (a) In connection with the business of a holder of an alco-
10 holic liquor license.

11 (b) In connection with any other business.