

# SENATE BILL No. 794

March 11, 1992, Introduced by Senator DUNASKISS and referred to the Committee on State Affairs and Military/Veteran Affairs.

A bill to amend section 19c 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 436.19c of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1.   Section 19c 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 436.19c of the Michigan  
4 Compiled Laws, is amended to read as follows:

5       Sec. 19c.   (1) A public license shall not be granted for the  
6 sale of alcoholic liquor for consumption on the premises in  
7 excess of 1 license for each 1,500 of population or major  
8 fraction thereof.   This quota does not bar the right of an  
9 existing licensee to renew a license or transfer the license nor

1 does it bar the right of a tavern or class A hotel from  
2 requesting reclassification of a license to class C, unless local  
3 option laws prevent the sale of spirits and mixed spirit drinks  
4 by those licensed premises, subject to the consent of the  
5 commission. Upgrading of a license resulting from a request  
6 under this subsection shall be approved by the local governmental  
7 unit having jurisdiction.

8       (2) In a resort area, the commission may issue 1 or more  
9 licenses for a period not to exceed 12 months without regard to a  
10 limitation because of population, but not in excess of 550, and  
11 with respect to the resort license the commission, by rule, shall  
12 define and classify resort seasons by months and may issue 1 or  
13 more licenses for resort seasons without regard to the calendar  
14 year or licensing year.

15       (3) In addition to the resort licenses authorized in subsec-  
16 tion (2), the commission may issue not more than 10 additional  
17 licenses per year for each of the years 1988, 1989, 1990, 1991,  
18 1992, and 1993 to establishments whose business and operation, as  
19 determined by the commission, is designed to attract and accommo-  
20 date tourists and visitors to the resort area, and whose primary  
21 purpose is not for the sale of alcoholic liquor. In counties  
22 having a population of less than 50,000, as determined by the  
23 last federal decennial census or as determined pursuant to  
24 subsection (10), the commission shall not require the establish-  
25 ments to have dining facilities to seat more than 50 persons.  
26 The commission may cancel the license if the resort is no longer  
27 active or no longer qualifies for the license. Before January 16

1 of each year the commission shall transmit to the legislature a  
2 report giving details as to the number of applications received  
3 under this subsection; the number of licenses granted and to  
4 whom; the number of applications rejected and the reasons; and  
5 the number of the licenses revoked, suspended, or other disci-  
6 plinary action taken and against whom and the grounds for revoca-  
7 tion, suspension, or disciplinary action.

8       (4) In addition to any licenses for the sale of alcoholic  
9 liquor for consumption on the premises that may be available in  
10 the local governmental unit under subsection (1) and the resort  
11 licenses authorized in subsections (2) and (3), the commission  
12 may issue not more than 25 additional resort licenses for each of  
13 the years 1988, 1989, 1990, 1991, 1992, and 1993 if all of the  
14 following conditions are met:

15       (a) The establishment's business and operation, as deter-  
16 mined by the commission, is designed to attract and accommodate  
17 tourists and visitors to the resort area.

18       (b) The establishment's primary business is not the sale of  
19 alcoholic liquor.

20       (c) The capital investment in real property, leasehold  
21 improvement, fixtures, and inventory for the premises to be  
22 licensed is in excess of \$1,000,000.00.

23       (5) In governmental units having a population of 50,000 per-  
24 sons or less, as determined by the last federal decennial census  
25 or as determined pursuant to subsection (10), in which the quota  
26 of specially designated distributor licenses, as provided by  
27 commission rule, has been exhausted, the commission may issue not

1 more than 10 additional specially designated distributor licenses  
2 per year for each of the years 1988, 1989, 1990, 1991, 1992, and  
3 1993 to established merchants whose business and operation, as  
4 determined by the commission, is designed to attract and accommo-  
5 date tourists and visitors to the resort area. A specially des-  
6 ignated distributor license issued pursuant to this subsection  
7 may be issued at a location within 2,640 feet of existing spe-  
8 cially designated distributor license locations. A specially  
9 designated distributor license issued pursuant to this subsection  
10 shall not bar another specially designated distributor licensee  
11 from transferring location to within 2,640 feet of said licensed  
12 location.

13       (6) In addition to any licenses for the sale of alcoholic  
14 liquor for consumption on the premises that may be available in  
15 the local governmental unit under subsection (1), and the resort  
16 licenses authorized in subsections (2), (3), and (4), and not-  
17 withstanding section 17(4), the commission may issue not more  
18 than 5 additional special purpose licenses in any calendar year  
19 for the sale of beer and wine for consumption on the premises. A  
20 special purpose license issued pursuant to this subsection shall  
21 be issued only for events which are to be held from May 1 to  
22 September 30, are artistic in nature, and which are to be held on  
23 the campus of a public university with an enrollment of 30,000 or  
24 more students. A special purpose license shall be valid for 30  
25 days or for the duration of the event for which it is issued,  
26 whichever is less. The fee for a special purpose license shall

1 be \$50.00. A special purpose license may be issued only to a  
2 corporation which is all of the following:

3 (a) Is a nonprofit corporation organized pursuant to the  
4 nonprofit corporation act, Act No. 162 of the Public Acts of  
5 1982, being sections 450.2101 to 450.3192 of the Michigan  
6 Compiled Laws.

7 (b) Has a board of directors constituted of members of whom  
8 half are elected by the public university at which the event is  
9 scheduled and half are elected by the local governmental unit.

10 (c) Has been in continuous existence for not less than 6  
11 years.

12 (7) IN ADDITION TO ANY LICENSES FOR THE SALE OF ALCOHOLIC  
13 LIQUOR FOR CONSUMPTION ON THE PREMISES THAT MAY BE AVAILABLE IN  
14 THE LOCAL GOVERNMENTAL UNIT UNDER SUBSECTION (1), AND THE RESORT  
15 LICENSES AUTHORIZED IN SUBSECTIONS (2), (3), AND (4), AND NOT-  
16 WITHSTANDING SECTION 17(4), THE COMMISSION MAY ISSUE NOT MORE  
17 THAN 1 ADDITIONAL SPECIAL PURPOSE LICENSE IN ANY CALENDAR YEAR  
18 FOR THE SALE OF BEER AND WINE, OR AT THE OPTION OF THE GOVERNING  
19 BOARD OF THE UNIVERSITY, ALCOHOLIC LIQUOR, FOR CONSUMPTION ON THE  
20 PREMISES. A SPECIAL PURPOSE LICENSE ISSUED PURSUANT TO THIS SUB-  
21 SECTION SHALL BE ISSUED ONLY FOR REGULARLY SCHEDULED EVENTS WHICH  
22 ARE TO BE HELD AT A PUBLIC UNIVERSITY ESTABLISHED OUTDOOR MUSIC  
23 PROGRAM OR FESTIVAL, ARE MUSICAL ENTERTAINMENT IN NATURE, AND  
24 WHICH ARE TO BE HELD ON THE CAMPUS OF A PUBLIC UNIVERSITY WITH AN  
25 ENROLLMENT OF 10,000 OR MORE STUDENTS. A SPECIAL PURPOSE LICENSE  
26 SHALL BE VALID FOR THE DURATION OF THE REGULARLY SCHEDULED EVENTS  
27 IN THE CALENDAR YEAR FOR WHICH IT IS ISSUED. THE FEE FOR A

1 SPECIAL PURPOSE LICENSE SHALL BE \$50.00. A SPECIAL PURPOSE  
2 LICENSE MAY BE ISSUED ONLY TO A CORPORATION WHICH IS THE LESSEE  
3 OR ASSIGNEE OF THE GOVERNING BOARD OF THE UNIVERSITY.

4 (8) ~~—(7)—~~ In issuing a resort license under subsection (3),  
5 (4), or (5) the commission shall consider economic development  
6 factors of the area in the issuance of licenses to establishments  
7 designed to stimulate and promote the resort and tourist  
8 industry. The commission shall not transfer a resort license  
9 issued under subsection (3), (4), or (5) to another location, and  
10 if the licensee goes out of business the license shall be surren-  
11 dered to the commission.

12 (9) ~~—(8)—~~ The limitations and quotas of this section shall  
13 not be applicable to the issuance of a new license to a veteran  
14 of the armed forces of the United States who was honorably dis-  
15 charged or released under honorable conditions from the armed  
16 forces of the United States and who had by forced sale disposed  
17 of a similar license within 90 days before or after entering or  
18 while serving in the armed forces of the United States, as a part  
19 of the person's preparation for that service if the application  
20 for a new license is made for the same governmental unit in which  
21 the previous license was issued and within 60 days after the dis-  
22 charge of the applicant from the armed forces of the United  
23 States.

24 (10) ~~—(9)—~~ The limitations and quotas of this section shall  
25 not be applicable to the issuance of a new license or the renewal  
26 of an existing license where the property or establishment to be

1 licensed is situated in or on land on which an airport owned by a  
2 county or in which a county has an interest is situated.

3       (11) ~~—(10)—~~ For purposes of implementing this section a spe-  
4 cial state census of a local governmental unit may be taken at  
5 the expense of the local governmental unit by the federal bureau  
6 of census or the secretary of state under section 6 of Act  
7 No. 279 of the Public Acts of 1909, as amended, being section  
8 117.6 of the Michigan Compiled Laws. The special census shall be  
9 initiated by resolution of the governing body of the local gov-  
10 ernmental unit involved. The secretary of state may promulgate  
11 additional rules necessary for implementing this section pursuant  
12 to the administrative procedures act of 1969, Act No. 306 of the  
13 Public Acts of 1969, being sections 24.201 to 24.328 of the  
14 Michigan Compiled Laws.

15       (12) ~~—(11)—~~ The limitations and quotas of this section shall  
16 not be applicable to the issuance of a new license to the govern-  
17 ing board of a college or university pursuant to section 17h.

18       (13) ~~—(12)—~~ The limitations and quotas of this section shall  
19 not be applicable to the issuance of a national sporting event  
20 license pursuant to section 17b.