

# SENATE BILL No. 813

March 18, 1992, Introduced by Senators VAUGHN and GAST  
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 and shall be signed by both parties. ~~When~~ IF a  
11 licensee dies, the commission may approve the operation of the  
12 establishment by a personal representative or independent per-  
13 sonal representative duly appointed by ~~the proper~~ A court OF  
14 COMPETENT JURISDICTION, pending the settlement of the estate of  
15 the deceased licensee. The commission may approve a receiver or  
16 trustee appointed by a ~~proper~~ court OF COMPETENT JURISDICTION  
17 to operate the licensed establishment of a DECEASED licensee.  
18 ~~of the commission.~~ The commission may grant a part-year license  
19 for a proportionate part of the license fee specified in  
20 section 19. In a resort area the commission shall grant a  
21 license for A PERIOD OF TIME as short ~~a period~~ as 3 months. A  
22 license may be transferred with the consent of the commission. A  
23 class C or specially designated distributor license obtained IN A  
24 MANNER other than by transfer shall not be transferred within  
25 3 years after its issuance except ~~if~~ UNDER CIRCUMSTANCES WHERE  
26 the licensee clearly and convincingly ~~shows~~ DEMONSTRATES that  
27 unusual hardship will result if the transfer ~~is~~ DOES not

1 ~~consented to by~~ RECEIVE THE CONSENT OF the commission. Except  
2 as provided in section 17b, an application for a license to sell  
3 alcoholic liquor for consumption on the premises, except in a  
4 city having a population of 1,000,000 or more, shall be approved  
5 by the local legislative body in which the applicant's place of  
6 business is located before the license is granted by the commis-  
7 sion, except that in the case of an application for renewal of an  
8 existing license, if an objection to a renewal has not been filed  
9 with the commission by the local legislative body not less than  
10 30 days before the date of expiration of the license, the  
11 approval of the local legislative body shall not be required.  
12 The commission shall provide the local legislative body and the  
13 local chief of police with the name, home and business addresses,  
14 and home and business phone numbers to accomplish the local leg-  
15 islative reviews of new and transferred license applications  
16 ~~called for in~~ REQUIRED BY this subsection. Upon request of the  
17 local legislative body after due notice and proper hearing by the  
18 local legislative body and the commission, the commission shall  
19 revoke the license of a licensee granted a license to sell alco-  
20 holic liquor for consumption on the premises ~~—~~ or ~~the commis-~~  
21 ~~sion shall revoke any permit issued by the commission which~~  
22 ~~is held in conjunction with a~~ THAT 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  
11 in conjunction with ~~the~~ THAT 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—~~ NONSTATE 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  
10 the 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 the  
15 license SHALL NOT be considered a new application for a license  
16 ~~—~~ so long as the total number of public licenses for consump-  
17 tion on the premises ~~shall~~ DOES not exceed the authorized total  
18 established in this act and the sale of alcoholic liquor is  
19 approved by the electors. The commission may divide the state  
20 into 3 zones and establish for each zone an anniversary date for  
21 renewal of full-year retail licenses in the licensing year. The  
22 commission shall promulgate rules pursuant to the administrative  
23 procedures act of 1969, Act No. 306 of the Public Acts of 1969,  
24 as amended, being sections 24.201 to 24.328 of the Michigan  
25 Compiled Laws, for the effective administration of the renewal of  
26 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~~  
10 ~~state fair, under section 6 of the Michigan exposition and fair-~~  
11 ~~grounds act, Act No. 361 of the Public Acts of 1978, being~~  
12 ~~section 285.166 of the Michigan Compiled Laws, and the annual~~  
13 ~~Upper Peninsula state fair, under section 2 of Act No. 89 of the~~  
14 ~~Public Acts of 1927, as amended, being section 285.142 of the~~  
15 ~~Michigan Compiled Laws.~~ A license issued under this subsection  
16 is not 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.