



HOUSE BILL No. 5768

September 14 1994 Introduced by Rep Rocca and referred to the Committee on Liquor Control

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 272 of the Public Acts of 1993 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 272 of the
3 Public Acts of 1993, 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

1 ~~nor~~ AND does ~~it~~ NOT bar the right of a tavern or class A
 2 hotel from requesting reclassification of a license to class C
 3 unless local option laws prevent the sale of spirits and mixed
 4 spirit drinks by those licensed premises, subject to the consent
 5 of the commission ~~Upgrading~~ THE UPGRADING of a license
 6 resulting from a request under this subsection shall be approved
 7 by the local governmental 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 for the ~~year 1994~~ YEARS 1995 1996 AND 1997 to estab-
 18 lishments whose business and operation as determined by the com-
 19 mission, is designed to attract and accommodate tourists and vis-
 20 itors to the resort area and whose primary purpose is not for
 21 the sale of alcoholic liquor In counties having a population of
 22 less than 50 000, as determined by the last federal decennial
 23 census or as determined pursuant to subsection (11), the commis-
 24 sion shall not require the establishments to have dining facili-
 25 ties to seat more than 50 persons The commission may cancel the
 26 license if the resort is no longer active or no longer qualifies
 27 for the license Before January 16 of each year the commission

1 shall transmit to the legislature a report giving details as to
2 the number of applications received under this subsection the
3 number of licenses granted and to whom the number of applica-
4 tions rejected and the reasons and the number of the licenses
5 revoked, suspended, or other disciplinary action taken and
6 against whom and the grounds for revocation, suspension, or dis-
7 ciplinary 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 the
13 ~~year 1994~~ YEARS 1995, 1996 AND 1997 if all of the following
14 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 (11) 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 for the ~~year 1994~~ YEARS 1995 1996, AND 1997 to established
3 merchants whose business and operation, as determined by the com-
4 mission, is designed to attract and accommodate tourists and vis-
5 itors to the resort area A specially designated distributor
6 license issued pursuant to this subsection may be issued at a
7 location within 2,640 feet of existing specially designated dis-
8 tributor license locations A specially designated distributor
9 license issued pursuant to this subsection shall not bar another
10 specially designated distributor licensee from transferring loca-
11 tion to within 2,640 feet of said licensed location

12 (6) 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 5 additional special purpose licenses in any calendar year
18 for the sale of beer and wine for consumption on the premises A
19 special purpose license issued pursuant to this subsection shall
20 be issued only for events which are to be held from May 1 to
21 September 30, are artistic in nature, and which are to be held on
22 the campus of a public university with an enrollment of 30,000 or
23 more students A special purpose license shall be valid for 30
24 days or for the duration of the event for which it is issued,
25 whichever is less The fee for a special purpose license shall
26 be \$50 00 A special purpose license may be issued only to a
27 corporation which is all of the following

1 (a) Is a nonprofit corporation organized pursuant to the
2 nonprofit corporation act Act No 162 of the Public Acts of
3 1982, being sections 450 2101 to 450 3192 of the Michigan

4 Compiled Laws

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

8 (c) Has been in continuous existence for not less than 6
9 years

10 (7) Notwithstanding the local legislative body approval pro-
11 vision of section 17(3) and notwithstanding the provisions of
12 section 17(5), the commission may issue, without regard to the
13 quota provisions of subsection (1) and with the approval of the
14 governing board of the university either a tavern or class C
15 license which may be used only for regularly scheduled events at
16 a public university's established outdoor program or festival at
17 a facility on the campus of a public university having a head
18 count enrollment of 10 000 students or more A license issued
19 under this subsection may only be issued to the governing board
20 of a public university a person that is the lessee or conces-
21 sionaire of the governing board of the university or both A
22 license issued under this subsection is not transferable as to
23 ownership or location A license issued under this subsection
24 may not be issued at an outdoor stadium customarily used for
25 intercollegiate athletic events

26 (8) In issuing a resort license under subsection (3), (4)
27 or (5) the commission shall consider economic development factors

1 of the area in the issuance of licenses to establishments
2 designed to stimulate and promote the resort and tourist
3 industry The commission shall not transfer a resort license
4 issued under subsection (3), (4), or (5) to another location and
5 if the licensee goes out of business the license shall be surren-
6 dered to the commission

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

19 (10) The limitations and quotas of this section shall not be
20 applicable to the issuance of a new license or the renewal of an
21 existing license where the property or establishment to be
22 licensed is situated in or on land on which an airport owned by a
23 county or in which a county has an interest is situated

24 (11) For purposes of implementing this section a special
25 state census of a local governmental unit may be taken at the
26 expense of the local governmental unit by the federal bureau of
27 census or the secretary of state under section 6 of Act No 279

1 of the Public Acts of 1909 as amended being section 117 6 of
2 the Michigan Compiled Laws The special census shall be initi-
3 ated by resolution of the governing body of the local governmen-
4 tal unit involved The secretary of state may promulgate addi-
5 tional rules necessary for implementing this section pursuant to
6 the administrative procedures act of 1969, Act No 306 of the
7 Public Acts of 1969, being sections 24 201 to 24 328 of the
8 Michigan Compiled Laws

9 (12) The limitations and quotas of this section shall not be
10 applicable to the issuance of a new license to the governing
11 board of a college or university pursuant to section 17h

12 (13) The limitations and quotas of this section shall not be
13 applicable to the issuance of a national sporting event license
14 pursuant to section 17b

15 (14) Before granting an approval as required in
16 section 17(3) for a license to be issued under subsection (2),
17 (3), or (4), a local legislative body shall disclose the avail-
18 ability of transferable licenses held in escrow for more than 1
19 licensing year within that respective local governmental unit
20 Public notice of the meeting to consider the granting of the
21 license by the local governmental unit shall be made 2 weeks
22 before the meeting