



SENATE BILL No. 4

January 13, 1993, Introduced by Senator DI NELLO 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. 136 of the Public Acts of 1992, 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. 136 of the
3 Public Acts of 1992, 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.

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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 this limitation shall not apply to
4 manufacturers of wine, mixed spirit drink, beer, or malt beverage
5 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 as a contract between the commission and the
10 licensee and shall be signed by both parties. If a licensee
11 dies, the commission may approve the operation of the LICENSED
12 establishment by a personal representative or independent personal
13 representative duly appointed by a court of competent
14 jurisdiction, pending the settlement of the estate of the
15 deceased licensee. The commission may approve a receiver or
16 trustee appointed by a court of competent jurisdiction to operate
17 the licensed establishment of a licensee. The commission may
18 grant a part-year license for a proportionate part of the license
19 fee specified in section 19. In a resort area the commission
20 shall grant a license for a period of time as short as 3 months.
21 A license may be transferred with the consent of the commission.
22 A class C or specially designated distributor license obtained in
23 a manner other than by transfer shall not be transferred within
24 3 years after its issuance except under circumstances where the
25 licensee clearly and convincingly demonstrates that unusual hardship
26 will result if the transfer does not receive the consent of
27 the commission. Except as provided in section 17b OR IN A CITY

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

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

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

23 (a) The Michigan state fairgrounds.

24 (b) The Upper Peninsula state fairgrounds.

25 (c) Armories, air bases, and naval installations owned or
26 leased by the state or provided by the federal government by

1 either lease, license, or use permit and used by outside parties
2 of a nonmilitary or nonstate governmental nature.

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

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

1 agency. This subsection shall not prohibit the issuance of a
2 license pursuant to section 17h.

3 (f) Property owned by the Michigan state waterways commis-
4 sion and leased to persons under the harbor development act, Act
5 No. 79 of the Public Acts of 1988, being sections 281.1251 to
6 281.1268 of the Michigan Compiled Laws. A license may be issued
7 under this subdivision to a lessee without regard to the quota
8 provisions of section 19c, but the license shall not be issued
9 without the written approval of the Michigan state waterways com-
10 mission or its designee. A license issued under this subdivision
11 shall not be transferable as to ownership or location, and, if
12 the licensee goes out of business, the license shall be surren-
13 dered to the commission.

14 (6) This act shall not prohibit a hotel which is or was the
15 holder of a license authorizing the retail sale of alcoholic
16 liquor for consumption on the premises from applying for and
17 receiving under this act any other and different type of license
18 authorizing the retail sale of alcoholic liquor for consumption
19 on the premises, and the application for the license shall not be
20 considered a new application for a license so long as the total
21 number of public licenses for consumption on the premises does
22 not exceed the authorized total established in this act and the
23 sale of alcoholic liquor is approved by the electors. The com-
24 mission may divide the state into 3 zones and establish for each
25 zone an anniversary date for renewal of full-year retail licenses
26 in the licensing year. The commission shall promulgate rules
27 pursuant to the administrative procedures act of 1969, Act

1 No. 306 of the Public Acts of 1969, as amended, being
2 sections 24.201 to 24.328 of the Michigan Compiled Laws, for the
3 effective administration of the renewal of licenses.

4 (7) Until July 1, 1994, the commission, with the written
5 approval of the department of natural resources in the case of
6 the Michigan state fairgrounds and the department of agriculture
7 in the case of the Upper Peninsula state fairgrounds may issue
8 without regard to the quota provision of section 19c a tavern
9 license to a person as concessionaire leasing or renting a por-
10 tion of either the Upper Peninsula state fairgrounds or the state
11 fairgrounds, or both, to service the licensed area in use for
12 recreational or exhibition purposes other than at the time of the
13 annual Upper Peninsula state fair under section 2 of Act No. 89
14 of the Public Acts of 1927, being section 285.142 of the Michigan
15 Compiled Laws. A license issued under this subsection is not
16 transferable.

17 (8) Beginning July 1, 1994, the commission, with the written
18 approval of the department of natural resources in the case of
19 the Michigan state fairgrounds and the department of agriculture
20 in the case of the Upper Peninsula state fairgrounds may issue
21 without regard to the quota provision of section 19c a tavern
22 license to a person as concessionaire leasing or renting a por-
23 tion of either the Upper Peninsula state fairgrounds or the state
24 fairgrounds, or both, to service the licensed area in use for
25 recreational or exhibition purposes, other than at the time of
26 the annual state fair, under section 6 of the Michigan exposition
27 and fairgrounds act, Act No. 361 of the Public Acts of 1978,

1 being section 285.166 of the Michigan Compiled Laws, and the
2 annual Upper Peninsula state fair, under section 2 of Act No. 89
3 of the Public Acts of 1927, as amended, being section 285.142 of
4 the Michigan Compiled Laws. A license issued under this subsec-
5 tion is not transferable.

6 (9) Notwithstanding section 3, a collector — who is 21
7 years of age or older — of ceramic commemorative bottles con-
8 taining alcoholic liquor and which bear an unbroken federal tax
9 stamp or seal may sell or trade the bottles to other such collec-
10 tors of the bottles without obtaining a license pursuant to this
11 act. All sales conducted pursuant to this subsection shall be
12 for the purpose of exchanging ceramic commemorative bottles
13 between private collectors of the bottles and shall not be for
14 the purpose of selling alcoholic liquor for personal
15 consumption. A sale or exchange conducted pursuant to this sub-
16 section shall not occur in any of the following ways:

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

19 (b) In connection with any other business.