



HOUSE BILL No. 5517

January 18, 1996, Introduced by Rep. Voorhees and referred to the Committee on Regulatory Affairs.

A bill to amend the title and sections 1, 1a, 2i, 3, 5, 5b, 7a, 11, and 17 of Act No. 8 of the Public Acts of the Extra Session of 1933, entitled as amended

"The Michigan liquor control act,"

section 1 as amended by Act No. 11 of the Public Acts of 1983, section 3 as amended by Act No. 153 of the Public Acts of 1981, and section 17 as amended by Act No. 138 of the Public Acts of 1995, being sections 436.1, 436.1a, 436.2i, 436.3, 436.5, 436.5b, 436.7a, 436.11, and 436.17 of the Michigan Compiled Laws; to add sections 2ee, 59, 60, 61, 62, and 63; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 1, 1a, 2i, 3, 5, 5b, 7a,
2 11, and 17 of Act No. 8 of the Public Acts of the Extra Session
3 of 1933, section 1 as amended by Act No. 11 of the Public Acts of

1 1983, section 3 as amended by Act No. 153 of the Public Acts of
2 1981, and section 17 as amended by Act No. 138 of the Public Acts
3 of 1995, being sections 436.1, 436.1a, 436.2i, 436.3, 436.5,
4 436.5b, 436.7a, 436.11, and 436.17 of the Michigan Compiled Laws,
5 are amended and sections 2ee, 59, 60, 61, 62, and 63 are added to
6 read as follows:

7 TITLE

8 An act to create a liquor AND TOBACCO control commission for
9 the control of the alcoholic beverage AND TOBACCO PRODUCTS traf-
10 fic within the state of Michigan, and to prescribe its powers,
11 duties, and limitations; to provide for the control of the alco-
12 holic liquor AND TOBACCO PRODUCTS traffic within the state of
13 Michigan and the establishment of state liquor stores; to provide
14 for the care and treatment of alcoholics; to provide for the
15 incorporation of farmer cooperative wineries and the granting of
16 certain rights and privileges thereto; TO PROVIDE FOR THE LICEN-
17 SURE OF CERTAIN PERSONS INVOLVED IN THE SALE AND DISTRIBUTION OF
18 ALCOHOLIC LIQUOR AND TOBACCO PRODUCTS; to provide for the licens-
19 ing and taxation thereof ~~—~~ and the disposition of the ~~moneys~~
20 MONEY received under this act; to prescribe liability for retail
21 licensees under certain circumstances; to require security for
22 that liability; to provide procedures, defenses, PENALTIES, and
23 remedies regarding violations of this act; to provide for the
24 enforcement and to prescribe penalties for violations of this
25 act; to provide for the confiscation and disposition of property
26 seized under the provisions of this act; to provide a referendum

1 in certain cases; to repeal certain acts and parts of acts; and
2 to repeal certain parts of this act on a specific date.

3 Sec. 1. (1) ~~On and after December 15, 1933, it shall be~~
4 ~~lawful to~~ A PERSON SHALL NOT manufacture for sale, sell, offer
5 for sale, keep for sale, possess, or transport ~~any~~ AN alcoholic
6 liquor, ~~as defined in this act,~~ A TOBACCO PRODUCT, OR BOTH,
7 including alcoholic liquor used for medicinal, mechanical, chemi-
8 cal, or scientific purposes and wine used for sacramental pur-
9 poses, ~~subject to the terms, conditions, limitations, and~~
10 ~~restrictions contained in this act, and only~~ EXCEPT as provided
11 ~~for~~ in this act.

12 (2) Except as otherwise provided in this act, the commission
13 shall have the sole right, power, and duty to control the TOBACCO
14 TRAFFIC, alcoholic beverage traffic, and traffic in other alco-
15 holic liquor within this state, including the manufacture, impor-
16 tation, possession, transportation and sale thereof.

17 (3) A rule, regulation, or order made by the commission
18 shall not unreasonably discriminate against Michigan manufactur-
19 ers of alcoholic liquor OR TOBACCO PRODUCTS.

20 (4) County sheriffs and their deputies; village or township
21 marshals; constables, officers, or members of the village, city,
22 or township police; members of the department of state police;
23 and inspectors of the commission ~~are empowered, and it is their~~
24 ~~duty, to see~~ SHALL ENSURE that the provisions of this act and
25 the rules and regulations made or authorized by the commission
26 are enforced within their respective jurisdictions. It is their
27 special duty to use their utmost efforts to repress and prevent

1 crime and the violation of ~~any of the provisions of~~ this act.
2 An officer enumerated in this section who ~~willfully~~ WILLFULLY
3 neglects or refuses to perform the duties imposed upon him or her
4 by this section is guilty of a misdemeanor and upon conviction
5 shall be fined not more than \$500.00 or imprisoned ~~in the county~~
6 ~~jail~~ not more than 90 days, or both.

7 Sec. 1a. This act shall be known and may be cited as "the
8 Michigan liquor AND TOBACCO control act". ~~—."~~

9 Sec. 2i. "License" ~~shall mean~~ MEANS a contract between
10 the commission and the licensee granting authority to ~~said~~ THE
11 licensee to ~~manufacture~~ DO 1 OR BOTH OF THE FOLLOWING:

12 (A) MANUFACTURE and sell, ~~or~~ sell, or warehouse ~~any~~ AN
13 alcoholic liquor in the manner provided by this act.

14 (B) SELL A TOBACCO PRODUCT IN THE MANNER PROVIDED BY THIS
15 ACT.

16 SEC. 2EE. AS USED IN THIS ACT:

17 (A) "COMPOUND LICENSE" MEANS A LICENSE FOR THE RETAIL SALE
18 OF BOTH ALCOHOLIC LIQUOR AND TOBACCO PRODUCTS.

19 (B) "TEMPORARY LICENSE" MEANS A LICENSE ISSUED BY THE COM-
20 MISSION UNDER SECTION 60.

21 (C) "TOBACCO PRODUCT" MEANS A PRODUCT THAT CONTAINS TOBACCO
22 AND IS INTENDED FOR HUMAN CONSUMPTION, INCLUDING BUT NOT LIMITED
23 TO CIGARETTES, NONCIGARETTE SMOKING TOBACCO, OR SMOKELESS TOBAC-
24 CO, AS THOSE TERMS ARE DEFINED IN SECTION 2 OF THE TOBACCO PROD-
25 UCTS TAX ACT, ACT NO. 327 OF THE PUBLIC ACTS OF 1993, BEING SEC-
26 TION 205.422 OF THE MICHIGAN COMPILED LAWS, AND CIGARS.

1 Sec. 3. (1) Except as provided in this section and section
2 16a, a sale, delivery, or importation of TOBACCO PRODUCTS AND OF
3 alcoholic liquor, including alcoholic liquor for personal use,
4 shall not be made in this state unless the sale, delivery, or
5 importation is made by the commission, the commission's autho-
6 rized agent or distributor, a person licensed by the commission,
7 or by prior written order of the commission. All spirits for
8 sale, use, storage, or distribution in this state, shall origi-
9 nally be purchased by and imported into the state by the commis-
10 sion, or by prior written authority of the commission. This sec-
11 tion shall not apply in the case of an alcoholic liquor brought
12 into this state personally by a person of legal age to purchase
13 alcoholic liquor at the time of reentry into this state from
14 without the territorial limits of the United States for personal
15 or household use in an amount permitted by federal law if the
16 person has been outside the territorial limits of the United
17 States for more than 48 hours and has not brought alcoholic
18 liquor into the United States during the preceding 30 days.

19 (2) Notwithstanding the provision of subsection (1), a
20 person who is of legal age to purchase alcoholic liquor may
21 import from another state for that person's personal use not more
22 than 288 ounces of alcoholic liquor ~~which~~ THAT contains less
23 than 21% alcohol by volume.

24 Sec. 5. (1) A commission to be known as the MICHIGAN liquor
25 AND TOBACCO control commission is created. The commission shall
26 consist of 5 members, not more than 3 of whom shall be members of
27 the same political party, to be appointed by the governor with

1 the advice and consent of the senate. Two of these members, 1
2 from each political party, shall be designated by the ~~chairman~~
3 CHAIRPERSON as hearing commissioners to hear violation cases and
4 to perform ~~such~~ other functions and duties ~~as~~ THAT ARE
5 assigned to them by the ~~chairman~~ CHAIRPERSON. The remaining 3
6 commissioners shall be designated as administrative commissioners
7 and shall have the responsibility for administering the provi-
8 sions of this act relating to licensing, purchasing, enforcement,
9 merchandising, and distribution. The administrative commission-
10 ers shall also act as an appeal board to the decisions rendered
11 by the hearing commissioners. The responsibilities of the
12 5-member commission ~~shall be~~ ARE the administration of the pro-
13 visions of this act ~~which~~ THAT have not been specifically dele-
14 gated to either the hearing commissioners or the administrative
15 commissioners in this section. Each member of the commission
16 shall devote that member's entire time to the performance of the
17 duties of the office. The ~~terms of the~~ commissioners shall
18 ~~be~~ SERVE FOR TERMS OF 4 years. ~~each.~~ Each member of the com-
19 mission shall qualify by taking and filing the constitutional
20 oath of office and shall hold office until the appointment and
21 qualification of a successor. The members of the commission
22 shall not be removed from office by the governor except for mal-
23 feasance, misfeasance, or neglect in office.

24 (2) In the event of a vacancy or vacancies in the membership
25 of the commission, the governor shall appoint in like manner a
26 successor or successors to fill the unexpired term.

1 (3) A quorum for the transaction of business of the
2 administrative commissioners shall consist of 2 administrative
3 commissioners. A quorum for the transaction of business of the
4 5-member commission shall be 3 members.

5 (4) Each member of the commission shall receive an annual
6 salary as appropriated by the legislature, ~~shall~~ be entitled to
7 actual and necessary expenses while on the business of the com-
8 mission, and ~~shall~~ have a work station designated by the
9 ~~chairman~~ CHAIRPERSON.

10 (5) The commission shall annually designate 1 of its members
11 to act as ~~chairman~~ CHAIRPERSON of the commission.

12 Sec. 5b. (1) The powers of the commission ~~, enumerated in~~
13 UNDER this act ~~, which~~ THAT are not specifically and exclu-
14 sively reserved to the commission by the act ~~, shall~~ be vested
15 in, and exercised and administered by a liquor AND TOBACCO con-
16 trol business manager, who shall be selected by and responsible
17 to the commission ~~, and~~ whose position ~~shall~~ MAY be in the
18 state classified civil service. The powers of the commission
19 enumerated ~~in, and provided for by~~ UNDER this act ~~, shall~~ be
20 exercised in conformity with the provisions of the act pertaining
21 to the duties of the liquor AND TOBACCO control BUSINESS manager,
22 ~~Provided, however, That~~ EXCEPT THAT the commission shall
23 exclusively exercise the power to make rules and regulations
24 under the act to regulate the control of the TOBACCO PRODUCTS AND
25 alcoholic ~~beverage~~ LIQUOR traffic within the state; to hear and
26 decide all cases of violation of the ~~provisions of the~~ act and
27 OF regulations ~~thereunder~~ ADOPTED UNDER THE ACT; to employ a

1 pertaining to the question involved. ~~Any of the~~ A circuit
 2 ~~courts~~ COURT of the state within ~~the~~ WHOSE jurisdiction ~~of~~
 3 ~~which~~ the inquiry is carried on may, in case of contumacy or
 4 refusal to obey a subpoena, issue an order requiring the person
 5 to appear before the commission or its duly authorized agents and
 6 to produce books, records, and papers, ~~if so ordered, and~~ to
 7 give evidence touching the matter in question, ~~;~~ ~~and a~~ OR
 8 BOTH. THE failure to obey the order of the court may be punished
 9 by the court as a contempt of court.

10 (7) The fees of witnesses required to appear before the com-
 11 mission shall be the same as those allowed to witnesses in the
 12 circuit courts ~~;~~ and shall be paid by the commission.

13 (8) A sheriff's department or police department shall, upon
 14 request of the commission, cause to be served a subpoena ~~which~~
 15 THAT may be directed to ~~any~~ A person located within the juris-
 16 diction of the sheriff's department or police department. A fee
 17 shall not be charged for this service by the sheriff's department
 18 or police department. Subpoenas may also be served by an inves-
 19 tigator of the commission.

20 Sec. 11. ~~Same; interest of members. No~~ A member of the
 21 commission or ~~employee thereof~~ EMPLOYEE OF THE COMMISSION shall
 22 NOT be pecuniarily, directly or indirectly, interested in the
 23 manufacture, warehousing, sale, distribution, or transportation,
 24 or selling or furnishing of ~~any~~ equipment, furnishings, or
 25 refrigeration used in the manufacture or sale of ~~any~~ AN alco-
 26 holic liquor OR TOBACCO PRODUCT within ~~the~~ THIS state. ~~of~~
 27 Michigan.

1 Sec. 17. (1) The commission may issue licenses, as provided
2 in this act, upon the payment of the fees provided in section 19
3 and the filing of the bonds required in section 22 or liability
4 insurance as provided in section 22a.

5 (2) The commission shall issue licenses to manufacturers
6 only when 25% or more of the capital stock is owned by residents
7 of this state, except that this limitation shall not apply to
8 manufacturers of wine, mixed spirit drink, beer, or malt bever-
9 ages or to distillers or rectifiers.

10 (3) ~~-A-~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A
11 full-year license issued by the commission shall expire on
12 April 30 following the date of issuance or the date fixed by the
13 commission. A license issued under this act shall be construed
14 as a contract between the commission and the licensee and shall
15 be signed by both parties. If a licensee dies, the commission
16 may approve the operation of the establishment by a personal rep-
17 resentative or independent personal representative duly appointed
18 by a court of competent jurisdiction, pending the settlement of
19 the estate of the deceased licensee. The commission may approve
20 a receiver or trustee appointed by a court of competent jurisdic-
21 tion to operate the licensed establishment of a licensee. The
22 commission may grant a part-year OR A MULTI-YEAR license for a
23 proportionate part of the license fee specified in ~~section 19~~
24 THIS ACT. In a resort area, the commission shall grant a license
25 for a period of time as short as 3 months. A license may be
26 transferred with the consent of the commission. A class C or
27 specially designated distributor license obtained in a manner

1 other than by transfer shall not be transferred within 3 years
2 after its issuance except under circumstances where the licensee
3 clearly and convincingly demonstrates that unusual hardship will
4 result if the transfer does not receive the consent of the
5 commission. Except as provided in section 17b, an application
6 for a license to sell alcoholic liquor for consumption on the
7 premises, except in a city having a population of 1,000,000 or
8 more, shall be approved by the local legislative body in which
9 the applicant's place of business is located before the license
10 is granted by the commission, except that in the case of an
11 application for renewal of an existing license, if an objection
12 to a renewal has not been filed with the commission by the local
13 legislative body not less than 30 days before the date of expira-
14 tion of the license, the approval of the local legislative body
15 shall not be required. The commission shall provide the local
16 legislative body and the local chief of police with the name,
17 home and business addresses, and home and business phone numbers
18 to accomplish the local legislative reviews of new and trans-
19 ferred license applications required by this subsection. Upon
20 request of the local legislative body after due notice and proper
21 hearing by the local legislative body and the commission, the
22 commission shall revoke the license of a licensee granted a
23 license to sell alcoholic liquor for consumption on the premises
24 or ~~any permit~~ ALL PERMITS held in conjunction with that
25 license.

26 (4) A local legislative body, by resolution, may request
27 that the commission revoke the license of a licensee granted a

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

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

21 (a) The Michigan state fairgrounds.

22 (b) The Upper Peninsula state fairgrounds.

23 (c) Armories, air bases, and naval installations owned or
24 leased by the state or provided by the federal government by
25 either lease, license, or use permit and used by outside parties
26 of a nonmilitary or nonstate governmental nature.

1 (d) Land which was under lease to a person licensed in the
2 calendar year 1954 and on which a licensed establishment is
3 presently located.

4 (e) Land located in the Upper Peninsula which was owned or
5 leased by the federal government, used as a military installa-
6 tion, and transferred to this state before December 31, 2000
7 ~~pursuant to~~ UNDER Act No. 151 of the Public Acts of 1978, being
8 sections 3.551 to 3.561 of the Michigan Compiled Laws, or Act
9 No. 159 of the Public Acts of 1993, being sections 3.571 to 3.580
10 of the Michigan Compiled Laws. The commission may issue 2 addi-
11 tional licenses ~~pursuant to~~ UNDER this subdivision for estab-
12 lishments located on this state land without regard to or without
13 the effect upon the quota provisions of section 19c in the local
14 governmental unit in which the license will be issued subject to
15 the recommendation of the authority established ~~pursuant to~~
16 UNDER Act No. 151 of the Public Acts of 1978 or Act No. 159 of
17 the Public Acts of 1993. A person issued a license ~~pursuant to~~
18 UNDER this subdivision may renew the license and transfer owner-
19 ship of the license, without regard to or without the effect upon
20 the quota provisions of section 19c, if title to the property
21 covered by the license is transferred from the state to another
22 person or to another governmental unit. The commission shall not
23 transfer a license issued under this subdivision to another
24 location. Before the issuance of a license, and THEN annually
25 ~~thereafter~~ before the issuance of a license for a new licensing
26 period, the applicant for a license shall submit to the
27 commission a certificate from the department or agency charged

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

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

18 (g) Property owned by the state treasurer of this state when
19 acting in the capacity of custodian of the assets of the state
20 retirement systems created by the public school employees retire-
21 ment act of 1979, Act No. 300 of the Public Acts of 1980, being
22 sections 38.1301 to 38.1408 of the Michigan Compiled Laws; the
23 state employees' retirement act, Act No. 240 of the Public Acts
24 of 1943, being sections 38.1 to ~~38.48~~ 38.49 of the Michigan
25 Compiled Laws; the state police retirement act of 1986, Act
26 No. 182 of the Public Acts of 1986, being sections 38.1601 to
27 38.1648 of the Michigan Compiled Laws; and the judges retirement

1 act of 1992, Act No. 234 of the Public Acts of 1992, being
2 sections 38.2101 to 38.2608 of the Michigan Compiled Laws.

3 (6) This act does not prohibit a hotel which is or was the
4 holder of a license authorizing the retail sale of alcoholic
5 liquor for consumption on the premises from applying for and
6 receiving under this act ~~any other~~ ANOTHER and different type
7 of license authorizing the retail sale of alcoholic liquor for
8 consumption on the premises, and the application for the license
9 shall not be considered a new application for a license so long
10 as the total number of public licenses for consumption on the
11 premises does not exceed the authorized total established in this
12 act and the sale of alcoholic liquor is approved by the
13 electors. The commission may divide the state into 3 zones and
14 establish for each zone an anniversary date for renewal of
15 full-year retail licenses in the licensing year. The commission
16 shall promulgate rules ~~pursuant to~~ UNDER the administrative
17 procedures act of 1969, Act No. 306 of the Public Acts of 1969,
18 being sections 24.201 to 24.328 of the Michigan Compiled Laws,
19 for the effective administration of the renewal of licenses.

20 (7) The commission, with the written approval of the depart-
21 ment of commerce in the case of the Michigan state fairgrounds
22 and the department of agriculture in the case of the Upper
23 Peninsula state fairgrounds may issue without regard to the quota
24 provision of section 19c a tavern license to a person as conces-
25 sionaire leasing or renting a portion of either the Upper
26 Peninsula state fairgrounds or the state fairgrounds, or both, to
27 service the licensed area in use for recreational or exhibition

1 purposes other than at the time of the annual Upper Peninsula
2 state fair under section 2 of Act No. 89 of the Public Acts of
3 1927, being section 285.142 of the Michigan Compiled Laws. A
4 license issued under this subsection is not transferable.

5 (8) Notwithstanding section 3, a collector, who is 21 years
6 of age or older, of ceramic commemorative bottles containing
7 alcoholic liquor and ~~which~~ THAT bear an unbroken federal tax
8 stamp or seal may sell or trade the bottles to other such collec-
9 tors of the bottles without obtaining a license ~~pursuant to~~
10 UNDER this act. All sales conducted ~~pursuant to~~ UNDER this
11 subsection shall be for the purpose of exchanging ceramic commem-
12 orative bottles between private collectors of the bottles and
13 shall not be for the purpose of selling alcoholic liquor for per-
14 sonal consumption. A sale or exchange conducted ~~pursuant to~~
15 UNDER this subsection shall not occur in ~~any~~ 1 OR MORE of the
16 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~~ ANOTHER business.

20 (9) THE COMMISSION MAY PROVIDE A DISCOUNT OF THE ANNUAL
21 LICENSE FEE FOR A LICENSE ISSUED TO COVER A PERIOD OF MORE THAN 1
22 YEAR. THAT DISCOUNT SHALL NOT EXCEED 15% OF THE ANNUAL LICENSE
23 FEE.

24 SEC. 59. (1) A PERSON SHALL NOT SELL A TOBACCO PRODUCT AT
25 RETAIL UNLESS THE PERSON IS LICENSED UNDER THIS ACT.

26 (2) A PERSON WHO SELLS A TOBACCO PRODUCT AT RETAIL SHALL BE
27 NOT LESS THAN 18 YEARS OF AGE.

1 (3) A PERSON SHALL NOT SELL OR DISTRIBUTE A TOBACCO PRODUCT
2 THROUGH THE USE OF A VENDING MACHINE OR INSTALL OR MAINTAIN A
3 VENDING MACHINE WITH THE INTENT OF SELLING OR DISTRIBUTING A
4 TOBACCO PRODUCT IN A PLACE OF PUBLIC ACCOMMODATION TO WHICH
5 ACCESS BY PERSONS UNDER THE AGE OF 18 IS NOT PROHIBITED BY LAW.
6 FOR PURPOSES OF THIS SECTION, "PLACE OF PUBLIC ACCOMMODATION"
7 MEANS THAT TERM AS DEFINED IN SECTION 301 OF THE MICHIGAN
8 HANDICAPPERS' CIVIL RIGHTS ACT, ACT NO. 220 OF THE PUBLIC ACTS OF
9 1976, BEING SECTION 37.1301 OF THE MICHIGAN COMPILED LAWS. A
10 PERSON WHO VIOLATES THIS SUBSECTION IS GUILTY OF A MISDEMEANOR,
11 PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 6 MONTHS, SERVICE TO
12 THE COMMUNITY FOR A PERIOD OF NOT MORE THAN 45 DAYS, OR A FINE OF
13 NOT MORE THAN \$1,000.00, OR ANY COMBINATION OF IMPRISONMENT, COM-
14 MUNITY SERVICE, OR FINE. EACH DAY THAT A PERSON HAS A VENDING
15 MACHINE THAT DISPENSES A TOBACCO PRODUCT CONSTITUTES A SEPARATE
16 OFFENSE.

17 (4) A LICENSE ISSUED TO A PERSON UNDER THIS ACT SHALL BE FOR
18 THE RETAIL SALE OF A TOBACCO PRODUCT ONLY ON THE LICENSED
19 PREMISES.

20 SEC. 60. (1) AN APPLICANT FOR LICENSURE SHALL SUBMIT TO THE
21 COMMISSION ALL OF THE FOLLOWING INFORMATION ON A FORM PROVIDED BY
22 THE COMMISSION:

23 (A) THE NAME AND ADDRESS OF THE PERSON BEING LICENSED. IN
24 THE CASE OF A CORPORATION, THE NAME AND ADDRESS OF THE OFFICERS
25 AND DIRECTORS OF THE CORPORATION. IN THE CASE OF ANOTHER PERSON
26 NOT AN INDIVIDUAL OR A CORPORATION, THE NAME AND ADDRESS OF EACH

1 INDIVIDUAL HAVING AN OWNERSHIP INTEREST OF MORE THAN 10% AND EACH
2 INDIVIDUAL ACTING IN A SUPERVISORY CAPACITY.

3 (B) THE NAME AND ADDRESS OF AN INDIVIDUAL DESCRIBED IN
4 SUBDIVISION (A) WHO HAS BEEN CONVICTED OF AN OFFENSE DESCRIBED IN
5 THE YOUTH TOBACCO PREVENTION ACT.

6 (C) A DIAGRAM OF THE LICENSED PREMISES.

7 (D) ALL OTHER RELEVANT INFORMATION REQUIRED BY THE COMMIS-
8 SION CONTAINED IN RULES PROMULGATED UNDER THIS ACT.

9 (E) THE FEE DESCRIBED IN SUBSECTION (2).

10 (2) AN APPLICANT FOR LICENSURE SHALL PAY TO THE COMMISSION A
11 NONREFUNDABLE APPLICATION FEE OF \$100.00 UPON THE FILING OF AN
12 APPLICATION UNDER THIS SECTION.

13 (3) UPON THE APPLICANT'S COMPLIANCE WITH SUBSECTIONS (1) AND
14 (2) AND AFTER THE COMMISSION'S APPROVAL OF THE APPLICANT, THE
15 COMMISSION SHALL ISSUE A LICENSE TO A PERSON THAT SHALL EXPIRE
16 NOT LESS THAN 1 YEAR AFTER THE DATE OF ISSUANCE.

17 (4) A LICENSE MAY BE RENEWED UPON THE FILING OF A RENEWAL
18 APPLICATION WITH THE COMMISSION ON A FORM PROVIDED BY THE COMMIS-
19 SION AND THE PAYMENT OF A LICENSE RENEWAL FEE OF \$50.00. A
20 LICENSEE THAT DOES NOT RENEW ITS LICENSE WITHIN 30 DAYS AFTER THE
21 EXPIRATION DATE MAY RENEW ITS LICENSE BY FILING THE RENEWAL
22 APPLICATION, PAYING THE RENEWAL FEE, AND PAYING A LATE RENEWAL
23 FEE OF \$25.00.

24 (5) A LICENSEE MAY APPLY FOR A TRANSFER OF A LICENSE TO
25 ANOTHER PERSON OR TO ANOTHER LOCATION UPON COMMISSION APPROVAL BY
26 SUBMITTING A FORM PROVIDED BY THE COMMISSION AND PAYING A FEE OF
27 \$25.00. A TRANSFER OF OWNERSHIP OR LOCATION OF A LICENSEE SHALL

1 OPERATE AS AN AUTOMATIC REVOCATION OF A LICENSE 90 DAYS AFTER THE
2 TRANSFER. DURING THIS PERIOD, THE TRANSFEREE OWNER OR LOCATION
3 SHALL BE CONSIDERED TO HOLD A TEMPORARY LICENSE. IF A REVOCATION
4 OF LICENSURE OCCURS UNDER THIS SUBSECTION, THE COMMISSION SHALL
5 ISSUE AN ORIGINAL LICENSE IF THE PERSON DESIRING LICENSURE FILES
6 A TIMELY ORIGINAL APPLICATION ACCOMPANIED BY THE ORIGINAL APPLI-
7 CATION FEE AND OTHERWISE MEETS THE REQUIREMENTS OF THIS ACT AND
8 THE RULES PROMULGATED UNDER THIS ACT. THE COMMISSION MAY PROMUL-
9 GATE RULES SETTING STANDARDS APPLICABLE TO A LICENSE TRANSFER TO
10 ANOTHER PERSON OR TO ANOTHER LOCATION.

11 (6) A LICENSEE SHALL NOTIFY THE COMMISSION WITHIN 30 DAYS
12 AFTER A CHANGE IN THE INFORMATION REQUIRED TO BE FURNISHED UNDER
13 SUBSECTION (1).

14 (7) THE COMMISSION SHALL NOT ACCEPT AN APPLICATION FOR
15 LICENSURE FROM A PERSON LOCATED IN ANOTHER STATE OR COUNTRY
16 UNLESS THE APPLICATION DESIGNATES A RESIDENT AGENT IN THIS STATE
17 FOR ACCEPTANCE OF PROCESS.

18 SEC. 61. THE COMMISSION SHALL NOT ISSUE A NEW LICENSE OR
19 TRANSFER THE LOCATION OF AN EXISTING LICENSE FOR THE RETAIL SALE
20 OF A TOBACCO PRODUCT IF THE LOCATION OR CONTEMPLATED LOCATION IS
21 WITHIN 500 FEET OF A K-12 PUBLIC OR PRIVATE SCHOOL.

22 SEC. 62. (1) THE COMMISSION MAY PROMULGATE RULES UNDER THE
23 ADMINISTRATIVE PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC
24 ACTS OF 1969, BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN
25 COMPILED LAWS, FOR THE IMPLEMENTATION AND ADMINISTRATION OF THE
26 LICENSURE PROVISIONS OF SECTIONS 59 THROUGH 61.

1 (2) A PROCEEDING AGAINST A LICENSEE FOR VIOLATION OF SECTION
2 59 OR FOR VIOLATION OF A RULE PROMULGATED UNDER THIS ACT SHALL BE
3 PURSUANT TO THE CONTESTED CASE PROVISIONS OF ACT NO. 306 OF THE
4 PUBLIC ACTS OF 1969 AND MAY RESULT IN THE REVOCATION OR SUSPEN-
5 SION OF THE LICENSE FOR SALE OF TOBACCO PRODUCTS AT RETAIL.

6 SEC. 63. A PERSON MAY APPLY FOR A LICENSE THAT AUTHORIZES
7 THE HOLDER TO SELL ALCOHOLIC LIQUOR OR A TOBACCO PRODUCT, OR A
8 COMPOUND LICENSE, UNDER THIS ACT. THE COMMISSION MAY DESIGN A
9 SYSTEM FOR THE ISSUANCE OF A COMPOUND LICENSE, WHICH MAY BE
10 ISSUED FOR UP TO 3 YEARS.

11 Section 2. Section 470 of Act No. 328 of the Public Acts of
12 1931, being section 750.470 of the Michigan Compiled Laws, is
13 repealed.

14 Section 3. This amendatory act shall not take effect unless
15 Senate Bill No. 730 of the 88th Legislature is enacted into law.