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BILL ANALYSIS

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House Bill 4232 (Substitute H-3 as passed by the House)
Sponsor: Representative James Koetje
House Committee: Criminal Justice
Senate Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 12-17-03

## CONTENT

**The bill would amend the Michigan Liquor Control Code to allow the transfer of an escrowed liquor license within any county (including Kent County) unless the transfer were to or from a location within a city having a population between 190,000 and 300,000 (Grand Rapids). The bill also would revise requirements regarding the unavailability of an escrowed license or a quota-based license, for the issuance of a on-premises resort or resort economic development license.**

(In the provisions described below, the Code refers to a county with a population under 500,000 or over 700,000; this includes all counties except Kent County. The bill refers to a city with a population over 190,000 but under 300,000; this currently applies only to Grand Rapids).

Under the Code, an on-premises escrowed liquor license may be transferred, subject to local legislative approval, to an applicant whose proposed operation is located within any local governmental unit, in any county except Kent County. The bill would remove the population requirement, allowing the transfer of an escrowed license within any county. If an on-premises escrowed license were issued to a location within Grand Rapids, the license could not be transferred to an applicant whose proposed operation was located within any other local governmental unit in Kent County. In addition, an escrowed license located within any local unit in that county would not be transferable into Grand Rapids.

Currently, an applicant for an on-premises resort or resort economic development license must verify that he or she attempted to secure an on-premises escrowed license or quota-based license, and that to the best of his or her knowledge, such a license is not readily available in 1) the county in which the applicant proposes to operate, in any county except Kent County, or 2) the local unit of government in which the applicant proposes to operate, in Kent County. The bill would remove the distinction between counties, requiring the applicant to verify that an on-premises escrowed license or quota license was not readily available within the county in which the applicant proposed to operate. Verification would not be required, however, in a case involving Grand Rapids.

The Code prohibits the Liquor Control Commission from issuing an on-premises resort or resort economic development license if the local governmental unit or the county, as appropriate, within which the license applicant proposes to operate has not issued all available on-premises licenses, or if an on-premises escrowed license is readily available within the local unit in which the applicant proposes to operate. Under the bill, the Commission could not issue an on-premises resort or resort economic development license if the *county* within which the applicant proposed to operate had not issued all available on-premises licenses or if an on-premises escrowed license were readily available within the local unit in which the applicant proposed to operate, except in a case involving Grand Rapids.

MCL 436.1531 Legislative Analyst: George Towne

## FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Maria Tyszkiewicz