

HOUSE BILL No. 5828

April 28, 2004, Introduced by Reps. Hardman, Smith, Stallworth, Clack, Reeves and Waters
and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 501 (MCL 436.1501), as amended by 2000 PA
431.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 501. (1) The commission may issue licenses as provided
2 in this act upon the payment of the fees provided in section 525
3 and the filing of the bonds required in section 801 or liability
4 insurance as provided in section 803. Beginning not later than
5 July 1, 2002 and subject to section 906(2) and (3), the
6 commission shall not issue a new on premises license or transfer
7 more than 50% interest in an existing on premises license unless
8 the applicant or transferee offers proof acceptable to the
9 commission that he or she has employed or has present on the
10 licensed premises, at a minimum, supervisory personnel on each

1 shift and during all hours in which alcoholic liquor is served
2 who have successfully completed a server training program as
3 further described in section 906. The commission may consider an
4 individual enrolled and actively participating in a server
5 training program as having successfully completed the program for
6 such time as the individual is participating. The commission may
7 allow an applicant or a conditionally approved licensee at least
8 180 days, or more upon a showing of good cause, to meet the
9 minimum personnel training requirements of this subsection. The
10 commission may suspend the license of a conditionally approved
11 licensee for failure to comply with this subsection. The
12 commission may waive the server training requirements of this
13 subsection on the basis of either of the following
14 circumstances:

15 (a) The licensee's responsible operating experience or
16 training.

17 (b) The person's demonstration of an acceptable level of
18 responsible operation either as a licensee during the preceding 3
19 years or as a manager with substantial experience in serving
20 alcoholic liquor.

21 (2) A full-year license issued by the commission shall expire
22 on April 30 following the date of issuance or the date fixed by
23 the commission. A license issued under this act shall be
24 construed as a contract between the commission and the licensee
25 and shall be signed by both parties. If a licensee dies, the
26 commission may approve the operation of the establishment by a
27 personal representative or independent personal representative

1 duly appointed by a court of competent jurisdiction, pending the
2 settlement of the estate of the deceased licensee. The
3 commission may approve a receiver or trustee appointed by a court
4 of competent jurisdiction to operate the licensed establishment
5 of a licensee. The commission may grant a part-year license for
6 a proportionate part of the license fee specified in
7 section 525. In a resort area the commission shall grant a
8 license for a period of time as short as 3 months. A license may
9 be transferred with the consent of the commission. A class C or
10 specially designated distributor license obtained in a manner
11 other than by transfer shall not be transferred within 3 years
12 after its issuance except under circumstances where the licensee
13 clearly and convincingly demonstrates that unusual hardship will
14 result if the transfer does not receive the consent of the
15 commission. An application for a license to sell alcoholic
16 liquor for consumption on the premises ~~—, except in a city having~~
17 ~~a population of 750,000 or more,~~ shall be approved by the local
18 legislative body in which the applicant's place of business is
19 located before the license is granted by the commission, except
20 that in the case of an application for renewal of an existing
21 license, if an objection to a renewal has not been filed with the
22 commission by the local legislative body not less than 30 days
23 before the date of expiration of the license, the approval of the
24 local legislative body shall not be required. The commission
25 shall provide the local legislative body and the local chief of
26 police with the name, home and business addresses, and home and
27 business phone numbers to accomplish the local legislative

1 reviews of new and transferred license applications required by
2 this subsection. Upon request of the local legislative body
3 after due notice and proper hearing by the local legislative body
4 and the commission, the commission shall revoke the license of a
5 licensee granted a license to sell alcoholic liquor for
6 consumption on the premises or any permit held in conjunction
7 with that license.

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

23 (4) This act does not prohibit a hotel which is or was the
24 holder of a license authorizing the retail sale of alcoholic
25 liquor for consumption on the premises from applying for and
26 receiving under this act any other and different type of license
27 authorizing the retail sale of alcoholic liquor for consumption

1 on the premises, and the application for the license shall not be
2 considered a new application for a license so long as the total
3 number of public licenses for consumption on the premises does
4 not exceed the authorized total established in this act and the
5 sale of alcoholic liquor is approved by the electors. The
6 commission may divide the state into 3 zones and establish for
7 each zone an anniversary date for renewal of full-year retail
8 licenses in the licensing year. The commission shall promulgate
9 rules pursuant to the administrative procedures act of 1969, 1969
10 PA 306, MCL 24.201 to 24.328, for the effective administration of
11 the renewal of licenses.

12 (5) The commission, with the written approval of the
13 department of agriculture in the case of the Michigan state
14 fairgrounds and the Upper Peninsula state fairgrounds, may issue
15 without regard to the quota provision of section 531 a tavern
16 license to a person as concessionaire leasing or renting a
17 portion of either the Upper Peninsula state fairgrounds or the
18 state fairgrounds, or both, to service the licensed area in use
19 for recreational or exhibition purposes other than at the time of
20 the annual Upper Peninsula state fair under section 2 of 1927
21 PA 89, MCL 285.142. A license issued under this subsection is
22 not transferable.