

# HOUSE BILL No. 6449

September 7, 2006, Introduced by Reps. Kooiman, Vander Veen, Sak, Taub, Meyer, Wenke, Jones, Hildenbrand, Pearce, Booher, Marleau, LaJoy, Gosselin, Acciavatti, Gaffney, Hune, Green, Mayes, Hansen, Sheen, Stewart, Stakoe, Pastor and Farhat 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 in  
2       this act upon the payment of the fees provided in section 525 and  
3       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~~ **BEFORE GRANTING AN APPLICATION FOR THE**  
6       **ISSUANCE OF A LICENSE, THE COMMISSION SHALL OBTAIN, IN WRITING OR**  
7       **OTHER FORM ACCEPTABLE TO THE DEPARTMENT OF TREASURY, A RELEASE**  
8       **EXECUTED BY THE SELLER OF THE LICENSE ALLOWING THE DEPARTMENT OF**

1   TREASURY TO DISCLOSE TO THE APPLICANT ANY INFORMATION REGARDING  
2   EXISTING TAX LIABILITY, EXISTING TAX LIENS, OR ANY ADMINISTRATIVE,  
3   JUDICIAL, OR OTHER ACTIONS COMMENCED BY THE DEPARTMENT OF TREASURY  
4   REGARDING TAX LIABILITY ATTACHED TO THE LICENSE OR THE BUSINESS.

5   SUBJECT to section 906(2) and (3), the commission shall not issue a  
6   new on premises license or transfer more than 50% interest in an  
7   existing on premises license unless the applicant or transferee  
8   offers proof acceptable to the commission that he or she has  
9   employed or has present on the licensed premises, at a minimum,  
10   supervisory personnel on each shift and during all hours in which  
11   alcoholic liquor is served who have successfully completed a server  
12   training program as further described in section 906. The  
13   commission may consider an individual enrolled and actively  
14   participating in a server training program as having successfully  
15   completed the program for such time as the individual is  
16   participating. The commission may allow an applicant or a  
17   conditionally approved licensee at least 180 days, or more upon a  
18   showing of good cause, to meet the minimum personnel training  
19   requirements of this subsection. The commission may suspend the  
20   license of a conditionally approved licensee for failure to comply  
21   with this subsection. The commission may waive the server training  
22   requirements of this subsection on the basis of either of the  
23   following circumstances:

24       (a) The licensee's responsible operating experience or  
25   training.

26       (b) The person's demonstration of an acceptable level of  
27   responsible operation either as a licensee during the preceding 3

1 years or as a manager with substantial experience in serving  
2 alcoholic liquor.

3 (2) A full-year license issued by the commission shall expire  
4 on April 30 following the date of issuance or the date fixed by the  
5 commission. A license issued under this act shall be construed as a  
6 contract between the commission and the licensee and shall be  
7 signed by both parties. If a licensee dies, the commission may  
8 approve the operation of the establishment by a personal  
9 representative or independent personal representative duly  
10 appointed by a court of competent jurisdiction, pending the  
11 settlement of the estate of the deceased licensee. The commission  
12 may approve a receiver or trustee appointed by a court of competent  
13 jurisdiction to operate the licensed establishment of a licensee.  
14 The commission may grant a part-year license for a proportionate  
15 part of the license fee specified in section 525. In a resort area  
16 the commission shall grant a license for a period of time as short  
17 as 3 months. A license may be transferred with the consent of the  
18 commission. A class C or specially designated distributor license  
19 obtained in a manner other than by transfer shall not be  
20 transferred within 3 years after its issuance except under  
21 circumstances where the licensee clearly and convincingly  
22 demonstrates that unusual hardship will result if the transfer does  
23 not receive the consent of the commission. An application for a  
24 license to sell alcoholic liquor for consumption on the premises,  
25 except in a city having a population of 750,000 or more, shall be  
26 approved by the local legislative body in which the applicant's  
27 place of business is located before the license is granted by the

1 commission, except that in the case of an application for renewal  
2 of an existing license, if an objection to a renewal has not been  
3 filed with the commission by the local legislative body not less  
4 than 30 days before the date of expiration of the license, the  
5 approval of the local legislative body shall not be required. The  
6 commission shall provide the local legislative body and the local  
7 chief of police with the name, home and business addresses, and  
8 home and business phone numbers to accomplish the local legislative  
9 reviews of new and transferred license applications required by  
10 this subsection. Upon request of the local legislative body after  
11 due notice and proper hearing by the local legislative body and the  
12 commission, the commission shall revoke the license of a licensee  
13 granted a license to sell alcoholic liquor for consumption on the  
14 premises or any permit held in conjunction with that license.

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

1 the licensee's license and any permit held in conjunction with that  
2 license.

3 (4) This act does not prohibit a hotel which is or was the  
4 holder of a license authorizing the retail sale of alcoholic liquor  
5 for consumption on the premises from applying for and receiving  
6 under this act any other and different type of license authorizing  
7 the retail sale of alcoholic liquor for consumption on the  
8 premises, and the application for the license shall not be  
9 considered a new application for a license so long as the total  
10 number of public licenses for consumption on the premises does not  
11 exceed the authorized total established in this act and the sale of  
12 alcoholic liquor is approved by the electors. The commission may  
13 divide the state into 3 zones and establish for each zone an  
14 anniversary date for renewal of full-year retail licenses in the  
15 licensing year. The commission shall promulgate rules pursuant to  
16 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201  
17 to 24.328, for the effective administration of the renewal of  
18 licenses.

19 (5) The commission, with the written approval of the  
20 department of agriculture in the case of the Michigan state  
21 fairgrounds and the Upper Peninsula state fairgrounds, may issue  
22 without regard to the quota provision of section 531 a tavern  
23 license to a person as concessionaire leasing or renting a portion  
24 of either the Upper Peninsula state fairgrounds or the state  
25 fairgrounds, or both, to service the licensed area in use for  
26 recreational or exhibition purposes other than at the time of the  
27 annual Upper Peninsula state fair under section 2 of 1927 PA 89,

- 1 MCL 285.142. A license issued under this subsection is not
- 2 transferable.