

Legislative Analysis



EXPAND AVAILABILITY OF CERTAIN DEVELOPMENT-RELATED LIQUOR LICENSES BEYOND CITIES

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House Bill 4257

Sponsor: Rep. Cindy Denby

Committee: Regulatory Reform

Complete to 11-11-13

A SUMMARY OF HOUSE BILL 4257 AS INTRODUCED 2-14-13

Section 521a of the Liquor Control Code currently allows the Liquor Control Commission (LCC) to issue public on-premises liquor licenses, in addition to those allowed by quota, for businesses that are located within city redevelopment projects or in development districts.

The bill would amend Section 521a to allow the LCC to issue public on-premises liquor licenses, in addition to those allowed by quota, to applicants within redevelopment project areas or in development districts **in any municipality** in the state, which would include all counties, villages, townships, and cities. Under current law, only applicants located within cities are eligible.

The bill is a reintroduction of House Bill 5877 of 2012. According to testimony at that time, the LCC had already issued a limited number of licenses to businesses located in villages and townships. As of 2012 there were 11 active licenses that did not meet the statutory eligibility criteria.

(The Liquor Control Code imposes a quota on on-premises licensees of one for each 1,500 of population per local unit; however, there are numerous exceptions.)

MCL 436.1521a

FISCAL IMPACT:

House Bill 4257 would not have a substantial fiscal impact on the Liquor Control Commission (LCC).

BACKGROUND INFORMATION:

Eligibility

Public on-premises licenses are currently available to businesses that (1) are located within a city redevelopment project area that meets investment level guidelines and are engaged in dining, entertainment, or recreation activity, or (2) are located in a tax increment finance authority development district, a corridor improvement authority development area, a downtown district, or a principal shopping district.

The business must provide dining, entertainment, or recreation activity at least five days per week, be open to the public for at least 10 hours per day, and show verification of their redevelopment project status. Verification includes a resolution from the local governing body and separate affidavits from the assessor verifying (1) the total amount of investment in real and personal property in the previous three years and (2) the amount of investment spent for manufacturing, industrial, residential, and commercial development within the previous three years.

Redevelopment project area licenses and development district licenses are also subject to specific guidelines pertaining to public and private investment that must be met in order for a project area to be eligible.

Non-transferable

Public on-premises licenses cannot be transferred by the LCC, but may be reissued within a city redevelopment project area upon approval by the local governing body.

Fee

The fee for a public on-premises license issued under Section 521a is \$20,000.

[NOTE: None of these provisions described above are being changed by House Bill 5877, other than to expand eligibility from just cities to also include counties, villages, and townships.]

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