

# HOUSE BILL No. 6478

November 7, 2018, Introduced by Rep. Johnson and referred to the Committee on Financial Liability Reform.

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending sections 519 and 523 (MCL 436.1519 and 436.1523),  
section 519 as amended by 2018 PA 158.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 519. (1) Except as otherwise provided in this act, the  
2       commission shall not issue a license to sell alcoholic liquor,  
3       either on or off the premises, if the property or establishment to  
4       be covered by the license is situated in or on state owned land.

5       (2) Subsection (1) does not apply to a special license that  
6       has been approved by the governing authority of that state owned  
7       land.

8       (3) Subsection (1) does not apply to any of the following:

9       (a) The Michigan state fairgrounds.

1 (b) The Upper Peninsula state fairgrounds.

2 (c) Armories, air bases, and naval installations owned or  
3 leased by this state or provided by the federal government by  
4 either lease, license, or use permit and used by outside parties of  
5 a nonmilitary or nonstate governmental nature.

6 (d) Land that was under lease to a person licensed in the  
7 calendar year 1954 and on which a licensed establishment is  
8 presently located.

9 (e) Land located in the Upper Peninsula that was owned or  
10 leased by the federal government, used as a military installation,  
11 and transferred to this state before December 31, 2000 under 1978  
12 PA 151, MCL 3.551 to 3.561, or 1993 PA 159, MCL 3.571 to 3.580. The  
13 commission may issue 2 additional licenses under this subdivision  
14 for establishments located on this state land without regard to or  
15 without an effect on the quota provisions of section 531 in the  
16 local governmental unit in which the license will be issued subject  
17 to the recommendation of the authority established under 1978 PA  
18 151, MCL 3.551 to 3.561, or 1993 PA 159, MCL 3.571 to 3.580. A  
19 person issued a license under this subdivision may renew the  
20 license and transfer ownership of the license, without regard to or  
21 without an effect on the quota provisions of section 531, if title  
22 to the property covered by the license is transferred from this  
23 state to another person or to another governmental unit. The  
24 commission shall not transfer a license issued under this  
25 subdivision to another location. Before the issuance of a license,  
26 and annually thereafter before the issuance of a license for a new  
27 licensing period, the applicant for a license shall submit to the

1 commission a certificate from the department or agency charged with  
2 control of the land setting forth that the issuance of a license is  
3 not incompatible with the objects and purposes entrusted to that  
4 department or agency under the law establishing control of the land  
5 in the department or agency. This subsection does not prohibit the  
6 issuance of a license under section 513.

7 (f) Property owned by the Michigan state waterways commission  
8 and leased to persons under part 791 of the natural resources and  
9 environmental protection act, 1994 PA 451, MCL 324.79101 to  
10 324.79118. The commission may issue a license under this  
11 subdivision to a lessee without regard to the quota provisions of  
12 section 531. However, the commission shall not issue a license  
13 under this subdivision without the written approval of the Michigan  
14 state waterways commission or its designee. A license issued under  
15 this subdivision is not transferable as to ownership or location,  
16 and, if the licensee goes out of business, the license must be  
17 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  
21 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437; the  
22 state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69;  
23 the state police retirement act of 1986, 1986 PA 182, MCL 38.1601  
24 to ~~38.1648~~; **38.1675**; and the judges retirement act of 1992, 1992 PA  
25 234, MCL 38.2101 to 38.2670.

26 (h) A building to which all of the following apply:

27 (i) The building is owned by this state.

1           (ii) The land on which the building is located is owned by  
2 this state.

3           (iii) The building is more than 1,000,000 square feet.

4           (iv) Space within the building is leased to a private entity  
5 to which both of the following apply:

6           (A) In the building, the private entity provides services to  
7 the general public.

8           (B) The private entity holds a license to sell alcoholic  
9 liquor as provided by this act.

10           Sec. 523. (1) A person who holds or whose spouse holds, either  
11 by appointment or election, a public office which involves the duty  
12 to enforce any of the penal laws of the United States, or the penal  
13 laws of this state, or a penal ordinance or resolution of any  
14 municipal subdivision of the state, except civil defense volunteer  
15 police, mayors or council members of cities, or village presidents,  
16 or mayors of home rule cities whose law enforcement authority under  
17 the city charter is restricted to emergency situations, or the  
18 state treasurer of this state when acting in the capacity of  
19 custodian of the assets of the state retirement systems created by  
20 the public school employees retirement act of 1979, 1980 PA 300,  
21 MCL 38.1301 to ~~38.1408~~; **38.1437**; the state employees' retirement  
22 act, 1943 PA 240, MCL 38.1 to 38.69; the state police retirement  
23 act of 1986, 1986 PA 182, MCL 38.1601 to ~~38.1648~~; **38.1675**; and the  
24 judges retirement act of 1992, 1992 PA 234, MCL 38.2101 to 38.2670,  
25 and members of these state retirement systems only if the state  
26 treasurer makes an investment in the name of the respective  
27 retirement system to which ~~such~~**THE** members belong, ~~shall~~**MUST** not

1 be issued a license, or have an interest, directly or indirectly,  
2 in a license if the activity regulated by the license occurs in the  
3 same local unit of government within which the person enforces  
4 those state or local penal laws unless the official is  
5 contractually prohibited from enforcing this act. This subsection  
6 does not apply to a spouse of an appointed or elected official  
7 holding an office which involves the duty to enforce a penal law  
8 described in this subsection if the spouse held a license or an  
9 interest in a license for not less than 3 years before marrying the  
10 appointed or elected official or if the spouse has voting rights in  
11 a public or private club holding the license, which voting rights  
12 are derived from ownership of shares to the club, and the spouse  
13 participates as a member in good standing of the public or private  
14 club or of an advisory board but does not participate in the day-  
15 to-day operation of the club. ~~In the case of any~~ **FOR A** licensee  
16 excepted from the general prohibition ~~contained in~~ **UNDER** this  
17 section, the commission may periodically review all circumstances  
18 of the licensee and his or her spouse regarding the exception. The  
19 commission ~~has the authority to~~ **MAY** review and monitor any  
20 complaints it receives regarding inappropriate enforcement of this  
21 act by or against a person excepted from this section. However, a  
22 nonprofit fraternal organization incorporated under the laws of  
23 this state, whose membership is not totally composed of law  
24 enforcement personnel or public officeholders charged with the duty  
25 of enforcing any penal laws or ordinances of a governmental body,  
26 may be issued a club liquor license if the organization is  
27 otherwise qualified.

1           (2) As used in this section, "law enforcement personnel" does  
2 not include the mayor of a city or the state treasurer of this  
3 state when acting in the capacity of custodian of the assets of the  
4 state retirement systems created by the public school employees  
5 retirement act of 1979, 1980 PA 300, MCL 38.1301 to ~~38.1408,~~  
6 **38.1437**, the state employees' retirement act, 1943 PA 240, MCL 38.1  
7 to 38.69, the state police retirement act of 1986, 1986 PA 182, MCL  
8 38.1601 to ~~38.1648,~~ **38.1675**, and the judges retirement act of 1992,  
9 1992 PA 234, MCL 38.2101 to 38.2670, and members of these state  
10 retirement systems only if the state treasurer makes an investment  
11 in the name of the respective retirement system to which ~~such~~ **THE**  
12 members belong.

13           Enacting section 1. This amendatory act does not take effect  
14 unless Senate Bill No. \_\_\_\_ or House Bill No. 6475 (request no.  
15 05259'18) of the 99th Legislature is enacted into law.