

SENATE BILL NO. 508

September 11, 2019, Introduced by Senators BAYER, WOJNO, IRWIN, BULLOCK, POLEHANKI, MCMORROW, HERTEL, BRINKS, ANANICH and SANTANA 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 521 (MCL 436.1521), as amended by 2006 PA 502.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 521. (1) Beginning ~~on the effective date of the~~
2 ~~amendatory act that added section 521a, December 29, 2006,~~ the
3 commission shall not issue ~~any~~**a** tavern or class C licenses under
4 this section. However, those licenses issued under this section
5 before ~~the effective date of the amendatory act that added section~~
6 ~~521a~~**December 29, 2006** remain valid and may be renewed if in

1 compliance with this section. The commission shall renew licenses
2 issued under this section before ~~the effective date of the~~
3 ~~amendatory act that added section 521a~~ **December 29, 2006** for
4 persons who operate businesses that meet all of the following
5 conditions:

6 (a) The business is a full service restaurant, is open to the
7 public, and prepares food on the premises.

8 (b) The business is open for food service not less than 10
9 hours per day, 5 days a week.

10 (c) At least 50% of the gross receipts of the business are
11 derived from the sale of food for consumption on the premises. For
12 purposes of this subdivision, food does not include beer and wine.

13 (d) The business has dining facilities to seat not less than
14 25 persons.

15 (e) The business is located in a development district with a
16 population of not more than 50,000, in which the district, after a
17 public hearing, has found that the issuance of the license would
18 prevent further deterioration within the development district and
19 promote economic growth within the development district.

20 (2) If in any licensing year the sale of food for consumption
21 on the premises of the business represents less than 50% of the
22 gross receipts for the business, the commission, after due notice
23 and proper hearing, shall revoke the license issued under
24 subsection (1).

25 (3) A license issued under this section is transferable as to
26 ownership or location only within the development district.

27 ~~(4) The commission shall not issue a specially designated~~
28 ~~merchant license, specially designated distributor license, or any~~
29 ~~other license that allows the sale of alcoholic liquor for~~

~~consumption off the premises in conjunction with a license issued under this section or at the premises for which a license has been issued under this section.~~

(4) ~~(5)~~ As used in this section, "development district" means any of the following:

(a) An authority district established under ~~the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830.~~ **part 3 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4301 to 125.4329.**

(b) An authority district established under ~~the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.~~ **part 4 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4401 to 125.4420.**

(c) A downtown district established under ~~1975 PA 197, MCL 125.1651 to 125.1681.~~ **part 2 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4201 to 125.4230.**

(d) A principal shopping district established under 1961 PA 120, MCL 125.981 to ~~125.990m,~~ **125.990n,** before January 1, 1996.