

# HOUSE BILL No. 4524

March 22, 1989, Introduced by Reps. Webb, Honigman, Van Regenmorter, Sparks, DeMars and Dolan and referred to the Committee on Liquor Control.

A bill to amend section 17 of Act No. 8 of the Public Acts of the Extra Session of 1933, entitled as amended "The Michigan liquor control act," as amended by Act No. 207 of the Public Acts of 1988, being section 436.17 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 17 of Act No. 8 of the Public Acts of  
2 the Extra Session of 1933, as amended by Act No. 207 of the  
3 Public Acts of 1988, being section 436.17 of the Michigan  
4 Compiled Laws, is amended to read as follows:

5       Sec. 17. (1) The commission may issue licenses, as provided  
6 in this act, upon the payment of the fees provided in section 19  
7 and the filing of the bonds required in section 22, or liability  
8 insurance as provided in section 22a.

1       (2) The commission shall issue licenses to manufacturers  
2 only when 25% or more of the capital stock is owned by residents  
3 of this state, except that these limitations shall not apply to  
4 manufacturers of wine or beer or malt beverages or to distillers  
5 or rectifiers.

6       (3) A full-year license issued by the commission shall  
7 expire on April 30 following the date of issuance or the date  
8 fixed by the commission. A license issued under this act shall  
9 be construed to be a contract between the commission and the  
10 licensee and shall be signed by both parties. When a licensee  
11 dies, the commission may approve the operation of the establish-  
12 ment by a personal representative or independent personal repre-  
13 sentative duly appointed by the proper court, pending the settle-  
14 ment of the estate of the deceased licensee. The commission may  
15 approve a receiver or trustee appointed by a proper court to  
16 operate the licensed establishment of a licensee of the  
17 commission. The commission may grant a part-year license for a  
18 proportionate part of the license fee specified in section 19.  
19 In a resort area the commission shall grant a license for as  
20 short a period as 3 months. A license may be transferred with  
21 the consent of the commission. A class C or specially designated  
22 distributor license obtained other than by transfer shall not be  
23 transferred within 3 years after its issuance except if the  
24 licensee clearly and convincingly shows that unusual hardship  
25 will result if the transfer is not consented to by the  
26 commission. Except as provided in section 17b, an application  
27 for a license to sell beer and wine or spirits for consumption on

1 the premises, except in a city having a population of 1,000,000  
2 or more, shall be approved by the local legislative body in which  
3 the applicant's place of business is located before the license  
4 is granted by the commission, except that in the case of an  
5 application for renewal of an existing license, if an objection  
6 to a renewal has not been filed with the commission by the local  
7 legislative body not less than 30 days before the date of expira-  
8 tion of the license, the approval of the local legislative body  
9 shall not be required. The commission shall provide the local  
10 legislative body and the local chief of police with the name,  
11 home and business addresses, and home and business phone numbers  
12 to accomplish the local legislative reviews of new and trans-  
13 ferred license applications called for in this subsection. Upon  
14 request of the local legislative body after due notice and proper  
15 hearing by the local legislative body and the commission, the  
16 commission shall revoke the license of a licensee granted a  
17 license to sell beer, wine, or spirits for consumption on the  
18 premises, or the commission shall revoke any permit issued by the  
19 commission which is held in conjunction with a license to sell  
20 beer, wine, or spirits for consumption on the premises.

21 (4) ~~A local legislative body, by resolution, may request~~  
22 ~~that the commission revoke the license of a licensee granted a~~  
23 ~~license to sell beer, wine, or spirits for consumption off the~~  
24 ~~premises whose place of business is located within the local leg-~~  
25 ~~islative body's jurisdiction and who has been determined pursuant~~  
26 ~~to commission violation hearings to have sold or furnished~~  
27 ~~alcoholic liquor, on at least 3 separate occasions in a single~~

~~1 calendar year, to a person who is less than 21 years of age,~~  
~~2 provided said violations did not involve the use of falsified or~~  
~~3 fraudulent identification by the person who is less than 21 years~~  
~~4 of age. If the commission verifies that the licensee who is the~~  
~~5 subject of the resolution has been found to have committed the~~  
~~6 violations as prescribed in this subsection, the commission may~~  
~~7 suspend or revoke the licensee's license, and any permit held in~~  
~~8 conjunction with the license.~~ UPON REQUEST OF THE LOCAL LEGISLA-  
9 TIVE BODY IN WHOSE JURISDICTION A SPECIALLY DESIGNATED MERCHANT  
10 OR SPECIALLY DESIGNATED DISTRIBUTOR IS LOCATED, AND AFTER DUE  
11 NOTICE AND PROPER HEARING BY THE LOCAL LEGISLATIVE BODY AND THE  
12 COMMISSION, THE COMMISSION SHALL REVOKE OR SUSPEND THE SPECIALLY  
13 DESIGNATED MERCHANT LICENSE OR SPECIALLY DESIGNATED DISTRIBUTOR  
14 LICENSE, AND ANY PERMIT HELD IN CONJUNCTION WITH THE SPECIALLY  
15 DESIGNATED MERCHANT OR SPECIALLY DESIGNATED DISTRIBUTOR LICENSE.  
16 IF A LICENSE IS SUSPENDED UNDER THIS SECTION, THE SUSPENSION  
17 SHALL BE FOR A PERIOD OF TIME SPECIFIED BY THE LOCAL LEGISLATIVE  
18 BODY.

19 (5) Except as otherwise provided in this act, a license  
20 other than a special license which has been approved by the gov-  
21 erning authority of such state owned land shall not be issued by  
22 the commission to sell alcoholic liquor, either on or off the  
23 premises, if the property or establishment to be covered by the  
24 license is situated in or on state owned land. However, this  
25 prohibition shall not apply to the following land:

26 (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 the state or provided by the federal government by  
4 either lease, license, or use permit and used by outside parties  
5 of a nonmilitary or state governmental nature.

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

9 (e) Land which was owned or leased by the federal govern-  
10 ment, used as a military installation, and transferred to this  
11 state before January 1, 1980 pursuant to Act No. 151 of the  
12 Public Acts of 1978, being sections 3.551 to 3.561 of the  
13 Michigan Compiled Laws. Two additional licenses may be issued  
14 pursuant to this subdivision for establishments located on this  
15 state land without regard to or effect on the quota provisions of  
16 section 19c in the local governmental unit in which the license  
17 will be issued. A person issued a license pursuant to this sub-  
18 division may renew the license and transfer ownership of the  
19 license, without regard to or effect on the quota provisions of  
20 section 19c, if title to the property covered by the license is  
21 transferred from the state to another person or to another gov-  
22 ernmental unit. The commission shall not transfer a license  
23 issued under this subdivision to another location. Before the  
24 issuance of a license, and annually thereafter before the issu-  
25 ance of a license for a new licensing period, the applicant for a  
26 license shall submit to the commission a certificate from the  
27 department or agency charged with control of the land setting

1 forth that the issuance of a license is not incompatible with the  
2 objects and purposes entrusted to that department or agency under  
3 the law establishing control of the land in the department or  
4 agency. This subsection shall not prohibit the issuance of a  
5 license pursuant to section 17h.

6 (f) Property owned by the Michigan state waterways commis-  
7 sion and leased to persons under the harbor development act, Act  
8 No. 79 of the Public Acts of 1988, being sections 281.1251 to  
9 281.1268 of the Michigan Compiled Laws. A license may be issued  
10 under this subdivision to a lessee without regard to the quota  
11 provisions of section 19c, but the license shall not be issued  
12 without the written approval of the Michigan state waterways com-  
13 mission or its designee. A license issued under this subdivision  
14 shall not be transferable as to ownership or location, and, if  
15 the licensee goes out of business, the license shall be surren-  
16 dered to the liquor control commission.

17 (6) This act shall not prohibit a hotel, which is or was the  
18 holder of a license authorizing the retail sale of alcoholic  
19 liquor for consumption on the premises, from applying for and  
20 receiving, under this act, any other and different type of  
21 license authorizing the retail sale of alcoholic liquor for con-  
22 sumption on the premises, nor shall the application for the  
23 license be considered a new application for a license, so long as  
24 the total number of public licenses for consumption on the  
25 premises shall not exceed the authorized total established in  
26 this act and the sale of alcoholic liquor is approved by the  
27 electors. The commission may divide the state into 3 zones and

1 establish for each zone an anniversary date for renewal of  
2 full-year retail licenses in the licensing year. The commission  
3 shall promulgate rules pursuant to the administrative procedures  
4 act of 1969, Act No. 306 of the Public Acts of 1969, as amended,  
5 being sections 24.201 to 24.328 of the Michigan Compiled Laws,  
6 for the effective administration of the renewal of licenses.

7       (7) The commission, with the written approval of the depart-  
8 ment of natural resources in the case of the Michigan state fair-  
9 grounds and the department of agriculture, in the case of the  
10 Upper Peninsula state fairgrounds, may issue without regard to  
11 the quota provision of section 19c a tavern license to a person  
12 as concessionaire leasing or renting a portion of either the  
13 Upper Peninsula state fairgrounds or the state fairgrounds, or  
14 both, to service the licensed area in use for recreational or  
15 exhibition purposes, other than at the time of the annual state  
16 fair, under section 6 of the Michigan exposition and fairgrounds  
17 act, Act No. 361 of the Public Acts of 1978, being  
18 section 285.166 of the Michigan Compiled Laws, and the annual  
19 Upper Peninsula state fair, under section 2 of Act No. 89 of the  
20 Public Acts of 1927, as amended, being section 285.142 of the  
21 Michigan Compiled Laws. A license issued under this subsection  
22 is not transferable.

23       (8) Notwithstanding section 3, a collector, who is 21 years  
24 of age or older, of ceramic commemorative bottles containing  
25 alcoholic liquor and which bear an unbroken federal tax stamp or  
26 seal may sell or trade the bottles to other such collectors of  
27 the bottles without obtaining a license pursuant to this act.

1 All sales conducted pursuant to this subsection shall be for the  
2 purpose of exchanging ceramic commemorative bottles between pri-  
3 vate collectors of the bottles and shall not be for the purpose  
4 of selling alcoholic liquor for personal consumption. A sale or  
5 exchange conducted pursuant to this subsection shall not occur in  
6 any of the following ways:

7       (a) In connection with the business of a holder of an alco-  
8 holic liquor license.

9       (b) In connection with any other business.