

# SENATE BILL No. 846

March 4, 2014, Introduced by Senator HILDENBRAND 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 521a (MCL 436.1521a), as amended by 2010 PA 369.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 521a. (1) In order to allow cities, **VILLAGES, AND**  
2 **TOWNSHIPS** to enhance the quality of life for their residents and  
3 visitors to their communities, the commission may issue public on-  
4 premises licenses in addition to those quota licenses allowed in  
5 cities, **VILLAGES, AND TOWNSHIPS** under section 531(1). The licenses  
6 under this section shall be issued to businesses that meet ~~±~~**EITHER**  
7 of the following conditions:

8           (a) Are located in a ~~city~~ redevelopment project area meeting

1 the criteria described in subsections (3) and (4) and are engaged  
 2 in activities determined by the commission to be related to dining,  
 3 entertainment, or recreation.

4 (b) Are located in a development district or area that is any  
 5 of the following:

6 (i) An authority district established under the tax increment  
 7 finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830.

8 (ii) A development area established under the corridor  
 9 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

10 (iii) A downtown district established under 1975 PA 197, MCL  
 11 125.1651 to 125.1681.

12 (iv) A principal shopping district established under 1961 PA  
 13 120, MCL 125.981 to ~~125.990m~~-**125.990N**.

14 (2) The commission shall not issue a license under subsection  
 15 (1)(a) unless the applicant fulfills the following in relation to  
 16 the licensed premises:

17 (a) Provides the activity described in subsection (1)(a) not  
 18 less than 5 days per week.

19 (b) Is open to the public not less than 10 hours per day, 5  
 20 days per week.

21 (c) Presents verification of redevelopment project area status  
 22 to the commission that ~~shall include~~-**INCLUDES** the following:

23 (i) A resolution of the governing body of the city, **VILLAGE, OR**  
 24 **TOWNSHIP** establishing its status as a redevelopment project area.

25 (ii) An affidavit from the assessor, as certified by the ~~city~~  
 26 clerk **OF THE CITY, VILLAGE, OR TOWNSHIP**, stating the total amount  
 27 of investment in real and personal property within the

1 redevelopment project area of the city during the preceding 3  
2 years. ~~In the case of an applicant seeking a license under this~~  
3 ~~section within the first license cycle after December 29, 2006, the~~  
4 ~~time period described in this subdivision may be up to 5 years, or~~  
5 ~~7 years for a city having a population between 80,000 and 85,000~~  
6 ~~according to the 2000 federal decennial census and the application~~  
7 ~~is submitted within the first 6 months after December 29, 2006.~~

8 (iii) An affidavit from the assessor, as certified by the ~~city~~  
9 clerk **OF THE CITY, VILLAGE, OR TOWNSHIP**, separately stating the  
10 amount of investment money expended for manufacturing, industrial,  
11 residential, and commercial development within the redevelopment  
12 project area of the city, **VILLAGE, OR TOWNSHIP** during the preceding  
13 3 years. ~~In the case of an applicant seeking a license under this~~  
14 ~~section within the first license cycle after December 29, 2006, the~~  
15 ~~time period described in this subdivision may be up to 5 years, or~~  
16 ~~7 years for a city having a population between 80,000 and 85,000~~  
17 ~~according to the 2000 federal decennial census and the application~~  
18 ~~is submitted within the first 6 months after December 29, 2006.~~

19 (3) Relative to the licenses issued under subsection (1) (a),  
20 the amount of commercial investment in the redevelopment project  
21 area within the city, **VILLAGE, OR TOWNSHIP** shall constitute not  
22 less than 25% of the total investment in real and personal property  
23 in that redevelopment project area as evidenced by an affidavit of  
24 the ~~city~~-assessor **OF THE CITY, VILLAGE, OR TOWNSHIP**. This  
25 subsection does not prevent the city, **VILLAGE, OR TOWNSHIP** from  
26 realigning the redevelopment project area in the presentment of  
27 verification provided for under subsection (2) (c).

1 (4) In relation to a license issued under subsection (1) (a),  
2 an applicant shall be located in a city, **VILLAGE, OR TOWNSHIP** that  
3 meets at least 1 of the investment requirements of subsection  
4 (1) (a) during the 3 years preceding the submission of its  
5 application. ~~, or within the preceding 5 years in the case of an~~  
6 ~~applicant applying during the first license cycle after December~~  
7 ~~29, 2006.~~ The total investment in real and personal property in the  
8 redevelopment project area within the city, **VILLAGE, OR TOWNSHIP**  
9 over the appropriate time period described in this subsection shall  
10 be at least 1 of the following:

11 (a) Not less than \$50,000,000.00 in cities, **VILLAGES, OR**  
12 **TOWNSHIPS** having a population of 50,000 or more.

13 (b) Not less than an amount reflecting \$1,000,000.00 per 1,000  
14 people in cities, **VILLAGES, OR TOWNSHIPS** having a population of  
15 less than 50,000.

16 (5) The commission may issue a license under subsection (1) (a)  
17 for each monetary threshold described in subsection (4) (a) and (b),  
18 and, after reaching the initial threshold, 1 additional license for  
19 each major fraction thereof above that original threshold.

20 (6) The following apply to a license issued under subsection  
21 (1) (b):

22 (a) The amount expended for the rehabilitation or restoration  
23 of the building that housed the licensed premises shall be not less  
24 than \$75,000.00 over a period of the preceding 5 years or a  
25 commitment for a capital investment of at least that amount in the  
26 building that houses the licensed premises, ~~which~~ **THAT** must be  
27 expended before the issuance of the license.

1 (b) The total amount of public and private investment in real  
2 and personal property within the ~~qualified redevelopment project~~  
3 **DEVELOPMENT DISTRICT OR** area shall not be less than \$200,000.00  
4 over a period of the preceding 5 years as verified to the  
5 commission by means of an affidavit from the assessor, as certified  
6 by the clerk of the ~~local governmental unit~~. **CITY, VILLAGE, OR**  
7 **TOWNSHIP.**

8 (c) The licensed business is engaged in dining, entertainment,  
9 or recreation, is open to the general public, and has a seating  
10 capacity of not less than 25 persons.

11 (7) The commission may issue 1 license for each monetary  
12 threshold described in subsection (6)(b), or for each major  
13 fraction thereof. The initial enhanced license fee for a license  
14 issued under this section is \$20,000.00.

15 (8) The commission shall not transfer a license issued under  
16 this section to another location. If the licensee goes out of  
17 business, the licensee shall surrender the license to the  
18 commission. The governing body of the ~~local governmental unit~~ **CITY,**  
19 **VILLAGE, OR TOWNSHIP** may approve another applicant within a ~~city~~  
20 redevelopment project area **OR DEVELOPMENT DISTRICT OR AREA** to  
21 replace a licensee who has surrendered the license issued under  
22 this section provided the new applicant's business meets the  
23 requirements of this section but without regard to subsections  
24 (2)(c), (3), and (4) or subsection (6)(b).

25 (9) The individual signing the application for the license  
26 shall state and demonstrate that the applicant attempted to secure  
27 an appropriate ~~on-premise~~ **ON-PREMISES** escrowed license or quota

1 license issued under section 531 and that, to the best of his or  
 2 her knowledge, an ~~on-premise~~ **ON-PREMISES ESCROWED** license or quota  
 3 license issued under section 531 is not readily available within  
 4 the ~~local unit of government~~ **COUNTY** in which the applicant proposes  
 5 to operate.

6 (10) As used in this section:

7 ~~— (a) "City" means a city established under either of the~~  
 8 ~~following:~~

9 ~~— (i) The home rule city act, 1909 PA 279, MCL 117.1 to 117.38.~~

10 ~~— (ii) The fourth class city act, 1895 PA 215, MCL 81.1 to~~  
 11 ~~113.20.~~

12 **(A)** ~~(b)~~ "Escrowed license" means a license in which the rights  
 13 of the licensee in the license or to the renewal of the license are  
 14 still in existence and are subject to renewal and activation in the  
 15 manner provided for in R 436.1107 of the Michigan administrative  
 16 code.

17 **(B)** ~~(c)~~ "Readily available" means available under a standard  
 18 of economic feasibility, as applied to the specific circumstances  
 19 of the applicant, that includes, but is not limited to, the  
 20 following:

21 (i) The fair market value of the license **BASED ON WHERE THE**  
 22 **APPLICANT WILL BE LOCATED**, if determinable.

23 (ii) The size and scope of the proposed operation.

24 (iii) The existence of mandatory contractual restrictions or  
 25 inclusions attached to the sale of the license.