



HOUSE BILL No. 5159

December 2, 1999, Introduced by Reps. Van Woerkom, Kuipers, Green, Pappageorge, Voorhees, Gosselin, Garcia, Mans, Richner and Shackleton 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 501 (MCL 436.1501), as amended by 1998
PA 416.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 501. (1) The commission may issue licenses as provided
2 in this act upon the payment of the fees provided in section 525
3 and the filing of the bonds required in section 801 or liability
4 insurance as provided in section 803.

5 (2) A full-year license issued by the commission shall
6 expire on April 30 following the date of issuance or the date
7 fixed by the commission. A license issued under this act shall
8 be construed as a contract between the commission and the
9 licensee and shall be signed by both parties. If a licensee
10 dies, the commission may approve the operation of the

1 establishment by a personal representative or independent
2 personal representative duly appointed by a court of competent
3 jurisdiction, pending the settlement of the estate of the
4 deceased licensee. The commission may approve a receiver or
5 trustee appointed by a court of competent jurisdiction to operate
6 the licensed establishment of a licensee. The commission may
7 grant a part-year license for a proportionate part of the license
8 fee specified in section 525. In a resort area the commission
9 shall grant a license for a period of time as short as 3 months.
10 A license may be transferred with the consent of the commission.
11 A class C or specially designated distributor license obtained in
12 a manner other than by transfer shall not be transferred within
13 3 years after its issuance except under circumstances where the
14 licensee clearly and convincingly demonstrates that unusual hard-
15 ship will result if the transfer does not receive the consent of
16 the commission. An application for a license to sell alcoholic
17 liquor for consumption on OR OFF the LICENSED premises, except in
18 a city having a population of 750,000 or more, shall be approved
19 by the local legislative body in which the applicant's place of
20 business is located before the license is granted by the commis-
21 sion, except that in the case of an application for renewal of an
22 existing license, if an objection to a renewal has not been filed
23 with the commission by the local legislative body not less than
24 30 days before the date of expiration of the license, the
25 approval of the local legislative body ~~shall~~ IS not ~~be~~
26 required. The commission shall provide the local legislative
27 body and the local chief of police with the name, home and

1 business addresses, and home and business phone numbers to
2 accomplish the local legislative reviews of new and transferred
3 license applications required by this subsection. Upon request
4 of the local legislative body after due notice and proper hearing
5 by the local legislative body and the commission, the commission
6 shall revoke the license of a licensee granted a license to sell
7 alcoholic liquor for consumption on OR OFF the LICENSED premises
8 or any permit held in conjunction with that license.

9 (3) A local legislative body, by resolution, may request
10 that the commission revoke the license of a licensee granted a
11 license to sell alcoholic liquor for consumption off the premises
12 whose place of business is located within the local legislative
13 body's jurisdiction and who has been determined pursuant to com-
14 mission violation hearings to have sold or furnished alcoholic
15 liquor, on at least 3 separate occasions in a single calendar
16 year, to a person who is less than 21 years of age if those vio-
17 lations did not involve the use of falsified or fraudulent iden-
18 tification by the person who is less than 21 years of age. If
19 the commission verifies that the licensee who is the subject of
20 the resolution has been found to have committed the violations as
21 prescribed in this subsection, the commission may suspend or
22 revoke the licensee's license and any permit held in conjunction
23 with that license.

24 (4) This act does not prohibit a hotel which is or was the
25 holder of a license authorizing the retail sale of alcoholic
26 liquor for consumption on the premises from applying for and
27 receiving under this act any other and different type of license

1 authorizing the retail sale of alcoholic liquor for consumption
2 on the premises, and the application for the license ~~shall~~ IS
3 not ~~be~~ considered a new application for a license so long as
4 the total number of public licenses for consumption on the
5 premises does not exceed the authorized total established in this
6 act and the sale of alcoholic liquor is approved by the
7 electors. The commission may divide the state into 3 zones and
8 establish for each zone an anniversary date for renewal of
9 full-year retail licenses in the licensing year. The commission
10 shall promulgate rules pursuant to the administrative procedures
11 act of 1969, 1969 PA 306, MCL 24.201 to 24.328, for the effective
12 administration of the renewal of licenses.

13 (5) The commission, with the written approval of the depart-
14 ment of agriculture in the case of the Michigan state fairgrounds
15 and the Upper Peninsula state fairgrounds, may issue without
16 regard to the quota provision of section 531 a tavern license to
17 a person as concessionaire leasing or renting a portion of either
18 the Upper Peninsula state fairgrounds or the state fairgrounds,
19 or both, to service the licensed area in use for recreational or
20 exhibition purposes other than at the time of the annual Upper
21 Peninsula state fair under section 2 of 1927 PA 89, MCL 285.142.
22 A license issued under this subsection is not transferable.