

# SENATE BILL No. 1493

September 14, 2010, Introduced by Senator ALLEN and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending section 521a (MCL 436.1521a), as added by 2006 PA 501.

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

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

7           (a) Are located in a city redevelopment project area meeting  
8 the criteria described in subsections (3) and (4) and are engaged  
9 in activities determined by the commission to be related to dining,

1 entertainment, or recreation.

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

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

6 (ii) A development area established under the corridor  
7 improvement authority act, 2005 PA 280, MCL 125.2871 to ~~125.2898~~  
8 **125.2899**.

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

11 (iv) A principal shopping district established under 1961 PA  
12 120, MCL 125.981 to 125.990m.

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

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

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

20 (c) Presents verification of redevelopment project area status  
21 to the commission that shall include the following:

22 (i) A resolution of the governing body of the city establishing  
23 its status as a redevelopment project area.

24 (ii) An affidavit from the assessor, as certified by the city  
25 clerk, stating the total amount of investment in real and personal  
26 property within the redevelopment project area of the city during  
27 the preceding 3 years. In the case of an applicant seeking a

1 license under this section within the first license cycle after ~~the~~  
2 ~~effective date of this section~~ **DECEMBER 29, 2006**, the time period  
3 described in this subdivision may be up to 5 years, or 7 years for  
4 a city having a population between 80,000 and 85,000 according to  
5 the 2000 federal decennial census and the application is submitted  
6 within the first 6 months after ~~the effective date of this section~~  
7 **DECEMBER 29, 2006**.

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

20 (3) Relative to the licenses issued under subsection (1)(a),  
21 the amount of commercial investment in the redevelopment project  
22 area within the city shall constitute not less than 25% of the  
23 total investment in real and personal property in that  
24 redevelopment project area as evidenced by an affidavit of the city  
25 assessor. This subsection does not prevent the city from realigning  
26 the redevelopment project area in the presentment of verification  
27 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 that meets at least 1 of  
3 the investment requirements of subsection (1) (a) during the 3 years  
4 preceding the submission of its application, or within the  
5 preceding 5 years in the case of an applicant applying during the  
6 first license cycle after ~~the effective date of this section~~  
7 **DECEMBER 29, 2006**. The total investment in real and personal  
8 property in the redevelopment project area within the city over the  
9 appropriate time period described in this subsection shall be at  
10 least 1 of the following:

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

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

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

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

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

27           (b) The total amount of public and private investment in real

1 and personal property within the qualified redevelopment project  
2 area shall not be less than \$200,000.00 over a period of the  
3 preceding 5 years as verified to the commission by means of an  
4 affidavit from the assessor, as certified by the clerk of the local  
5 governmental unit.

6 (c) The licensed business is engaged in dining, entertainment,  
7 or recreation, is open to the general public, and has a seating  
8 capacity of not less than ~~50~~25 persons.

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

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

22 (9) The individual signing the application for the license  
23 shall state and demonstrate that the applicant attempted to secure  
24 an appropriate on-premise escrowed license or quota license issued  
25 under section 531 and that, to the best of his or her knowledge, an  
26 on-premise license or quota license issued under section 531 is not  
27 readily available within the local unit of government in which the

1 applicant proposes to operate.

2 (10) As used in this section:

3 (a) "City" means a city established under either of the  
4 following:

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

6 (ii) The fourth class city act, 1895 PA 215, MCL 81.1 to  
7 113.20.

8 (b) "Escrowed license" means a license in which the rights of  
9 the licensee in the license or to the renewal of the license are  
10 still in existence and are subject to renewal and activation in the  
11 manner provided for in R 436.1107 of the Michigan administrative  
12 code.

13 (c) "Readily available" means available under a standard of  
14 economic feasibility, as applied to the specific circumstances of  
15 the applicant, that includes, but is not limited to, the following:

16 (i) The fair market value of the license, if determinable.

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

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