

# Legislative Analysis



## ON-PREMISES LIQUOR LICENSE FOR REDEVELOPMENT PROJECTS OR DEVELOPMENT DISTRICTS

Mary Ann Cleary, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5877**

**Sponsor: Rep. Cindy Denby**

**Committee: Regulatory Reform**

**Complete to 9-18-12**

### A SUMMARY OF HOUSE BILL 5877 AS INTRODUCED 9-11-12

Section 521a of the Liquor Control Code allows the Liquor Control Commission (LCC) to issue public on-premises liquor licenses, in addition to those allowed by quota (1 for each 1,500 of population), for businesses that are located within city redevelopment projects or in development districts.

Currently, only businesses within city redevelopment projects or development districts that meet certain guidelines are eligible for these licenses. The bill would expand the eligibility for public on-premises licenses to be issued in development areas in any municipality in the state, which would include all counties, villages, townships, and cities.

MCL 436.1521a

### FISCAL IMPACT:

House Bill 5877 would not have a substantial fiscal impact on the Liquor Control Commission (LCC).

### BACKGROUND INFORMATION:

#### Eligibility

Public on-premises licenses are currently available to businesses that are (1) located within a city redevelopment project area that meets investment level guidelines and is engaged in dining, entertainment, or recreation activity or (2) are located in a tax increment finance authority development district, a corridor improvement authority development area, a downtown district, or a principal shopping district.

The business must provide dining, entertainment, or recreation activity at least 5 days per week, be open to the public for at least 10 hours per day, and show verification of their redevelopment project status. Verification includes a resolution from the local governing body and separate affidavits from the assessor verifying (1) the total amount of investment in real and personal property in the previous 3 years (2) and the amount of investment spent for manufacturing, industrial, residential, and commercial development within the previous 3 years.

Redevelopment project area licenses and development district or area licenses are also subject to specific guidelines pertaining to public and private investment that must be met in order for a project area to be eligible.

Non-transferable

Public on-premises licenses cannot be transferred by the LCC, but may be reissued within a city redevelopment project area upon approval by the local governing body.

Fee

The fee for a public on-premises license issued under Section 521a is \$20,000.

[NOTE: None of these provisions are being changed by House Bill 5877, other than to expand eligibility from just cities to also include counties, villages, and townships.]

Legislative Analyst: Jeff Stoutenburg  
Fiscal Analyst: Paul Holland

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