

# SENATE BILL No. 1173

June 7, 2012, Introduced by Senator JOHNSON 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 1114 (MCL 436.2114), as amended by 2011 PA 27,  
and by adding section 1116.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1114. (1) Notwithstanding R 436.1403 and R 436.1503 of  
2       the Michigan administrative code and except as otherwise provided  
3       **IN SECTION 1116**, under this act, or **BY** rule of the commission, an  
4       on-premises and an off-premises licensee shall not sell, give away,  
5       or furnish alcoholic liquor between the hours of 2 a.m. and 7 a.m.  
6       on any day.

7       (2) Subsection (1) does not prevent any local governmental  
8       unit from prohibiting the sale of beer and wine between the hours

1 of 7 a.m. and 12 noon on Sunday or between the hours of 7 a.m. on  
2 Sunday and 2 a.m. on Monday under section 1111 and does not prevent  
3 any local governmental unit from prohibiting the sale of spirits  
4 and mixed spirit drink between the hours of 7 a.m. and 12 noon on  
5 Sunday or between the hours of 7 a.m. on Sunday and 2 a.m. on  
6 Monday under section 1113. A licensee selling alcoholic liquor  
7 between 7 a.m. and 12 noon on Sunday shall obtain a permit and pay  
8 to the commission an annual fee of \$160.00.

9 (3) A reference to the time of day under this act or a rule of  
10 the commission includes daylight savings time, when observed.

11 **SEC. 1116. (1) AN ON-PREMISES LICENSEE LOCATED WITHIN A**  
12 **DEVELOPMENT DISTRICT IN A CITY WITH A POPULATION OF MORE THAN**  
13 **600,000 MAY SELL OR FURNISH ALCOHOLIC LIQUOR BETWEEN THE HOURS OF 2**  
14 **A.M. AND 4 A.M. ON ANY DAY IF THE LICENSEE HAS OBTAINED AN EXTENDED**  
15 **HOURS PERMIT FROM THE COMMISSION.**

16 (2) TO OBTAIN AN EXTENDED HOURS PERMIT, AN ON-PREMISES  
17 LICENSEE SHALL DO ALL OF THE FOLLOWING:

18 (A) SUBMIT A COMPLETED APPLICATION AND A YEARLY PERMIT FEE OF  
19 \$10,000.00 TO THE COMMISSION.

20 (B) DEMONSTRATE TO THE COMMISSION ALL OF THE FOLLOWING:

21 (i) THAT THE LICENSEE WILL HAVE 1 SECURITY PERSON FOR EVERY 50  
22 CUSTOMERS ON THE LICENSED PREMISES.

23 (ii) THAT THE LICENSEE WILL HAVE SECURITY PERSONNEL AT THE  
24 LICENSED PREMISES FROM 11 P.M. TO 4 A.M.

25 (iii) THAT THE LICENSEE WILL HAVE 360-DEGREE VIDEO SURVEILLANCE  
26 ON THE LICENSED PREMISES.

27 (3) THE COMMISSION SHALL DETERMINE WHETHER THE ON-PREMISES

1 LICENSEE MEETS THE CONDITIONS DESCRIBED IN SUBSECTIONS (1) AND (2).  
2 IF THE COMMISSION DETERMINES THE LICENSEE MEETS THE CONDITIONS  
3 DESCRIBED IN SUBSECTIONS (1) AND (2), THE COMMISSION SHALL APPROVE  
4 THE APPLICATION AND ISSUE AN EXTENDED HOURS PERMIT WITHIN 90 DAYS  
5 OF RECEIVING THE APPLICATION.

6 (4) THE COMMISSION SHALL DEPOSIT ALL PERMIT FEES COLLECTED  
7 UNDER THIS SECTION IN THE EXTENDED HOURS PERMIT FUND CREATED IN  
8 SUBSECTION (5).

9 (5) THE EXTENDED HOURS PERMIT FUND IS CREATED WITHIN THE STATE  
10 TREASURY.

11 (6) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM  
12 ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL  
13 DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER SHALL CREDIT  
14 TO THE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS.

15 (7) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL  
16 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

17 (8) THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS SHALL  
18 BE THE ADMINISTRATOR OF THE FUND FOR AUDITING PURPOSES.

19 (9) THE DEPARTMENT OF TREASURY SHALL EXPEND MONEY FROM THE  
20 FUND, UPON APPROPRIATION, ONLY AS PROVIDED IN SUBSECTION (10).

21 (10) ALL MONEY COLLECTED AND DEPOSITED IN THE EXTENDED HOURS  
22 PERMIT FUND SHALL BE DISTRIBUTED AS FOLLOWS:

23 (A) 5% SHALL BE DISBURSED TO THE CITIES WHERE THE EXTENDED  
24 HOURS PERMITS ARE LOCATED FOR ADMINISTRATION COSTS RELATED TO THIS  
25 SECTION.

26 (B) 85% SHALL BE DISBURSED TO THE POLICE DEPARTMENTS OF CITIES  
27 WHERE THE EXTENDED HOURS PERMITS ARE LOCATED FOR THE SPECIFIC

1 PURPOSE OF ENFORCING THIS SECTION AND THE RULES PROMULGATED UNDER  
2 THIS SECTION.

3 (C) 10% SHALL BE DISTRIBUTED TO THE COMMISSION FOR CARRYING  
4 OUT THE LICENSING AND ENFORCEMENT PROVISIONS OF THIS SECTION.

5 (11) AS USED IN THIS SECTION, "DEVELOPMENT DISTRICT" MEANS A  
6 DOWNTOWN DISTRICT ESTABLISHED UNDER 1975 PA 197, MCL 125.1651 TO  
7 125.1681.