

HOUSE BILL No. 4628

May 13, 1987, Introduced by Rep. Keith and referred to the Committee on Liquor Control.

A bill to amend section 17 of Act No. 8 of the Public Acts of the Extra Session of 1933, entitled as amended "The Michigan liquor control act," as amended by Act No. 7 of the Public Acts of 1986, being section 436.17 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 17 of Act No. 8 of the Public Acts of
2 the Extra Session of 1933, as amended by Act No. 7 of the Public
3 Acts of 1986, being section 436.17 of the Michigan Compiled Laws,
4 is amended to read as follows:

5 Sec. 17. (1) The commission may issue licenses, as provided
6 in this act, upon the payment of the fees provided in section 19
7 and the filing of the bonds required in section 22, or liability
8 insurance as provided in section 22a.

1 (2) The commission shall issue licenses to manufacturers
2 only when 25% or more of the capital stock is owned by residents
3 of this state, except that these limitations shall not apply to
4 manufacturers of wine or beer or malt beverages or to distillers
5 or rectifiers.

6 (3) A full-year license issued by the commission shall
7 expire on April 30 following the date of issuance or the date
8 fixed by the commission. A license issued under this act shall
9 be construed to be a contract between the commission and the
10 licensee and shall be signed by both parties. When a licensee
11 dies, the commission may approve the operation of the establish-
12 ment by a personal representative or independent personal repre-
13 sentative duly appointed by the proper court, pending the settle-
14 ment of the estate of the deceased licensee. The commission may
15 approve a receiver or trustee appointed by a proper court to
16 operate the licensed establishment of a licensee of the
17 commission. The commission may grant a part-year license for a
18 proportionate part of the license fee specified in section 19.
19 In a resort area the commission shall grant a license for as
20 short a period as 3 months. A license may be transferred with
21 the consent of the commission. A class C or specially designated
22 distributor license obtained other than by transfer shall not be
23 transferred within 3 years after its issuance except if the
24 licensee clearly and convincingly shows that unusual hardship
25 will result if the transfer is not consented to by the
26 commission. Except as provided in section 17b, an application
27 for a license to sell beer and wine or spirits for consumption on

1 the premises, except in a city having a population of 1,000,000
2 or more, shall be approved by the local legislative body in which
3 the applicant's place of business is located before the license
4 is granted by the commission, except that in the case of an
5 application for renewal of an existing license, if an objection
6 to a renewal has not been filed with the commission by the local
7 legislative body not less than 30 days before the date of expira-
8 tion of the license, the approval of the local legislative body
9 shall not be required. The commission shall provide the local
10 legislative body and the local chief of police with the name,
11 home and business addresses, and home and business phone numbers
12 to accomplish the local legislative reviews of new and trans-
13 ferred license applications called for in this subsection. Upon
14 request of the local legislative body after due notice and proper
15 hearing by the local legislative body and the commission, the
16 commission shall revoke the license of a licensee granted a
17 license to sell beer, wine, or spirits for consumption on the
18 premises, or the commission shall revoke any permit issued by the
19 commission which is held in conjunction with a license to sell
20 beer, wine, or spirits for consumption on the premises.

21 (4) A local legislative body, by resolution, may request
22 that the commission revoke the license of a licensee granted a
23 license to sell beer, wine, or spirits for consumption off the
24 premises whose place of business is located within the local leg-
25 islative body's jurisdiction and who has been determined pursuant
26 to commission violation hearings to have sold or furnished
27 alcoholic liquor, on at least 3 separate occasions in a single

1 calendar year, to a person who is less than 21 years of age,
2 provided said violations did not involve the use of falsified or
3 fraudulent identification by the person who is less than 21 years
4 of age. If the commission verifies that the licensee who is the
5 subject of the resolution has been found to have committed the
6 violations as prescribed in this subsection, the commission
7 ~~shall~~ MAY SUSPEND OR revoke the licensee's license, and any
8 permit held in conjunction with the license.

9 (5) Except as otherwise provided in this act, a license
10 other than a special license which has been approved by the gov-
11 erning authority of such state owned land shall not be issued by
12 the commission to sell alcoholic liquor, either on or off the
13 premises, if the property or establishment to be covered by the
14 license is situated in or on state owned land. However, this
15 prohibition shall not apply to the following land:

16 (a) The Michigan state fairgrounds.

17 (b) The Upper Peninsula state fairgrounds.

18 (c) Armories, air bases, and naval installations owned or
19 leased by the state or provided by the federal government by
20 either lease, license, or use permit and used by outside parties
21 of a nonmilitary or state governmental nature.

22 (d) Land which was under lease to a person licensed in the
23 calendar year 1954 and on which a licensed establishment is pres-
24 ently located.

25 (e) Land which was owned or leased by the federal govern-
26 ment, used as a military installation, and transferred to this
27 state before January 1, 1980 pursuant to Act No. 151 of the

1 Public Acts of 1978, being sections 3.551 to 3.561 of the
2 Michigan Compiled Laws. Two additional licenses may be issued
3 pursuant to this subdivision for establishments located on this
4 state land without regard to or effect on the quota provisions of
5 section 19c in the local governmental unit in which the license
6 will be issued. A person issued a license pursuant to this sub-
7 division may renew the license and transfer ownership of the
8 license, without regard to or effect on the quota provisions of
9 section 19c, if title to the property covered by the license is
10 transferred from the state to another person or to another gov-
11 ernmental unit. The commission shall not transfer a license
12 issued under this subdivision to another location. Before the
13 issuance of a license, and annually thereafter before the issu-
14 ance of a license for a new licensing period, the applicant for a
15 license shall submit to the commission a certificate from the
16 department or agency charged with control of the land setting
17 forth that the issuance of a license is not incompatible with the
18 objects and purposes entrusted to that department or agency under
19 the law establishing control of the land in the department or
20 agency. This subsection shall not prohibit the issuance of a
21 license pursuant to section 17h.

22 (6) This act shall not prohibit a hotel, which is or was the
23 holder of a license authorizing the retail sale of alcoholic
24 liquor for consumption on the premises, from applying for and
25 receiving, under this act, any other and different type of
26 license authorizing the retail sale of alcoholic liquor for
27 consumption on the premises, nor shall the application for the

1 license be considered a new application for a license, so long as
2 the total number of public licenses for consumption on the
3 premises shall not exceed the authorized total established in
4 this act and the sale of alcoholic liquor is approved by the
5 electors. The commission may divide the state into 3 zones and
6 establish for each zone an anniversary date for renewal of
7 full-year retail licenses in the licensing year. The commission
8 shall promulgate rules pursuant to the administrative procedures
9 act of 1969, Act No. 306 of the Public Acts of 1969, as amended,
10 being sections 24.201 to 24.328 of the Michigan Compiled Laws,
11 for the effective administration of the renewal of licenses.

12 (7) The commission, with the written approval of the depart-
13 ment of natural resources in the case of the Michigan state fair-
14 grounds and the department of agriculture, in the case of the
15 Upper Peninsula state fairgrounds, may issue without regard to
16 the quota provision of section 19c a tavern license to a person
17 as concessionaire leasing or renting a portion of either the
18 Upper Peninsula state fairgrounds or the state fairgrounds, or
19 both, to service the licensed area in use for recreational or
20 exhibition purposes, other than at the time of the annual state
21 fair, under section 6 of the Michigan exposition and fairgrounds
22 act, Act No. 361 of the Public Acts of 1978, being
23 section 285.166 of the Michigan Compiled Laws, and the annual
24 Upper Peninsula state fair, under section 2 of Act No. 89 of the
25 Public Acts of 1927, as amended, being section 285.142 of the
26 Michigan Compiled Laws. A license issued under this subsection
27 is not transferable.

1 (8) Notwithstanding section 3, a collector, who is 21 years
2 of age or older, of ceramic commemorative bottles containing
3 alcoholic liquor and which bear an unbroken federal tax stamp or
4 seal may sell or trade the bottles to other such collectors of
5 the bottles without obtaining a license pursuant to this act.
6 All sales conducted pursuant to this subsection shall be for the
7 purpose of exchanging ceramic commemorative bottles between pri-
8 vate collectors of the bottles and shall not be for the purpose
9 of selling alcoholic liquor for personal consumption. A sale or
10 exchange conducted pursuant to this subsection shall not occur in
11 any of the following ways:

12 (a) In connection with the business of a holder of an alco-
13 holic liquor license.

14 (b) In connection with any other business.