



HOUSE BILL No. 4517

March 18, 1993, Introduced by Reps. Johnson and Freeman and referred to the Committee on Liquor Control.

A bill to amend section 19c 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. 43 of the Public Acts of 1992, being section 436.19c of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 19c of Act No. 8 of the Public Acts of
2 the Extra Session of 1933, as amended by Act No. 43 of the Public
3 Acts of 1992, being section 436.19c of the Michigan Compiled
4 Laws, is amended to read as follows:

5 Sec. 19c. (1) ~~A~~ SUBJECT TO SUBSECTION (14), A public
6 license shall not be granted for the sale of alcoholic liquor for
7 consumption on the premises in excess of 1 license for each 1,500
8 of population or major fraction thereof. This quota does not bar
9 the right of an existing licensee to renew a license or transfer

1 the license nor does it bar the right of a tavern or class A
2 hotel from requesting reclassification of a license to class C,
3 unless local option laws prevent the sale of spirits and mixed
4 spirit drinks by those licensed premises, subject to the consent
5 of the commission. Upgrading of a license resulting from a
6 request under this subsection shall be approved by the local gov-
7 ernmental unit having jurisdiction.

8 (2) In a resort area, the commission may issue 1 or more
9 licenses for a period not to exceed 12 months without regard to a
10 limitation because of population, but not in excess of 550, and
11 with respect to the resort license the commission, by rule, shall
12 define and classify resort seasons by months and may issue 1 or
13 more licenses for resort seasons without regard to the calendar
14 year or licensing year.

15 (3) In addition to the resort licenses authorized in subsec-
16 tion (2), the commission may issue not more than 10 additional
17 licenses per year for each of the years 1988, 1989, 1990, 1991,
18 1992, and 1993 to establishments whose business and operation, as
19 determined by the commission, is designed to attract and accommo-
20 date tourists and visitors to the resort area, and whose primary
21 purpose is not for the sale of alcoholic liquor. In counties
22 having a population of less than 50,000, as determined by the
23 last federal decennial census or as determined pursuant to
24 subsection (10), the commission shall not require the establish-
25 ments to have dining facilities to seat more than 50 persons.
26 The commission may cancel the license if the resort is no longer
27 active or no longer qualifies for the license. Before January 16

1 of each year the commission shall transmit to the legislature a
2 report giving details as to the number of applications received
3 under this subsection; the number of licenses granted and to
4 whom; the number of applications rejected and the reasons; and
5 the number of the licenses revoked, suspended, or other disci-
6 plinary action taken and against whom and the grounds for revoca-
7 tion, suspension, or disciplinary action.

8 (4) In addition to any licenses for the sale of alcoholic
9 liquor for consumption on the premises that may be available in
10 the local governmental unit under subsection (1) and the resort
11 licenses authorized in subsections (2) and (3), the commission
12 may issue not more than 25 additional resort licenses for each of
13 the years 1988, 1989, 1990, 1991, 1992, and 1993 if all of the
14 following conditions are met:

15 (a) The establishment's business and operation, as deter-
16 mined by the commission, is designed to attract and accommodate
17 tourists and visitors to the resort area.

18 (b) The establishment's primary business is not the sale of
19 alcoholic liquor.

20 (c) The capital investment in real property, leasehold
21 improvement, fixtures, and inventory for the premises to be
22 licensed is in excess of \$1,000,000.00.

23 (5) In governmental units having a population of 50,000 per-
24 sons or less, as determined by the last federal decennial census
25 or as determined pursuant to subsection ~~(10)~~ (11), in which the
26 quota of specially designated distributor licenses, as provided
27 by commission rule, has been exhausted, the commission may issue

1 not more than 10 additional specially designated distributor
2 licenses per year for each of the years 1988, 1989, 1990, 1991,
3 1992, and 1993 to established merchants whose business and opera-
4 tion, as determined by the commission, is designed to attract and
5 accommodate tourists and visitors to the resort area. A spe-
6 cially designated distributor license issued pursuant to this
7 subsection may be issued at a location within 2,640 feet of
8 existing specially designated distributor license locations. A
9 specially designated distributor license issued pursuant to this
10 subsection shall not bar another specially designated distributor
11 licensee from transferring location to within 2,640 feet of said
12 licensed location.

13 (6) In addition to any licenses for the sale of alcoholic
14 liquor for consumption on the premises that may be available in
15 the local governmental unit under subsection (1), and the resort
16 licenses authorized in subsections (2), (3), and (4), and not-
17 withstanding section 17(4), the commission may issue not more
18 than 5 additional special purpose licenses in any calendar year
19 for the sale of beer and wine for consumption on the premises. A
20 special purpose license issued pursuant to this subsection shall
21 be issued only for events which are to be held from May 1 to
22 September 30, are artistic in nature, and which are to be held on
23 the campus of a public university with an enrollment of 30,000 or
24 more students. A special purpose license shall be valid for 30
25 days or for the duration of the event for which it is issued,
26 whichever is less. The fee for a special purpose license shall

1 be \$50.00. A special purpose license may be issued only to a
2 corporation which is all of the following:

3 (a) Is a nonprofit corporation organized pursuant to the
4 nonprofit corporation act, Act No. 162 of the Public Acts of
5 1982, being sections 450.2101 to 450.3192 of the Michigan
6 Compiled Laws.

7 (b) Has a board of directors constituted of members of whom
8 half are elected by the public university at which the event is
9 scheduled and half are elected by the local governmental unit.

10 (c) Has been in continuous existence for not less than 6
11 years.

12 (7) Notwithstanding the local legislative body approval pro-
13 vision of section 17(3) and notwithstanding the provisions of
14 section 17(5), the commission may issue, without regard to the
15 quota provisions of subsection (1) and with the approval of the
16 governing board of the university, either a tavern or class C
17 license which may be used only for regularly scheduled events at
18 a public university's established outdoor program or festival at
19 a facility on the campus of a public university having a head
20 count enrollment of 10,000 students or more. A license issued
21 under this subsection may only be issued to the governing board
22 of a public university, a person that is the lessee or conces-
23 sionaire of the governing board of the university, or both. A
24 license issued under this subsection is not transferable as to
25 ownership or location. A license issued under this subsection
26 may not be issued at an outdoor stadium customarily used for
27 intercollegiate athletic events.

1 (8) In issuing a resort license under subsection (3), (4),
2 or (5) the commission shall consider economic development factors
3 of the area in the issuance of licenses to establishments
4 designed to stimulate and promote the resort and tourist
5 ~~industry~~ INDUSTRY. The commission shall not transfer a resort
6 license issued under subsection (3), (4), or (5) to another loca-
7 tion, and if the licensee goes out of business the license shall
8 be surrendered to the commission.

9 (9) The limitations and quotas of this section shall not be
10 applicable to the issuance of a new license to a veteran of the
11 armed forces of the United States who was honorably discharged or
12 released under honorable conditions from the armed forces of the
13 United States and who had by forced sale disposed of a similar
14 license within 90 days before or after entering or while serving
15 in the armed forces of the United States, as a part of the
16 person's preparation for that service if the application for a
17 new license is made for the same governmental unit in which the
18 previous license was issued and within 60 days after the dis-
19 charge of the applicant from the armed forces of the United
20 States.

21 (10) The limitations and quotas of this section shall not be
22 applicable to the issuance of a new license or the renewal of an
23 existing license where the property or establishment to be
24 licensed is situated in or on land on which an airport owned by a
25 county or in which a county has an interest is situated.

26 (11) For purposes of implementing this section a special
27 state census of a local governmental unit may be taken at the

1 expense of the local governmental unit by the federal bureau of
2 census or the secretary of state under section 6 of Act No. 279
3 of the Public Acts of 1909, as amended, being section 117.6 of
4 the Michigan Compiled Laws. The special census shall be initi-
5 ated by resolution of the governing body of the local governmen-
6 tal unit involved. The secretary of state may promulgate addi-
7 tional rules necessary for implementing this section pursuant to
8 the administrative procedures act of 1969, Act No. 306 of the
9 Public Acts of 1969, being sections 24.201 to 24.328 of the
10 Michigan Compiled Laws.

11 (12) The limitations and quotas of this section shall not be
12 applicable to the issuance of a new license to the governing
13 board of a college or university pursuant to section 17h.

14 (13) The limitations and quotas of this section shall not be
15 applicable to the issuance of a national sporting event license
16 pursuant to section 17b.

17 (14) UNTIL DECEMBER 31, 1994, THE NUMBER OF CLASS C LICENSES
18 THAT MAY BE AVAILABLE IN THE LOCAL GOVERNMENTAL UNIT UNDER
19 SUBSECTION (1) SHALL NOT BE REDUCED BECAUSE OF THE RESULTS OF THE
20 1990 FEDERAL DECENNIAL CENSUS.