



# SENATE BILL No. 1253

September 20, 1994, Introduced by Senators DUNASKISS,  
KOIVISTO, HART, MC MANUS, PRIDNIA and DI NELLO and  
referred to the Committee on State Affairs and  
Military/Veteran Affairs

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 272 of the Public Acts of 1993, 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 272 of the  
3 Public Acts of 1993, being section 436 19c of the Michigan  
4 Compiled Laws, is amended to read as follows  
5 Sec 19c (1) A public license shall not be granted for the  
6 sale of alcoholic liquor for consumption on the premises in  
7 excess of 1 license for each 1,500 of population or major  
8 fraction thereof This quota does not bar the right of an  
9 existing licensee to renew a license or transfer the license ~~nor~~

1 ~~does~~ AND it DOES NOT bar the right of a tavern or class A hotel  
2 from requesting reclassification of a license to class C, unless  
3 local option laws prevent the sale of spirits and mixed spirit  
4 drinks by those licensed premises, subject to the consent of the  
5 commission Upgrading of a license resulting from a request  
6 under this subsection shall be approved by the local governmental  
7 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 for the year 1994 to establishments whose business and  
18 operation, as determined by the commission, is designed to  
19 attract and accommodate tourists and visitors to the resort area,  
20 and whose primary purpose is not for the sale of alcoholic  
21 liquor In counties having a population of less than 50,000, as  
22 determined by the last federal decennial census or as determined  
23 pursuant to subsection (11), the commission shall not require the  
24 establishments to have dining facilities to seat more than 50  
25 persons The commission may cancel the license if the resort is  
26 no longer active or no longer qualifies for the license Before  
27 January 16 of each year the commission shall transmit to the

1 legislature a report giving details as to the number of  
2 applications received under this subsection the number of  
3 licenses granted and to whom the number of applications rejected  
4 and the reasons and the number of the licenses revoked, sus-  
5 pended, or other disciplinary action taken and against whom and  
6 the grounds for revocation, suspension, or disciplinary action

7 (4) In addition to any licenses for the sale of alcoholic  
8 liquor for consumption on the premises that may be available in  
9 the local governmental unit under subsection (1) and the resort  
10 licenses authorized in subsections (2) and (3), the commission  
11 may issue not more than 25 additional resort licenses for the  
12 year ~~1994~~ 1995 if all of the following conditions are met

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

16 (b) The establishment's primary business is not the sale of  
17 alcoholic liquor

18 (c) The capital investment in real property, leasehold  
19 improvement, fixtures, and inventory for the premises to be  
20 licensed is in excess of \$1,000,000 00

21 (5) In governmental units having a population of 50,000 per-  
22 sons or less, as determined by the last federal decennial census  
23 or as determined pursuant to subsection (11), in which the quota  
24 of specially designated distributor licenses, as provided by com-  
25 mission rule, has been exhausted, the commission may issue not  
26 more than 10 additional specially designated distributor licenses  
27 for the year 1994 to established merchants whose business and

1 operation, as determined by the commission, is designed to  
2 attract and accommodate tourists and visitors to the resort  
3 area A specially designated distributor license issued pursuant  
4 to this subsection may be issued at a location within 2,640 feet  
5 of existing specially designated distributor license locations  
6 A specially designated distributor license issued pursuant to  
7 this subsection shall not bar another specially designated dis-  
8 tributor licensee from transferring location to within 2,640 feet  
9 of said licensed location

10 (6) In addition to any licenses for the sale of alcoholic  
11 liquor for consumption on the premises that may be available in  
12 the local governmental unit under subsection (1), and the resort  
13 licenses authorized in subsections (2), (3), and (4), and not-  
14 withstanding section 17(4), the commission may issue not more  
15 than 5 additional special purpose licenses in any calendar year  
16 for the sale of beer and wine for consumption on the premises A  
17 special purpose license issued pursuant to this subsection shall  
18 be issued only for events which are to be held from May 1 to  
19 September 30, are artistic in nature, and which are to be held on  
20 the campus of a public university with an enrollment of 30,000 or  
21 more students A special purpose license shall be valid for 30  
22 days or for the duration of the event for which it is issued,  
23 whichever is less The fee for a special purpose license shall  
24 be \$50 00 A special purpose license may be issued only to a  
25 corporation which is all of the following

26 (a) Is a nonprofit corporation organized pursuant to the  
27 nonprofit corporation act, Act No 162 of the Public Acts of

1 1982, being sections 450 2101 to 450 3192 of the Michigan  
2 Compiled Laws

3 (b) Has a board of directors constituted of members of whom  
4 half are elected by the public university at which the event is  
5 scheduled and half are elected by the local governmental unit

6 (c) Has been in continuous existence for not less than 6  
7 years

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

24 (8) In issuing a resort license under subsection (3), (4),  
25 or (5) the commission shall consider economic development factors  
26 of the area in the issuance of licenses to establishments  
27 designed to stimulate and promote the resort and tourist

1 industry    The commission shall not transfer a resort license  
2 issued under subsection (3), (4), or (5) to another location, and  
3 if the licensee goes out of business the license shall be surren-  
4 dered to the commission

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

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

22        (11) For purposes of implementing this section a special  
23 state census of a local governmental unit may be taken at the  
24 expense of the local governmental unit by the federal bureau of  
25 census or the secretary of state under section 6 of Act No 279  
26 of the Public Acts of 1909, as amended, being section 117 6 of  
27 the Michigan Compiled Laws    The special census shall be

1 initiated by resolution of the governing body of the local  
2 governmental unit involved The secretary of state may promul-  
3 gate additional rules necessary for implementing this section  
4 pursuant to the administrative procedures act of 1969, Act  
5 No 306 of the Public Acts of 1969, being sections 24 201 to  
6 24 328 of the Michigan Compiled Laws

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

10 (13) The limitations and quotas of this section shall not be  
11 applicable to the issuance of a national sporting event license  
12 pursuant to section 17b

13 (14) Before granting an approval as required in  
14 section 17(3) for a license to be issued under subsection (2),  
15 (3), or (4), a local legislative body shall disclose the avail-  
16 ability of transferable licenses held in escrow for more than 1  
17 licensing year within that respective local governmental unit  
18 Public notice of the meeting to consider the granting of the  
19 license by the local governmental unit shall be made 2 weeks  
20 before the meeting