

# HOUSE BILL No. 5157

September 5, 2007, Introduced by Rep. Hune 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 521a (MCL 436.1521a), as added by 2006 PA 501.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 521a. (1) In order to allow cities **AND VILLAGES** to  
2 enhance the quality of life for their residents and visitors to  
3 their communities, the commission may issue public on-premises  
4 licenses in addition to those quota licenses allowed in cities  
5 under section 531(1). The licenses under this section shall be  
6 issued to businesses that meet 1 of the following conditions:

7           (a) Are located in a city **OR VILLAGE** redevelopment project  
8 area meeting the criteria described in subsections (3) and (4) and  
9 are engaged in activities determined by the commission to be  
10 related to dining, entertainment, or recreation.

1 (b) Are located in a development district or area that is any  
2 of the following:

3 (i) An authority district established under the tax increment  
4 finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830.

5 (ii) A development area established under the corridor  
6 improvement authority act, 2005 PA 280, MCL 125.2871 to ~~125.2898~~  
7 **125.2899**.

8 (iii) A downtown district established under 1975 PA 197, MCL  
9 125.1651 to 125.1681.

10 (iv) A principal shopping district established under 1961 PA  
11 120, MCL 125.981 to 125.990m.

12 (2) The commission shall not issue a license under subsection  
13 (1)(a) unless the applicant fulfills the following in relation to  
14 the licensed premises:

15 (a) Provides the activity described in subsection (1)(a) not  
16 less than 5 days per week.

17 (b) Is open to the public not less than 10 hours per day, 5  
18 days per week.

19 (c) Presents verification of redevelopment project area status  
20 to the commission that shall include the following:

21 (i) A resolution of the governing body of the city **OR VILLAGE**  
22 establishing its status as a redevelopment project area.

23 (ii) An affidavit from the assessor, as certified by the city  
24 **OR VILLAGE** clerk, stating the total amount of investment in real  
25 and personal property within the redevelopment project area of the  
26 city **OR VILLAGE** during the preceding 3 years. In the case of an  
27 applicant seeking a license under this section within the first

1 license cycle after the effective date of this section, the time  
2 period described in this subdivision may be up to 5 years, or 7  
3 years for a city having a population between 80,000 and 85,000  
4 according to the 2000 federal decennial census and the application  
5 is submitted within the first 6 months after the effective date of  
6 this section.

7 (iii) An affidavit from the assessor, as certified by the city  
8 **OR VILLAGE** clerk, separately stating the amount of investment money  
9 expended for manufacturing, industrial, residential, and commercial  
10 development within the redevelopment project area of the city **OR**  
11 **VILLAGE** during the preceding 3 years. In the case of an applicant  
12 seeking a license under this section within the first license cycle  
13 after the effective date of this section, the time period described  
14 in this subdivision may be up to 5 years, or 7 years for a city  
15 having a population between 80,000 and 85,000 according to the 2000  
16 federal decennial census and the application is submitted within  
17 the first 6 months after the effective date of this section.

18 (3) Relative to the licenses issued under subsection (1)(a),  
19 the amount of commercial investment in the redevelopment project  
20 area within the city **OR VILLAGE** shall constitute not less than 25%  
21 of the total investment in real and personal property in that  
22 redevelopment project area as evidenced by an affidavit of the city  
23 **OR VILLAGE** assessor. This subsection does not prevent the city **OR**  
24 **VILLAGE** from realigning the redevelopment project area in the  
25 presentment of verification provided for under subsection (2)(c).

26 (4) In relation to a license issued under subsection (1)(a),  
27 an applicant shall be located in a city **OR VILLAGE** that meets at

1 least 1 of the investment requirements of subsection (1)(a) during  
2 the 3 years preceding the submission of its application, or within  
3 the preceding 5 years in the case of an applicant applying during  
4 the first license cycle after the effective date of this section.  
5 The total investment in real and personal property in the  
6 redevelopment project area within the city **OR VILLAGE** over the  
7 appropriate time period described in this subsection shall be at  
8 least 1 of the following:

9 (a) Not less than \$50,000,000.00 in cities **OR VILLAGES** having  
10 a population of 50,000 or more.

11 (b) Not less than an amount reflecting \$1,000,000.00 per 1,000  
12 people in cities **OR VILLAGES** having a population of less than  
13 50,000.

14 (5) The commission may issue a license under subsection (1)(a)  
15 for each monetary threshold described in subsection (4)(a) and (b),  
16 and, after reaching the initial threshold, 1 additional license for  
17 each major fraction thereof above that original threshold.

18 (6) The following apply to a license issued under subsection  
19 (1)(b):

20 (a) The amount expended for the rehabilitation or restoration  
21 of the building that housed the licensed premises shall be not less  
22 than \$75,000.00 over a period of the preceding 5 years or a  
23 commitment for a capital investment of at least that amount in the  
24 building that houses the licensed premises, which must be expended  
25 before the issuance of the license.

26 (b) The total amount of public and private investment in real  
27 and personal property within the qualified redevelopment project

1 area shall not be less than \$200,000.00 over a period of the  
2 preceding 5 years as verified to the commission by means of an  
3 affidavit from the assessor, as certified by the clerk of the local  
4 governmental unit.

5 (c) The licensed business is engaged in dining, entertainment,  
6 or recreation, is open to the general public, and has a seating  
7 capacity of not less than 50 persons.

8 (7) The commission may issue 1 license for each monetary  
9 threshold described in subsection (6)(b), or for each major  
10 fraction thereof. The initial enhanced license fee for a license  
11 issued under this section is \$20,000.00.

12 (8) The commission shall not transfer a license issued under  
13 this section to another location. If the licensee goes out of  
14 business, the licensee shall surrender the license to the  
15 commission. The governing body of the local governmental unit may  
16 approve another applicant within a city **OR VILLAGE** redevelopment  
17 project area to replace a licensee who has surrendered the license  
18 issued under this section provided the new applicant's business  
19 meets the requirements of this section but without regard to  
20 subsections (2)(c), (3), and (4) or subsection (6)(b).

21 (9) The individual signing the application for the license  
22 shall state and demonstrate that the applicant attempted to secure  
23 an appropriate on-premise escrowed license or quota license issued  
24 under section 531 and that, to the best of his or her knowledge, an  
25 on-premise license or quota license issued under section 531 is not  
26 readily available within the local unit of government in which the  
27 applicant proposes to operate.

1 (10) As used in this section:

2 (a) "City" means a city established under either of the  
3 following:

4 (i) The home rule city act, 1909 PA 279, MCL 117.1 to 117.38.

5 (ii) The fourth class city act, 1895 PA 215, MCL 81.1 to  
6 113.20.

7 (b) "Escrowed license" means a license in which the rights of  
8 the licensee in the license or to the renewal of the license are  
9 still in existence and are subject to renewal and activation in the  
10 manner provided for in R 436.1107 of the Michigan administrative  
11 code.

12 (c) "Readily available" means available under a standard of  
13 economic feasibility, as applied to the specific circumstances of  
14 the applicant, that includes, but is not limited to, the following:

15 (i) The fair market value of the license, if determinable.

16 (ii) The size and scope of the proposed operation.

17 (iii) The existence of mandatory contractual restrictions or  
18 inclusions attached to the sale of the license.

19 **(D) "VILLAGE" MEANS A VILLAGE ESTABLISHED UNDER EITHER OF THE**  
20 **FOLLOWING:**

21 **(i) THE GENERAL LAW VILLAGE ACT, 1895 PA 3, MCL 61.1 TO 74.25.**

22 **(ii) THE HOME RULE VILLAGE ACT, 1909 PA 278, MCL 78.1 TO 78.28.**