

HOUSE BILL No. 4732

May 9, 2007, Introduced by Rep. Virgil Smith 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 523 (MCL 436.1523).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 523. (1) A person who holds or whose spouse holds, either
2 by appointment or election, a public office which involves the duty
3 to enforce any of the penal laws of the United States, or the penal
4 laws of this state, or a penal ordinance or resolution of any
5 municipal subdivision of the state ~~, except civil~~ **SHALL NOT BE**
6 **ISSUED A LICENSE, OR HAVE AN INTEREST, DIRECTLY OR INDIRECTLY, IN A**
7 **LICENSE IF THE ACTIVITY REGULATED BY THE LICENSE OCCURS IN THE SAME**
8 **LOCAL UNIT OF GOVERNMENT WITHIN WHICH THE PERSON ENFORCES THOSE**
9 **STATE OR LOCAL PENAL LAWS, UNLESS THE OFFICIAL IS CONTRACTUALLY**

1 PROHIBITED FROM ENFORCING THIS ACT. THIS SUBSECTION DOES NOT APPLY
2 TO THE FOLLOWING:

3 (A) CIVIL defense volunteer police, mayors or council members
4 of cities, or village presidents, or mayors of home rule cities
5 whose law enforcement authority under the city charter is
6 restricted to emergency situations. ~~, or the~~

7 (B) THE state treasurer of this state when acting in the
8 capacity of custodian of the assets of the state retirement systems
9 created by the public school employees retirement act of 1979, 1980
10 PA 300, MCL 38.1301 to 38.1408; the state employees' retirement
11 act, 1943 PA 240, MCL 38.1 to 38.69; the state police retirement
12 act of 1986, 1986 PA 182, MCL 38.1601 to 38.1648; and the judges
13 retirement act of 1992, 1992 PA 234, MCL 38.2101 to 38.2670, and
14 members of these state retirement systems only if the state
15 treasurer makes an investment in the name of the respective
16 retirement system to which such members belong. ~~, shall not be~~
17 ~~issued a license, or have an interest, directly or indirectly, in a~~
18 ~~license if the activity regulated by the license occurs in the same~~
19 ~~local unit of government within which the person enforces those~~
20 ~~state or local penal laws unless the official is contractually~~
21 ~~prohibited from enforcing this act. This subsection does not apply~~
22 ~~to a~~

23 (C) A spouse of an appointed or elected official holding an
24 office which involves the duty to enforce a penal law described in
25 this subsection if the spouse held a license or an interest in a
26 license for not less than 3 years before marrying the appointed or
27 elected official or if the spouse has voting rights in a public or

1 private club holding the license, which voting rights are derived
2 from ownership of shares to the club, and the spouse participates
3 as a member in good standing of the public or private club or of an
4 advisory board but does not participate in the day-to-day operation
5 of the club.

6 (D) A SPOUSE OF A NONPATROL LAW ENFORCEMENT OFFICER WORKING IN
7 THE JURISDICTION WITHIN WHICH THE LICENSED PREMISES IS LOCATED,
8 THAT JURISDICTION HAVING AN AREA OF AT LEAST 10 SQUARE MILES AND A
9 POPULATION OF 500,000 OR MORE, AND WHO HAS HELD THE LICENSE FOR AT
10 LEAST 1 YEAR WITHOUT ANY VIOLATIONS OF THIS ACT.

11 (2) In the case of any licensee excepted from the general
12 prohibition contained in this section, the commission may
13 periodically review all circumstances of the licensee and his or
14 her spouse regarding the exception. The commission has the
15 authority to review and monitor any complaints it receives
16 regarding inappropriate enforcement of this act by or against a
17 person excepted from this section. However, a nonprofit fraternal
18 organization incorporated under the laws of this state, whose
19 membership is not totally composed of law enforcement personnel or
20 public officeholders charged with the duty of enforcing any penal
21 laws or ordinances of a governmental body, may be issued a club
22 liquor license if the organization is otherwise qualified.

23 (3) ~~(2)~~—As used in this section, "law enforcement personnel"
24 does not include the mayor of a city or the state treasurer of this
25 state when acting in the capacity of custodian of the assets of the
26 state retirement systems created by the public school employees
27 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, the

1 state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69,
2 the state police retirement act of 1986, 1986 PA 182, MCL 38.1601
3 to 38.1648, and the judges retirement act of 1992, 1992 PA 234, MCL
4 38.2101 to 38.2670, and members of these state retirement systems
5 only if the state treasurer makes an investment in the name of the
6 respective retirement system to which such members belong.