

SENATE BILL NO. 296

May 07, 2019, Introduced by Senator LUCIDO and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending sections 415, 501, 505, 507, 509, 511, 513, 513a, 514,
514a, 515, 518, 519, 521a, 525, 531, and 533 (MCL 436.1415,
436.1501, 436.1505, 436.1507, 436.1509, 436.1511, 436.1513,
436.1513a, 436.1514, 436.1514a, 436.1515, 436.1518, 436.1519,
436.1521a, 436.1525, 436.1531, and 436.1533), section 415 as added
by 2013 PA 100, section 501 as amended by 2012 PA 82, section 509
as amended by 2018 PA 37, section 513 as amended by 2018 PA 479,
section 513a as added by 2011 PA 249, section 514 as added by 2000

PA 166, section 514a as added by 2004 PA 194, section 515 as amended by 2004 PA 192, section 518 as amended by 2010 PA 279, section 519 as amended by 2018 PA 683, section 521a as amended by 2014 PA 270, section 525 as amended by 2016 PA 434, section 531 as amended by 2014 PA 135, and section 533 as amended by 2018 PA 386.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 415. (1) Subject to the limitations provided under this
2 section, the commission may issue a farmer's market permit to a
3 qualified small wine maker. ~~Regardless of the location of the~~
4 ~~qualified small wine maker, the commission shall only issue 1~~
5 ~~farmer's market permit in a county where the farmer's market is~~
6 ~~located for each 1,500 of population or fraction of 1,500 in that~~
7 ~~county as determined by the last federal decennial census, by a~~
8 ~~special census pursuant to section 6 of the home rule city act,~~
9 ~~1909 PA 279, MCL 117.6, or section 7 of the Glenn Steil state~~
10 ~~revenue sharing act of 1971, 1971 PA 140, MCL 141.907, or by the~~
11 ~~latest census and corrections published by the United States~~
12 ~~department of commerce, bureau of the census, whichever is later.~~
13 The holder of a farmer's market permit may conduct tastings and
14 sell, at retail at a farmer's market, the wine produced by that
15 qualified small wine maker.

16 (2) The commission shall charge a fee for a farmer's market
17 permit of \$25.00 for each farmer's market location. A farmer's
18 market permit issued under this section is nontransferable.
19 ~~Notwithstanding the quota provision under subsection (1), the~~ **The**
20 commission shall not limit the number of permits a qualified small
21 wine maker obtains under this section, but an application for a
22 farmer's market permit shall only contain up to 5 separate
23 locations at 1 time. Section 503 does not apply to the application

1 or issuance of a permit under this section or to the location of a
2 farmer's market where the holder of a farmer's market permit
3 intends to participate under this section.

4 (3) The commission shall not issue a farmer's market permit
5 under this section unless the applicant provides documentation, in
6 a manner prescribed by the commission, that the local police agency
7 where the farmer's market is located and the farmer's market
8 manager at that location have approved the proposed activity.

9 (4) The tastings and sales performed under a farmer's market
10 permit ~~shall~~**must** be limited to an exclusive area that is well
11 defined and clearly marked, in a manner prescribed by the
12 commission, that is under the control of the holder of the farmer's
13 market permit, as verified by the farmer's market manager.

14 (5) The tastings and sales performed under a farmer's market
15 permit ~~shall~~**must** be conducted by employees of the holder of the
16 farmer's market permit who have completed a server training program
17 as provided for in section 906 and the rules promulgated by the
18 commission.

19 (6) The wine sold or used for tastings ~~shall~~**must** be furnished
20 from the stock of the holder of the farmer's market permit and
21 removed from the farmer's market premises immediately after the
22 farmer's market has concluded.

23 (7) Tasting samples provided to a customer ~~shall~~**must** not
24 exceed 3 servings of not more than 2 ounces of wine in a 24-hour
25 period of time.

26 (8) The commission shall develop an application for an annual
27 farmer's market permit allowing for licensed activities under this
28 section. A farmer's market manager shall verify on the application
29 that the location listed on the application qualifies as a farmer's

1 market under this section.

2 (9) A wholesaler shall not conduct or participate in ~~any~~**an**
3 event allowed by this section.

4 (10) A holder of a farmer's market permit is considered a
5 manufacturer as provided under section 603(15) (a).

6 ~~(11) Two years after the enactment date of the amendatory act~~
7 ~~that added this section,~~ **By August 31, 2015,** the commission shall
8 submit a report to the standing committees of the senate and house
9 of representatives concerned with issues involving liquor control
10 and the house and senate fiscal agencies assessing the continued
11 issuance of farmer's market permits to qualified small wine makers.
12 The report ~~shall~~**must** include, at a minimum, all of the following:

13 (a) The number of applications received each year for a
14 farmer's market permit.

15 (b) The number of farmer's market permit applications approved
16 each year.

17 (c) The number of farmer's market permit applications approved
18 in each county.

19 (12) As used in this section:

20 (a) "Farmer's market" means a group of farmers or their
21 designees or a variety of vendors, as determined by the farmer's
22 market manager or his or her designee, who assembles on a recurring
23 basis at a defined community sponsored or municipally sponsored
24 location for the purposes of selling, directly to a consumer, food
25 and products produced by those farmers or their representatives.

26 (b) "Farmer's market manager" means the person responsible for
27 enforcing the market policy and for the daily operation and
28 management of the farmer's market.

29 (c) "Farmer's market permit" means an annual permit issued as

1 part of an approved license to a qualified small wine maker
2 allowing that person to conduct tastings and sell at retail, for
3 consumption off the licensed premises, at a farmer's market, wine
4 produced by the qualified small wine maker.

5 (d) "Qualified small wine maker" means a small wine maker, or
6 an out-of-state entity that is the substantial equivalent of a
7 small wine maker, that manufactures or bottles not more than 5,000
8 gallons of wine in 1 calendar year.

9 Sec. 501. (1) The commission may issue licenses as provided in
10 this act ~~upon~~**on** the payment of the fees provided in section 525
11 and the filing of the bonds required in section 801 or liability
12 insurance as provided in section 803. The commission shall provide
13 a notification of the ability of the purchaser or transferee to
14 obtain a tax clearance certificate, as provided in subsection (6).
15 Subject to section 906(2) and (3), the commission shall not issue a
16 new ~~on-premises~~**on-premises** license or transfer more than 50%
17 interest in an existing ~~on-premises~~**on-premises** license unless the
18 applicant or transferee offers proof acceptable to the commission
19 that he or she has employed or has present on the licensed
20 premises, at a minimum, supervisory personnel on each shift and
21 during all hours in which alcoholic liquor is served who have
22 successfully completed a server training program described in
23 section 906. The commission may consider an individual enrolled and
24 actively participating in a server training program as having
25 successfully completed the program for the time the individual is
26 participating. The commission may allow an applicant or a
27 conditionally approved licensee at least 180 days, or more ~~upon~~**on**
28 a showing of good cause, to meet the minimum personnel training
29 requirements of this subsection. The commission may suspend the

1 license of a conditionally approved licensee if that licensee does
2 not comply with this subsection. The commission may waive the
3 server training requirements of this subsection on the basis of
4 either of the following circumstances:

5 (a) The licensee's responsible operating experience or
6 training.

7 (b) The person's demonstration of an acceptable level of
8 responsible operation either as a licensee during the preceding 3
9 years or as a manager with substantial experience in serving
10 alcoholic liquor.

11 (2) A full-year license issued by the commission ~~shall expire~~
12 **expires** on April 30 following the date of issuance or the date
13 fixed by the commission. A license issued under this act is a
14 contract between the commission and the licensee and ~~shall must~~ be
15 signed by both parties. If a licensee dies, the commission may
16 approve the operation of the establishment by a personal
17 representative or independent personal representative ~~duly~~
18 appointed by a court of competent jurisdiction, pending the
19 settlement of the estate of the deceased licensee. The commission
20 may approve a receiver or trustee appointed by a court of competent
21 jurisdiction to operate the licensed establishment of a licensee.
22 The commission may grant a part-year license for a proportionate
23 part of the license fee specified in section 525. In a resort area
24 the commission shall grant a license for a period of time as short
25 as 3 months. A license may be transferred with the consent of the
26 commission. A class C or specially designated distributor license
27 obtained in a manner other than by transfer ~~shall must~~ not be
28 transferred within 3 years after its issuance except ~~under~~
29 ~~circumstances where~~ **if** the licensee clearly and convincingly

1 demonstrates that unusual hardship will result if the transfer does
2 not receive the consent of the commission. An application for a
3 license to sell alcoholic liquor for consumption on the premises,
4 except in a city having a population of 600,000 or more, ~~shall~~**must**
5 be approved by the local legislative body in which the applicant's
6 place of business is located before the license is granted by the
7 commission, except that ~~in the case of~~**for** an application for
8 renewal of an existing license, if an objection to a renewal has
9 not been filed with the commission by the local legislative body
10 not less than 30 days before the date of expiration of the license,
11 the approval of the local legislative body is not required. The
12 commission shall provide the local legislative body and the local
13 chief of police with the name, home and business addresses, and
14 home and business phone numbers to accomplish the local legislative
15 reviews of new and transferred license applications required by
16 this subsection. ~~Upon~~**On** request of the local legislative body
17 after due notice and proper hearing by the local legislative body
18 and the commission, the commission shall revoke the license of a
19 licensee granted a license to sell alcoholic liquor for consumption
20 on the premises or any permit held in conjunction with that
21 license.

22 (3) A local legislative body, by resolution, may request that
23 the commission revoke the license of a licensee granted a license
24 to sell alcoholic liquor for consumption off the premises whose
25 place of business is located within the local legislative body's
26 jurisdiction and that has been determined in commission violation
27 hearings to have sold or furnished alcoholic liquor, on at least 3
28 separate occasions in a consecutive 12-month period, to a minor if
29 those violations did not involve the use of falsified or fraudulent

1 identification by the minor. If the commission verifies that the
2 licensee who is the subject of the resolution has ~~been found to~~
3 ~~have committed the violations as prescribed in~~ **violated** this
4 subsection, the commission may suspend or revoke the licensee's
5 license and any permit held in conjunction with that license.

6 (4) This act does not prohibit a hotel that is or was the
7 holder of a license authorizing the retail sale of alcoholic liquor
8 for consumption on the premises from applying for and receiving
9 under this act any other and different type of license authorizing
10 the retail sale of alcoholic liquor for consumption on the
11 premises, and the application for the license ~~shall~~ **is** not ~~be~~
12 considered a new application for a license if the total number of
13 public licenses for consumption on the premises does not exceed the
14 authorized total established in this act and the sale of alcoholic
15 liquor is approved by the electors. The commission may divide the
16 state into 3 zones and establish for each zone an anniversary date
17 for renewal of full-year retail licenses in the licensing year. The
18 commission shall promulgate rules ~~pursuant to~~ **under** the
19 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
20 24.328, for the effective administration of the renewal of
21 licenses.

22 (5) The commission, with the written approval of the
23 department of agriculture and rural development for the Michigan
24 state fairgrounds and the Upper Peninsula state fairgrounds, may
25 issue ~~without regard to the quota provision of section 531~~ a tavern
26 license to a person as concessionaire leasing or renting a portion
27 of either the Upper Peninsula state fairgrounds or the state
28 fairgrounds, or both, to service the licensed area in use for
29 recreational or exhibition purposes other than at the time of the

1 annual Upper Peninsula state fair under section 2 of 1927 PA 89,
 2 MCL 285.142. A license issued under this subsection is not
 3 transferable.

4 (6) The application for initial licensure or for a transfer of
 5 a license ~~shall~~**must** contain a notice in substantial compliance
 6 with the following:

7 When purchasing a license, a buyer can be held liable
 8 for tax debts incurred by the previous owner. Prior to
 9 committing to the purchase of any license or establishment,
 10 the buyer should request a tax clearance certificate
 11 from the seller that indicates that all taxes have been
 12 paid up to the date of issuance. Obtaining sound
 13 professional assistance from an attorney or accountant
 14 can be helpful to identify and avoid any pitfalls
 15 and hidden liabilities when buying even a portion
 16 of a business.

17 Sellers can make a request for the tax clearance
 18 certificate through the Michigan department of treasury.

19 Sec. 505. Notwithstanding section 501, the commission, with
 20 the approval of the bureau of aeronautics, may issue ~~without regard~~
 21 ~~to the quota provision of section 531,~~ not more than 1 class C or
 22 class B hotel license for each state-owned airport serviced by
 23 scheduled commercial passenger airlines. ~~Such~~**A** license ~~shall~~
 24 **issued under this section is** not ~~be~~ transferable.

25 Sec. 507. The commission may issue ~~, without regard to the~~
 26 ~~quota provisions of section 531,~~ licenses to the owner or lessee,
 27 or both, to sell alcoholic beverages for consumption on the
 28 premises of buildings in the passenger terminal complex of each
 29 publicly owned airport that is served by scheduled commercial

1 passenger airlines certificated to enplane and deplane passengers
2 on a scheduled basis by the ~~federal aviation agency~~ **Federal**
3 **Aviation Agency** or the civil aeronautics board. A license issued
4 under this section is not transferable.

5 Sec. 509. (1) The commission may issue ~~, without regard to the~~
6 ~~quota provisions of section 531,~~ licenses to a commission, board,
7 or authority governing or operating a municipal civic center or
8 civic auditorium or to 1 or more of its concessionaires, or to
9 both, if all of the following apply:

10 (a) The center or auditorium is within a city or township
11 having a population of not less than 5,500.

12 (b) The center or auditorium is owned and operated as a
13 municipal enterprise.

14 (c) The legislative body of the municipality first authorizes
15 the operating authority of the civic center or civic auditorium or
16 its concessionaire to apply to the commission for a license.

17 (2) Licenses issued under this section are not transferable,
18 must not be issued to an educational institution or for a facility
19 operated in connection with an educational institution, and must
20 authorize the sale of alcoholic liquor only in connection with a
21 scheduled event at the licensed premises.

22 Sec. 511. (1) Notwithstanding section 501, the commission may
23 issue the following licenses: ~~without regard to the quota~~
24 ~~provisions of section 531.~~

25 (a) With the approval of the Mackinac Island state park
26 commission, not more than 1 class C or class B hotel license for
27 each hotel which is located within the Mackinac Island state park
28 and is owned by the Mackinac Island state park commission and not
29 more than 1 class C license to a concessionaire of the Mackinac

1 Island state park commission who operates a restaurant located
2 within Fort Mackinac.

3 (b) A license for the sale of alcoholic liquor for consumption
4 on or off the premises at the Presque Isle harbor marina.

5 (2) A license issued under this section is not transferable as
6 to ownership or location.

7 Sec. 513. (1) The commission may issue to the governing board
8 of a college or university ~~, without regard to the quota provisions~~
9 ~~of section 531,~~ a license to sell alcoholic liquor for consumption
10 on the premises of a conference center operated by the governing
11 board. Licenses granted under this subsection may be used only for
12 the sale of alcoholic liquor at regularly scheduled conference
13 center activities. The sale of alcoholic liquor to unscheduled
14 patrons or at unscheduled events is prohibited under this
15 subsection.

16 (2) Subject to section 531, the commission may issue a license
17 to a private entity for the sale of alcoholic liquor for
18 consumption on the premises of a hotel located on land owned by
19 Central Michigan University if both of the following circumstances
20 exist:

21 (a) The land is leased or subleased at fair market value to a
22 private entity that owns, leases, or subleases the hotel building
23 and its fixtures.

24 (b) The hotel and land are located within an industrial,
25 research, or commercial development park established by the
26 governing board of Central Michigan University.

27 (3) Subject to section 531, the commission may issue a license
28 to a private entity for the sale of alcoholic liquor for
29 consumption on the licensed premises of a restaurant located on

1 land owned by Wayne State University if both of the following
2 circumstances exist:

3 (a) The land is leased or subleased at fair market value to a
4 private entity that owns, leases, or subleases the licensed
5 premises for the operation of a restaurant.

6 (b) The restaurant is located within an area designated for
7 industrial, research, or commercial development by the governing
8 board of Wayne State University.

9 (4) Subject to section 531, the commission may issue a license
10 to a golf course clubhouse and any adjacent outdoor service area
11 owned or operated by a college or university for the sale of
12 alcoholic liquor for consumption on the premises of the golf course
13 clubhouse and any adjacent outdoor service area.

14 (5) Licenses issued under this section are nontransferable,
15 and the licensee shall pay the fee required under section 525.

16 (6) As used in this section:

17 (a) "College" or "university" means a 2-year or 4-year state
18 supported institution of higher education.

19 (b) "Conference center" means a building or portion of a
20 building, other than a student residence hall or student center,
21 that has meeting rooms, banquet areas, social halls, overnight
22 accommodations, and related facilities for special activities
23 scheduled by the college or university, and that, in the judgment
24 of the commission, has been regularly used for conferences and
25 lodging of guests. All of the following are considered conference
26 centers for the purpose of this act:

27 (i) The convocation center, the corporate education center,
28 Pease Auditorium, and McKenny Hall at Eastern Michigan University.

29 (ii) The Kirkhof and Eberhard Centers at Grand Valley State

- 1 University.
- 2 (iii) The Bernhard Center and Heritage Hall Alumni Center at
3 Western Michigan University.
- 4 (iv) The Wadsworth Center at Michigan Technological University.
- 5 (v) The West Complex, Fredericks Sculpture Museum, and Alumni
6 Building at Saginaw Valley State University.
- 7 (vi) The Conference Center at Big Rapids, the Applied
8 Technology Center at Grand Rapids, and the FSU-GR Conference Center
9 of Ferris State University, Grand Rapids Junior College.
- 10 (vii) The Waterman Campus Center at Schoolcraft College.
- 11 (viii) The Mendel Center at Lake Michigan Community College.
- 12 (ix) The McGregor Memorial Conference Center at Wayne State
13 University.
- 14 (x) The Michigan State University Management Educational
15 Center.
- 16 (xi) The Superior Dome at Northern Michigan University.
- 17 (xii) The Walker Cisler Center at Lake Superior State
18 University.
- 19 (xiii) The Marie Prah1 College Center at Mott Community College.
- 20 (xiv) The West Hall Innovation Center, the Gerald and Frances
21 Oleson Center, the Dennon Museum Center, and the Great Lakes Campus
22 at Northwestern Michigan College.
- 23 (xv) The Farmhouse at Delta College.
- 24 (xvi) The Oakland Community College Culinary Studies Institute.
- 25 (xvii) The Performing Arts and Cultural Center Complex at Macomb
26 Community College.
- 27 (xviii) Meadow Brook Hall, Golf Pavilion, Oakland Center,
28 O'Rena, and Shotwell-Gustafson Pavilion at Oakland University.

1 Sec. 513a. (1) ~~Beginning October 1, 2011, the~~ **The** commission
2 may issue to the governing board of a community college or
3 university that is accredited by a nationally recognized
4 accrediting agency as determined by the United States secretary of
5 education under 20 USC 1099b and that operates an accredited
6 culinary or hospitality program ~~, without regard to the quota~~
7 ~~provisions of section 531,~~ a license to sell alcoholic liquor for
8 consumption at the community college's or university's culinary or
9 hospitality program's location for activities that further the
10 community college's or university's community or academic mission.

11 (2) Except as otherwise provided in subsection (7), ~~the sale~~
12 ~~of a~~ **person shall not sell** alcoholic liquor to patrons at a
13 location other than the community college's or university's
14 culinary or hospitality program's location or at activities that do
15 not further the community college's or university's community or
16 academic mission, including, but not limited to, public and private
17 gatherings or meetings that do not have a direct correlation to the
18 community college's or university's community or academic mission.
19 ~~, is prohibited under this section.~~

20 (3) To obtain a license under this section, a community
21 college or university shall submit both of the following to the
22 commission:

23 (a) Documentation verifying that the community college or
24 university is accredited by a nationally recognized accrediting
25 agency as determined by the United States secretary of education
26 under 20 USC 1099b.

27 (b) Either of the following:

28 (i) Documentation verifying that the community college's or
29 university's culinary or hospitality program is accredited by a

1 regionally recognized accrediting body.

2 (ii) ~~Within 180 days after the effective date of the amendatory~~
3 ~~act that added this section, a~~ **A** copy of the community college's or
4 university's application to a regionally recognized accrediting
5 body for accreditation of its culinary or hospitality program.

6 (4) The commission shall cancel a license issued under this
7 section if, within 2 years of applying for a license under this
8 section, the community college's or university's culinary or
9 hospitality program is not accredited by a regionally recognized
10 accrediting body, unless the community college or university
11 demonstrates good cause for an extension of time to obtain
12 accreditation by a regionally recognized accrediting body.

13 (5) Except as otherwise provided in subsection (7), a liquor
14 license issued under this section ~~shall~~ **must** be granted and
15 registered to the community college's or university's culinary or
16 hospitality program's location.

17 (6) Except as otherwise provided in subsection (7), a liquor
18 license issued under this section ~~shall~~ **must** be used by the
19 community college or university and not by a private entity.

20 (7) Subject to section 531, the commission may issue a license
21 to a private entity for the sale of alcoholic liquor for
22 consumption on the premises of an outdoor stadium located on land
23 owned by Lake Michigan college and leased to a private entity. The
24 prohibition in section 531(7) on licenses at outdoor stadiums does
25 not apply to a license issued under this subsection.

26 (8) A community college or university that holds a liquor
27 license under this section shall not obtain a catering permit under
28 section 547.

29 (9) As used in this section:

1 (a) "Community college" means a community college established
 2 under the community college act of 1966, 1966 PA 331, MCL 389.1 to
 3 389.195.

4 (b) "University" means a public university described in
 5 section 4, 5, or 6 of article VIII of the state constitution of
 6 1963.

7 Sec. 514. (1) Notwithstanding section 501, ~~and subject to the~~
 8 ~~quota system under this act,~~ the commission may issue a class B
 9 hotel license to a hotel and conference center owned and operated
 10 by a university ~~meeting that~~ **meets** at least all of the following
 11 **conditions:**

12 (a) Contains a hotel with at least 150 guest rooms.

13 (b) Has a restaurant seating at least 125 guests that serves a
 14 full-menu breakfast, lunch, and dinner.

15 (c) Has over 30,000 square feet of flexible meeting space.

16 (d) Is open year-round to provide services to the public and
 17 to serve the mission of the hospitality program.

18 (e) Has a hospitality program providing at least all of the
 19 following at the site of the hotel and conference center as part of
 20 that program:

21 (i) Student education classrooms.

22 (ii) A working hospitality laboratory setting.

23 (iii) Utilization of rotational interns each semester or
 24 equivalent time period.

25 (2) In public areas of the hotel and conference center, the
 26 sale and consumption of alcoholic liquor is limited to table
 27 service only unless the public areas are reserved for private
 28 functions.

29 (3) As used in this section, "hospitality program" means a

1 course of academic study that, at a minimum, is a nationally
2 accredited program at baccalaureate and graduate levels in the
3 hospitality business that requires at least 120 semester credits or
4 the equivalent for completion of the baccalaureate degree and that
5 has a teaching and research staff predominated by individuals with
6 at least doctoral degrees.

7 Sec. 514a. (1) Notwithstanding section 501, ~~and subject to the~~
8 ~~quota system under this act,~~ the commission may issue a class B
9 hotel license to a hotel and conference center owned and operated
10 by a university that holds a class B hotel license issued under
11 section 514 and meets at least all of the following **conditions**:

12 (a) Contains a hotel with at least 45 guest rooms.

13 (b) Has a restaurant seating at least 90 guests that serves a
14 full-menu breakfast, lunch, and dinner.

15 (c) Has over 13,000 square feet of flexible meeting space.

16 (d) Is open year-round to provide services to the public and
17 to serve the mission of the hospitality program.

18 (e) Has a hospitality program providing at least 2 of the
19 following at the site of the hotel and conference center as part of
20 that program:

21 (i) Student education classrooms.

22 (ii) A working hospitality laboratory setting.

23 (iii) Utilization of rotational interns each semester or during
24 the summer.

25 (2) In public areas of the hotel and conference center, the
26 sale and consumption of alcoholic liquor is limited to table
27 service only unless the public areas are reserved for private
28 functions.

29 (3) As used in this section, "hospitality program" means a

1 course of academic study that, at a minimum, is a nationally
 2 accredited program at baccalaureate and graduate levels in the
 3 hospitality business that requires at least 120 semester credits or
 4 the equivalent for completion of the baccalaureate degree and that
 5 has a teaching and research staff predominated by individuals with
 6 at least doctoral degrees.

7 Sec. 515. (1) The commission may issue in a county with a
 8 population of 1,000,000 or more ~~, without regard to the quota~~
 9 ~~provisions of section 531,~~ a class C license for a golf course that
 10 is owned by a county, city, village, or township and is open to the
 11 public.

12 (2) The commission may issue in a county with a population of
 13 between 500,000 and 700,000 ~~, without regard to the quota~~
 14 ~~provisions of section 531,~~ 1 tavern license for a golf course that
 15 is owned by a city with a population of over 190,000 but under
 16 300,000 and is open to the public.

17 (3) The commission shall not transfer a license issued under
 18 this section to another location. If a licensee who receives a
 19 license under this section goes out of business, the license issued
 20 under this section ~~shall~~**must** be surrendered to the commission.

21 Sec. 518. (1) As used in this section:

22 (a) "Motorsports entertainment complex" means a closed-course
 23 motorsports facility and its ancillary grounds that comply with all
 24 of the following:

25 (i) Has at least 1,500 fixed seats for race patrons.

26 (ii) Has at least 7 scheduled days of motorsports events each
 27 calendar year.

28 (iii) Serves food and beverages at the facility during
 29 sanctioned motorsports events each calendar year through concession

outlets, which may be staffed by individuals who represent or are members of 1 or more nonprofit civic or charitable organizations that directly financially benefit from the concession outlets' sales.

(iv) Engages in tourism promotion.

(b) "Motorsports event" means a motorsports race and its ancillary activities that have been sanctioned by a sanctioning body.

(c) "Owner" means a person who owns and operates a motorsports entertainment complex.

(d) "Sanctioning body" means the American ~~motorcycle~~ **Motorcycle Association** (AMA); ~~auto racing club~~ **Auto Racing Club** of America (ARCA); ~~championship auto racing teams~~ **Championship Auto Racing Teams** (CART); ~~grand~~ **Grand** American ~~road racing association~~ **Road Racing Association** (GRAND AM); Indy ~~racing league~~ **Racing League** (IRL); ~~national association~~ **National Association** for ~~stock car auto racing~~ **Stock Car Auto Racing** (NASCAR); ~~nation hot rod association~~ **National Hot Rod Association** (NHRA); ~~professional sportscar racing~~ **Professional Sportscar Racing** (PSR); ~~sports car club~~ **Sports Car Club** of America (SCCA); United States ~~auto club~~ **Auto Club** (USAC); Michigan ~~state promoters association~~; **State Promoters Association**; or any successor organization or any other nationally or internationally recognized governing body of motorsports that establishes an annual schedule of motorsports events and grants rights to conduct the events, that has established and administers rules and regulations governing all participants involved in the events and all persons conducting the events, and that requires certain liability assurances, including insurance.

1 (2) ~~Notwithstanding the quota provisions of section 531, the~~
2 **The** commission may issue motorsports event licenses for the sale of
3 beer and wine or beer, wine, mixed spirit drink, and spirits for
4 consumption on the premises to the owner of a motorsports
5 entertainment complex for use during sanctioned motorsports events
6 only. The sale of beer, wine, mixed spirit drink, and spirits at
7 concession outlets or additional locations within the motorsports
8 entertainment complex during motorsports sanctioned events ~~shall~~**is**
9 not ~~be~~ considered additional bars for the purpose of determining a
10 license fee ~~pursuant to~~**under** section 525(1)(o). An applicant for a
11 license under this section that elects to sell beer and wine only
12 shall pay to the commission a license fee of \$250.00. An applicant
13 for a license under this section that elects to sell beer, wine,
14 mixed spirit drink, and spirits shall pay to the commission a
15 license fee of \$600.00.

16 (3) For a period of time not to exceed 7 consecutive days
17 during which public access is permitted to a motorsports
18 entertainment complex in connection with a motorsports event,
19 members of the general public at least 21 years or older may bring
20 beer and wine not purchased at the licensed motorsports
21 entertainment complex into the motorsports entertainment complex
22 and possess and consume that beer and wine. Possession and
23 consumption of beer and wine under this section are allowed only in
24 portions of the motorsports entertainment complex open to the
25 general public that are also part of the licensed premises of a
26 retail licensee under both of the following circumstances:

27 (a) The licensed premises are located within the motorsports
28 entertainment complex.

29 (b) The retail licensee holds a license for consumption on the

1 licensed premises of the motorsports entertainment complex.

2 (4) A person holding a license for the sale of alcoholic
3 liquor for consumption on the premises at a motorsports
4 entertainment complex is subject to the civil liability provisions
5 of section 801 if the civil action is brought by or on behalf of an
6 individual who suffers damage or is personally injured by a minor
7 or visibly intoxicated person by reason of the unlawful consumption
8 of alcoholic liquor on the licensed premises by that minor or
9 visibly intoxicated person if the unlawful consumption is proven to
10 be a proximate cause of the damage, injury, or death of the
11 individual, whether the alcoholic liquor was sold or furnished by
12 the licensee or was brought onto the licensed premises under
13 subsection (3).

14 Sec. 519. (1) Except as otherwise provided in this act, the
15 commission shall not issue a license to sell alcoholic liquor,
16 either on or off the premises, if the property or establishment to
17 be covered by the license is situated in or on state owned land.

18 (2) Subsection (1) does not apply to a special license that
19 has been approved by the governing authority of that state owned
20 land.

21 (3) Subsection (1) does not apply to any of the following:

22 (a) The Michigan state fairgrounds.

23 (b) The Upper Peninsula state fairgrounds.

24 (c) Armories, air bases, and naval installations owned or
25 leased by this state or provided by the federal government by
26 either lease, license, or use permit and used by outside parties of
27 a nonmilitary or nonstate governmental nature.

28 (d) Land that was under lease to a person licensed in the
29 calendar year 1954 and on which a licensed establishment is

1 presently located.

2 (e) Land located in the Upper Peninsula that was owned or
3 leased by the federal government, used as a military installation,
4 and transferred to this state before December 31, 2000 under 1978
5 PA 151, MCL 3.551 to 3.561, or 1993 PA 159, MCL 3.571 to 3.580. The
6 commission may issue 2 additional licenses under this subdivision
7 for establishments located on this state land ~~without regard to or~~
8 ~~without an effect on the quota provisions of section 531~~ in the
9 local governmental unit in which the license will be issued subject
10 to the recommendation of the authority established under 1978 PA
11 151, MCL 3.551 to 3.561, or 1993 PA 159, MCL 3.571 to 3.580. A
12 person issued a license under this subdivision may renew the
13 license and transfer ownership of the license ~~, without regard to~~
14 ~~or without an effect on the quota provisions of section 531,~~ if
15 title to the property covered by the license is transferred from
16 this state to another person or to another governmental unit. The
17 commission shall not transfer a license issued under this
18 subdivision to another location. Before the issuance of a license,
19 and annually thereafter before the issuance of a license for a new
20 licensing period, the applicant for a license shall submit to the
21 commission a certificate from the department or agency charged with
22 control of the land setting forth that the issuance of a license is
23 not incompatible with the objects and purposes entrusted to that
24 department or agency under the law establishing control of the land
25 in the department or agency. This subsection does not prohibit the
26 issuance of a license under section 513.

27 (f) Property owned by the Michigan state waterways commission
28 and leased to persons under part 791 of the natural resources and
29 environmental protection act, 1994 PA 451, MCL 324.79101 to

324.79118. The commission may issue a license under this subdivision to a lessee. ~~without regard to the quota provisions of section 531.~~ However, the commission shall not issue a license under this subdivision without the written approval of the Michigan state waterways commission or its designee. A license issued under this subdivision is not transferable as to ownership or location, and, if the licensee goes out of business, the license must be surrendered to the commission.

(g) Property owned by the state treasurer of this state when acting in the capacity of custodian of the assets of the state retirement systems created by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437; the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69; the state police retirement act of 1986, 1986 PA 182, MCL 38.1601 to ~~38.1675~~, **38.1674**; and the judges retirement act of 1992, 1992 PA 234, MCL 38.2101 to 38.2670.

(h) A building to which all of the following apply:

(i) The building is owned by this state.

(ii) The land on which the building is located is owned by this state.

(iii) The building is more than 1,000,000 square feet.

(iv) Space within the building is leased to a private entity to which both of the following apply:

(A) In the building, the private entity provides services to the general public.

(B) The private entity holds a license to sell alcoholic liquor as provided by this act.

Sec. 521a. (1) In order to allow cities, villages, and townships to enhance the quality of life for their residents and

visitors to their communities, the commission may issue public on-premises licenses. ~~in addition to those quota licenses allowed in cities, villages, and townships under section 531(1).~~ The licenses under this section ~~shall~~ **must** be issued to businesses that meet either of the following conditions:

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

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

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

(ii) A development area established under the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

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

~~(iii)~~ ~~(iv)~~ A principal shopping district established under 1961 PA 120, MCL 125.981 to 125.990n.

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

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

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

(c) Presents verification of redevelopment project area status to the commission that includes the following:

(i) A resolution of the governing body of the city, village, or

1 township establishing its status as a redevelopment project area.

2 (ii) An affidavit from the assessor, as certified by the clerk
3 of the city, village, or township, stating the total amount of
4 investment in real and personal property within the redevelopment
5 project area of the city, village, or township during the preceding
6 3 years.

7 (iii) An affidavit from the assessor, as certified by the clerk
8 of the city, village, or township, separately stating the amount of
9 investment money expended for manufacturing, industrial,
10 residential, and commercial development within the redevelopment
11 project area of the city, village, or township during the preceding
12 3 years.

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

22 (4) In relation to a license issued under subsection (1)(a),
23 an applicant ~~shall~~**must** be located in a city, village, or township
24 that meets at least 1 of the investment requirements of subsection
25 (1)(a) during the 3 years preceding the submission of its
26 application. The total investment in real and personal property in
27 the redevelopment project area within the city, village, or
28 township over the appropriate time period described in this
29 subsection ~~shall~~**must** be at least 1 of the following:

1 (a) Not less than \$50,000,000.00 in cities, villages, or
2 townships having a population of 50,000 or more.

3 (b) Not less than an amount reflecting \$1,000,000.00 per 1,000
4 people in cities, villages, or townships having a population of
5 less than 50,000.

6 (5) The commission may issue a license under subsection (1) (a)
7 for each monetary threshold described in subsection (4) (a) and (b),
8 and, after reaching the initial threshold, 1 additional license for
9 each major fraction ~~thereof~~ **of that monetary threshold** above that
10 original threshold.

11 (6) The following apply to a license issued under subsection
12 (1) (b) :

13 (a) The amount expended for the rehabilitation or restoration
14 of the building that housed the licensed premises ~~shall~~ **must** be not
15 less than \$75,000.00 over a period of the preceding 5 years or a
16 commitment for a capital investment of at least that amount in the
17 building that houses the licensed premises, that must be expended
18 before the issuance of the license.

19 (b) The total amount of public and private investment in real
20 and personal property within the development district or area ~~shall~~
21 **must** not be less than \$200,000.00 over a period of the preceding 5
22 years as verified to the commission by means of an affidavit from
23 the assessor, as certified by the clerk of the city, village, or
24 township.

25 (c) The licensed business is engaged in dining, entertainment,
26 or recreation, is open to the general public, and has a seating
27 capacity of not less than 25 persons.

28 (7) The commission may issue 1 license for each monetary
29 threshold described in subsection (6) (b), or for each major

fraction thereof. ~~of that monetary threshold.~~ The initial enhanced license fee for a license issued under this section is \$20,000.00.

(8) The commission shall not transfer a license issued under this section to another location. If the licensee goes out of business, the licensee shall surrender the license to the commission. The governing body of the city, village, or township may approve another applicant within a redevelopment project area or development district or area to replace a licensee who has surrendered the license issued under this section provided the new applicant's business meets the requirements of this section but without regard to subsections (2)(c), (3), and (4) or subsection (6)(b).

(9) The individual signing the application for the license shall state and demonstrate that the applicant attempted to secure an appropriate on-premises escrowed license ~~or quota license~~ issued under section 531 and that, to the best of his or her knowledge, an on-premises escrowed license ~~or quota license~~ issued under section 531 is not readily available within the county in which the applicant proposes to operate.

(10) As used in this section:

(a) "Escrowed license" means a license in which the rights of the licensee in the license or to the renewal of the license are still in existence and are subject to renewal and activation in the manner provided for in R 436.1107 of the Michigan ~~administrative code.~~ **Administrative Code.**

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

(i) The fair market value of the license based on where the

1 applicant will be located, if determinable.

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

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

5 Sec. 525. (1) Except as otherwise provided in this section,
6 the following license fees must be paid at the time of filing
7 applications or as otherwise provided in this act and are subject
8 to allocation under section 543:

9 (a) Manufacturers of spirits, not including makers, blenders,
10 and rectifiers of wines containing 21% or less alcohol by volume,
11 \$1,000.00.

12 (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or
13 fraction of a barrel, production annually with a maximum fee of
14 \$1,000.00, and in addition \$50.00 for each motor vehicle used in
15 delivery to retail licensees. A fee increase does not apply to a
16 manufacturer of less than 15,000 barrels production per year.

17 (c) Outstate seller of beer, delivering or selling beer in
18 this state, \$1,000.00.

19 (d) Wine makers, blenders, and rectifiers of wine, including
20 makers, blenders, and rectifiers of wines containing 21% or less
21 alcohol by volume, \$100.00. The small wine maker license fee is
22 \$25.00.

23 (e) Outstate seller of wine, delivering or selling wine in
24 this state, \$300.00.

25 (f) Outstate seller of mixed spirit drink, delivering or
26 selling mixed spirit drink in this state, \$300.00.

27 (g) Dining cars or other railroad or Pullman cars selling
28 alcoholic liquor, \$100.00 per train.

29 (h) Wholesale vendors other than manufacturers of beer,

1 \$300.00 for the first motor vehicle used in delivery to retail
2 licensees and \$50.00 for each additional motor vehicle used in
3 delivery to retail licensees.

4 (i) Watercraft, licensed to carry passengers, selling
5 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of
6 \$500.00 per year computed on the basis of \$1.00 per person per
7 passenger capacity.

8 (j) Specially designated merchants, for selling beer or wine
9 for consumption off the premises only but not at wholesale, \$100.00
10 for each location regardless of whether the location is part of a
11 system or chain of merchandising.

12 (k) Specially designated distributors licensed by the
13 commission to distribute spirits and mixed spirit drink in the
14 original package for the commission for consumption off the
15 premises, \$150.00 per year, and an additional fee of \$3.00 for each
16 \$1,000.00 or major fraction of that amount in excess of \$25,000.00
17 of the total retail value of merchandise purchased under each
18 license from the commission during the previous calendar year.

19 (l) Hotels of class A selling beer and wine, a minimum fee of
20 \$250.00 and \$1.00 for each bedroom in excess of 20, but not more
21 than \$500.00 total.

22 (m) Hotels of class B selling beer, wine, mixed spirit drink,
23 and spirits, a minimum fee of \$600.00 and \$3.00 for each bedroom in
24 excess of 20. If a hotel of class B sells beer, wine, mixed spirit
25 drink, and spirits in more than 1 public bar, a fee of \$350.00 must
26 be paid for each additional public bar, other than a bedroom.

27 (n) Taverns, selling beer and wine, \$250.00.

28 (o) Class C license selling beer, wine, mixed spirit drink,
29 and spirits, \$600.00. Subject to section 518(2), if a class C

1 licensee sells beer, wine, mixed spirit drink, and spirits in more
2 than 1 bar, a fee of \$350.00 must be paid for each additional bar.
3 In municipally owned or supported facilities in which nonprofit
4 organizations operate concession stands, a fee of \$100.00 must be
5 paid for each additional bar.

6 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,
7 \$300.00 for clubs having 150 or fewer accredited members and \$1.00
8 for each member in excess of 150. Clubs shall submit a list of
9 members by an affidavit 30 days before the closing of the license
10 year. The affidavit must be used only for determining the license
11 fees to be paid under this subdivision. This subdivision does not
12 prevent the commission from checking a membership list and making
13 its own determination from the list or otherwise. The list of
14 members and additional members is not required of a club paying the
15 maximum fee. The maximum fee must not exceed \$750.00 for any 1
16 club.

17 (q) Warehousemen, to be fixed by the commission with a minimum
18 fee for each warehouse of \$50.00.

19 (r) Special licenses, a fee of \$50.00 per day, except that the
20 fee for the license or permit issued to a bona fide nonprofit
21 association, organized and in continuous existence for 1 year
22 before the filing of its application, is \$25.00. The commission
23 shall not grant more than 12 special licenses to any organization,
24 including an auxiliary of the organization, in a calendar year.

25 (s) Airlines licensed to carry passengers in this state that
26 sell, offer for sale, provide, or transport alcoholic liquor,
27 \$600.00.

28 (t) Brandy manufacturer, \$100.00.

29 (u) Mixed spirit drink manufacturer, \$100.00.

1 (v) Brewpub, \$100.00.

2 (w) Class G-1, \$1,000.00.

3 (x) Class G-2, \$500.00.

4 (y) Motorsports event license, the amount as described and
5 determined under section 518(2).

6 (z) Small distiller, \$100.00.

7 (aa) Wine auction license, \$50,000.00.

8 (bb) Nonpublic continuing care retirement center license,
9 \$600.00.

10 (cc) Conditional license approved under subsection (6) and
11 issued under subsection (7), \$300.00.

12 (2) The fees provided in this act for the various types of
13 licenses must not be prorated for a portion of the effective period
14 of the license. Notwithstanding subsection (1), the initial license
15 fee for a license issued under section 531(3) or (4) is \$20,000.00.
16 The renewal license fee is the amount described in subsection (1).
17 However, the commission shall not impose the \$20,000.00 initial
18 license fee for applicants whose license eligibility was already
19 approved on July 20, 2005.

20 (3) If the commission requires an applicant to submit
21 fingerprints, the applicant shall have the fingerprints taken by a
22 local law enforcement agency, the department of state police, or
23 any other person qualified to take fingerprints as determined by
24 the department of state police. The applicant shall submit the
25 fingerprints and the appropriate state and federal fees, which
26 ~~shall~~**must** be borne by the applicant, to the department of state
27 police and the Federal Bureau of Investigation for a criminal
28 history check. After conducting the criminal history check, the
29 department of state police shall provide the commission with a

1 report of the criminal history check. The report must include
2 criminal history record information concerning the person who is
3 the subject of the criminal history check that is maintained by the
4 department of state police. If a criminal arrest fingerprint card
5 is subsequently submitted to the department of state police and
6 matches against a fingerprint that was submitted under this act and
7 stored in its automated fingerprint identification system (AFIS)
8 database, the department of state police shall notify the
9 commission.

10 (4) Except for a resort or resort economic development license
11 issued under section 531(2), (3), (4), or (5) or a license issued
12 under section 521a, the commission shall issue an initial or
13 renewal license not later than 90 days after the applicant files a
14 completed application. The application is considered to be received
15 the date the application is received by an agency or department of
16 this state. If the commission determines that an application is
17 incomplete, the commission shall notify the applicant in writing,
18 or make the information electronically available, within 30 days
19 after receipt of the incomplete application, describing the
20 deficiency and requesting the additional information. The
21 determination of the completeness of an application is not an
22 approval of the application for the license and does not confer
23 eligibility on an applicant determined otherwise ineligible for
24 issuance of a license. The 90-day period is tolled for the
25 following periods under any of the following circumstances:

26 (a) If notice is sent by the commission of a deficiency in the
27 application, until the date all of the requested information is
28 received by the commission.

29 (b) For the time required to complete actions required by a

1 person, other than the applicant or the commission, including, but
2 not limited to, completion of construction or renovation of the
3 licensed premises; mandated inspections by the commission or by any
4 state, local, or federal agency; approval by the legislative body
5 of a local unit of government; criminal history or criminal record
6 checks; financial or court record checks; or other actions mandated
7 by this act or rule or as otherwise mandated by law or local
8 ordinance.

9 (5) If the commission fails to issue or deny a license within
10 the time required by this section, the commission shall return the
11 license fee and shall reduce the license fee for the applicant's
12 next renewal application, if any, by 15%. The failure to issue a
13 license within the time required under this section does not allow
14 the commission to otherwise delay the processing of the
15 application, and the application, on completion, must be placed in
16 sequence with other completed applications received at that same
17 time. The commission shall not discriminate against an applicant in
18 the processing of the application because the license fee was
19 refunded or discounted under this subsection.

20 (6) If, in addition to a completed application under this
21 section, an applicant submits a separate form requesting a
22 conditional license with an acceptable proof of financial
23 responsibility form under section 803, an executed property
24 document, and, for an application to transfer the location of an
25 existing retailer license other than specially designated
26 distributor license, a church or school proximity affidavit on a
27 form prescribed by the commission attesting that the proposed
28 location is not within 500 feet of a church or school building
29 using the method of measurement required under section 503, the

1 commission shall, after considering the arrest and conviction
2 records or previous violation history in the management, operation,
3 or ownership of a licensed business, approve or deny a conditional
4 license. A conditional license issued under subsection (7) must
5 only include any existing permits and approvals held in connection
6 with the license, other than permits or approvals for which the
7 conditional applicant does not meet the requirements in this act or
8 rules promulgated under this act, or permits or approvals that the
9 conditional applicant has requested to cancel as part of the
10 application that serves as the basis for the conditional license.
11 The commission shall not issue a new permit with a conditional
12 license issued under subsection (7). The following applicants may
13 request a conditional license:

14 (a) An applicant seeking to transfer ownership of an existing
15 retailer license at the same location to sell alcoholic liquor for
16 consumption on or off the premises.

17 (b) An applicant seeking to transfer the ownership and
18 location of an existing retailer license, other than a specially
19 designated distributor license, to sell alcoholic liquor for
20 consumption on or off the premises.

21 (c) An applicant seeking a new specially designated merchant
22 license ~~, other than a specially designated merchant license issued~~
23 ~~under section 533(6),~~ not to be held in conjunction with a license
24 for the sale of alcoholic liquor for consumption on the premises.

25 (7) The commission shall issue a conditional license to
26 applicants approved under subsection (6) within 20 business days
27 after receipt of a completed application and a completed
28 conditional license request form and documentation for a
29 conditional license at a single location. The commission may take

1 up to 30 business days to issue conditional licenses to approved
2 applicants seeking conditional licenses at multiple locations.
3 ~~However, for an applicant described under this subsection that is~~
4 ~~seeking a specially designated merchant license under section~~
5 ~~533(7), the commission may take up to 45 business days to issue a~~
6 ~~conditional license.~~ Notwithstanding the applicant's submission of
7 a church or school proximity affidavit under subsection (6), if the
8 commission determines that a conditional license in conjunction
9 with an application to transfer the location of an existing
10 retailer license has been issued under this subsection at a
11 proposed location that is within 500 feet of a church or school
12 building, the commission shall suspend the conditional license and
13 notify the church or school of the proposed location under the
14 rules promulgated under this act. If the commission issues a
15 conditional license under this subsection based on a church or
16 school proximity affidavit under subsection (6) without knowledge
17 that the representations included in the affidavit are incorrect,
18 this state is not liable to any person for the commission's
19 issuance of the conditional license. The commission may assume
20 without inquiry the existence of the facts contained in the
21 affidavit.

22 (8) A conditional license approved under subsection (6) and
23 issued under subsection (7) is nontransferable and nonrenewable. A
24 conditional licensee is required to comply with the server training
25 requirements in section 501(1) beginning on the date a conditional
26 license is issued under subsection (7) regardless of whether the
27 conditional licensee is actively operating under the conditional
28 license.

29 (9) A conditional license approved under subsection (6) and

1 issued under subsection (7) expires when the first of the following
2 occurs:

3 (a) The commission issues an order of denial of the license
4 application that serves as the basis for the conditional license
5 and all administrative remedies before the commission have been
6 exhausted.

7 (b) The commission issues the license under subsection (4) for
8 which the applicant submitted the license application that serves
9 as the basis for the conditional license.

10 (c) The licensee or conditional licensee notifies the
11 commission in writing that the initial or conditional application
12 should be canceled.

13 (d) One year passes after the date the conditional license was
14 issued, notwithstanding any suspension of the conditional license
15 by the commission.

16 (10) If a conditional licensee fails to maintain acceptable
17 proof of its financial responsibility as required under section
18 803, the commission shall summarily suspend the conditional license
19 under section 92(2) of the administrative procedures act of 1969,
20 1969 PA 306, MCL 24.292, until the conditional licensee files an
21 acceptable proof of financial responsibility form under section
22 803. If a conditional license is revoked, the conditional licensee
23 shall not recover from this state or a unit of local government any
24 compensation for property, future income, or future economic loss
25 because of the revocation.

26 (11) On issuing a conditional license under subsection (7),
27 the commission shall, until the conditional license expires under
28 subsection (9), place the existing license under subsection (4) for
29 which the applicant submitted the application that serves as the

1 basis for the conditional license in escrow in compliance with R
2 436.1107 of the Michigan Administrative Code. If the conditional
3 license expires under subsection (9), an existing licensee may do 1
4 of the following:

5 (a) Request that the commission release the license from
6 escrow.

7 (b) Keep the license in escrow. The escrow date for compliance
8 with R 436.1107 of the Michigan Administrative Code is the date the
9 conditional license expires.

10 (12) The chair of the commission shall submit a report by
11 December 1 of each year to the standing committees and
12 appropriations subcommittees of the senate and house of
13 representatives concerned with liquor license issues. The chair of
14 the commission shall include all of the following information in
15 the report concerning the preceding fiscal year:

16 (a) The number of initial and renewal applications the
17 commission received and completed within the 90-day time period
18 described in subsection (4).

19 (b) The number of applications denied.

20 (c) The number of applicants not issued a license within the
21 90-day time period and the amount of money returned to licensees
22 under subsection (5).

23 (13) As used in this section, "completed application" means an
24 application complete on its face and submitted with any applicable
25 licensing fees as well as any other information, records, approval,
26 security, or similar item required by law or rule from a local unit
27 of government, a federal agency, or a private entity but not from
28 another department or agency of this state.

29 Sec. 531. (1) ~~A public license shall not be granted for the~~

~~sale of alcoholic liquor for consumption on the premises in excess of 1 license for each 1,500 of population or major fraction thereof.~~ An on-premises escrowed license issued under this subsection may be transferred, subject to local legislative approval under section 501(2), to an applicant whose proposed operation is located within any local governmental unit in a county in which the escrowed license was located. If the local governmental unit within which the former licensee's premises were located spans more than 1 county, an escrowed license may be transferred, subject to local legislative approval under section 501(2), to an applicant whose proposed operation is located within any local governmental unit in either county. ~~If an escrowed license is activated within a local governmental unit other than that local governmental unit within which the escrowed license was originally issued, the commission shall count that activated license against the local governmental unit originally issuing the license. This quota does not bar the right of an existing licensee to renew a license or transfer the license and does not bar the right of an on-premises licensee of any class to reclassify to another class of on-premises license in a manner not in violation of law or this act, subject to the consent of the commission. The upgrading of a license resulting from a request under this subsection is subject to approval by the local governmental unit having jurisdiction.~~

(2) In a resort area, the commission may issue no more than 550 licenses for a period not to exceed 12 months without regard to a limitation because of population and with respect to the resort license the commission, by rule, shall define and classify resort seasons by months and may issue 1 or more licenses for resort

1 seasons without regard to the calendar year or licensing year.

2 (3) In addition to the resort licenses authorized in
3 subsection (2), the commission may issue not more than 5 additional
4 licenses per year to establishments whose business and operation,
5 as determined by the commission, is designed to attract and
6 accommodate tourists and visitors to the resort area, whose primary
7 purpose is not for the sale of alcoholic liquor, and whose capital
8 investment in real property, leasehold improvement, and fixtures
9 for the premises to be licensed is \$75,000.00 or more. Further, the
10 commission shall issue 1 license under this subsection per year to
11 an applicant located in a rural area that has a poverty rate, as
12 defined by the latest decennial census, greater than the statewide
13 average, or that is located in a rural area that has an
14 unemployment rate higher than the statewide average for 3 of the 5
15 preceding years. In counties having a population of less than
16 50,000, as determined by the last federal decennial census or as
17 determined under subsection (11) and subject to subsection (16) in
18 the case of a class A hotel or a class B hotel, the commission
19 shall not require the establishments to have dining facilities to
20 seat more than 50 persons. The commission may cancel the license if
21 the resort is no longer active or no longer qualifies for the
22 license. Before January 16 of each year the commission shall
23 transmit to the legislature a report giving details as to all of
24 the following:

25 (a) The number of applications received under this subsection.

26 (b) The number of licenses granted and to whom.

27 (c) The number of applications rejected and the reasons they
28 were rejected.

29 (d) The number of the licenses revoked, suspended, or other

1 disciplinary action taken and against whom and the grounds for
2 revocation, suspension, or disciplinary action.

3 (4) In addition to any licenses for the sale of alcoholic
4 liquor for consumption on the premises that may be available in the
5 local governmental unit under subsection (1) and the resort
6 licenses authorized in subsections (2) and (3), the commission may
7 issue not more than 15 resort economic development licenses per
8 year. A person is eligible to apply for a resort economic
9 development license under this subsection ~~upon~~**on** submitting an
10 application to the commission and demonstrating all of the
11 following:

12 (a) The establishment's business and operation, as determined
13 by the commission, is designed to attract and accommodate tourists
14 and visitors to the resort area.

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

17 (c) The capital investment in real property, leasehold
18 improvement, fixtures, and inventory for the premises to be
19 licensed is in excess of \$1,500,000.00.

20 (d) The establishment does not allow or permit casino gambling
21 on the premises.

22 (5) In governmental units having a population of 50,000 or
23 less, as determined by the last federal decennial census or as
24 determined under subsection (11) ~~, in which the quota of specially~~
25 ~~designated distributor licenses, as provided by section 533, has~~
26 ~~been exhausted,~~ the commission may issue not more than a total of
27 15 additional specially designated distributor licenses per year to
28 established merchants whose business and operation, as determined
29 by the commission, is designed to attract and accommodate tourists

1 and visitors to the resort area. A specially designated distributor
2 license issued under this subsection may be issued at a location
3 within 2,640 feet of existing specially designated distributor
4 license locations. A specially designated distributor license
5 issued under this subsection ~~shall~~**does** not bar another specially
6 designated distributor licensee from transferring location to
7 within 2,640 feet of that licensed location. A specially designated
8 distributor license issued under section 533 may be located within
9 2,640 feet of a specially designated distributor license issued
10 under this subsection. The person signing the application for a
11 specially designated distributor license under this subsection
12 shall state that he or she attempted to secure an escrowed
13 specially designated distributor license ~~or quota license~~ and that,
14 to the best of his or her knowledge, an escrowed specially
15 designated distributor license ~~or quota license~~ is not readily
16 available within the county in which the applicant for the
17 specially designated distributor license under this subsection
18 proposes to operate.

19 (6) In addition to any licenses for the sale of alcoholic
20 liquor for consumption on the premises that may be available in the
21 local governmental unit under subsection (1), and the resort or
22 resort economic development licenses authorized in subsections (2),
23 (3), and (4), and notwithstanding section 519, the commission may
24 issue not more than 5 additional special purpose licenses in any
25 calendar year for the sale of beer and wine for consumption on the
26 premises. ~~A~~**The commission may issue a** special purpose license
27 ~~issued under this subsection shall be issued only~~ for events that
28 are to be held from May 1 to September 30, are artistic in nature,
29 and that are to be held on the campus of a public university with

1 an enrollment of 30,000 or more students. A special purpose license
 2 is valid for 30 days or for the duration of the event for which it
 3 is issued, whichever is less. The fee for a special purpose license
 4 is \$50.00. A special purpose license may be issued only to a
 5 corporation that meets all of the following requirements:

6 (a) ~~Is~~ **The corporation is** a nonprofit corporation organized
 7 under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to
 8 450.3192.

9 (b) ~~Has~~ **The corporation has** a board of directors constituted
 10 of members of whom half are elected by the public university at
 11 which the event is scheduled and half are elected by the local
 12 governmental unit.

13 (c) ~~Has~~ **The corporation has** been in continuous existence for
 14 not less than 6 years.

15 (7) Notwithstanding the local legislative body approval
 16 provision of section 501(2) and notwithstanding the provisions of
 17 section 519, the commission may issue ~~, without regard to the quota~~
 18 ~~provisions of subsection (1) and~~ with the approval of the governing
 19 board of the university, either a tavern or class C license which
 20 may be used only for regularly scheduled events at a public
 21 university's established outdoor program or festival at a facility
 22 on the campus of a public university having a head count enrollment
 23 of 10,000 students or more. ~~A~~ **The commission may issue a** license
 24 ~~issued under this subsection may only be issued to the governing~~
 25 board of a public university, a person that is the lessee or
 26 concessionaire of the governing board of the university, or both. A
 27 license issued under this subsection is not transferable as to
 28 ownership or location. Except as otherwise provided in this
 29 subsection, a license issued under this subsection may not be

1 issued at an outdoor stadium customarily used for intercollegiate
2 athletic events. A license may be issued at an outdoor stadium
3 customarily used for intercollegiate athletic events for not more
4 than 30 consecutive days to a concessionaire of an entity granted
5 exclusive use of a public university's property in conjunction with
6 a hockey game sanctioned by an unincorporated not-for-profit
7 association that operates a major professional ice hockey league
8 consisting of teams located in Canada and in the United States or
9 in conjunction with a professional international soccer match
10 between 2 international soccer clubs as part of a tournament
11 sanctioned by a not-for-profit association that is the governing
12 body for soccer in the United States and organized and promoted by
13 a match agent that is licensed by the international governing body
14 for soccer if the concessionaire has entered into an agreement
15 granting it control of the licensed premises for the purposes of
16 complying with this act and rules promulgated under this act
17 regarding the sale of alcoholic liquor. A nationally televised game
18 between 2 professional hockey teams or 2 professional international
19 soccer clubs played outdoors is considered an established outdoor
20 program for the purposes of this subsection. Notwithstanding any
21 provision of this act or any rule promulgated under this act, a
22 concessionaire obtaining a license under this subsection may share
23 the profits generated from that license with an unincorporated not-
24 for-profit association that operates a major professional ice
25 hockey league consisting of teams located in Canada and in the
26 United States or an affiliated entity under a written contract
27 reviewed by the commission or with a licensed match agent and a
28 promoter that organizes and promotes international soccer matches
29 under a written contract reviewed by the commission. If the

1 established outdoor program is a nationally televised game between
 2 2 professional hockey teams or 2 professional international soccer
 3 clubs, the commission may allow the promotion and advertising of
 4 alcoholic liquor brands on the campus of a public university where
 5 a concessionaire has been issued a license under this subsection
 6 for the duration of the license.

7 (8) In issuing a resort or resort economic development license
 8 under subsection (3), (4), or (5), the commission shall consider
 9 economic development factors of the area in issuing licenses to
 10 establishments designed to stimulate and promote the resort and
 11 tourist industry. The commission shall not transfer a resort or
 12 resort economic development license issued under subsection (3),
 13 (4), or (5) to another location. If the licensee goes out of
 14 business the license ~~shall~~**must** be surrendered to the commission.

15 (9) The limitations ~~and quotas~~ of this section are not
 16 applicable to issuing a new license to a veteran of the ~~armed~~
 17 ~~forces~~**Armed Forces** of the United States who was honorably
 18 discharged or released under honorable conditions from the ~~armed~~
 19 ~~forces~~**Armed Forces** of the United States and who had by forced sale
 20 disposed of a similar license within 90 days before or after
 21 entering or while serving in the ~~armed forces~~**Armed Forces** of the
 22 United States, as a part of the person's preparation for that
 23 service if the application for a new license is submitted for the
 24 same governmental unit in which the previous license was issued and
 25 within 60 days after the discharge of the applicant from the ~~armed~~
 26 ~~forces~~**Armed Forces** of the United States.

27 (10) The limitations ~~and quotas~~ of this section are not
 28 applicable to issuing a new license or renewing an existing license
 29 where the property or establishment to be licensed is situated in

1 or on land on which an airport owned by a county or in which a
2 county has an interest is situated.

3 (11) For purposes of implementing this section a special state
4 census of a local governmental unit may be taken at the expense of
5 the local governmental unit by the ~~federal bureau~~ **Federal Bureau** of
6 ~~census~~ **Census** or the secretary of state under section 6 of the home
7 rule city act, 1909 PA 279, MCL 117.6. The special census ~~shall~~
8 **must** be initiated by resolution of the governing body of the local
9 governmental unit involved. The secretary of state may promulgate
10 additional rules necessary for implementing this section ~~pursuant~~
11 ~~to~~ **under** the administrative procedures act of 1969, 1969 PA 306,
12 MCL 24.201 to 24.328.

13 (12) Before granting an approval as required in section 501(2)
14 for a license to be issued under subsection (2), (3), or (4), a
15 local legislative body shall disclose the availability of
16 transferable licenses held in escrow for more than 1 licensing year
17 within that respective local governmental unit. The local
18 governmental unit shall provide public notice of the meeting to
19 consider the granting of the license by the local governmental unit
20 2 weeks before the meeting.

21 (13) The person signing the application for an on-premises
22 resort or resort economic development license shall state and
23 verify that he or she attempted to secure an on-premises escrowed
24 license ~~or quota license~~ and that, to the best of his or her
25 knowledge, an on-premises escrowed license ~~or quota license~~ is not
26 readily available within the county in which the applicant for the
27 on-premises resort or resort economic development license proposes
28 to operate.

29 (14) The commission shall not issue an on-premises resort or

1 resort economic development license ~~if the county within which the~~
2 ~~resort or resort economic development license applicant proposes to~~
3 ~~operate has not issued all on-premises licenses available under~~
4 ~~subsection (1) or~~ if an on-premises escrowed license exists and is
5 readily available within the local governmental unit in which the
6 applicant for the on-premises resort or resort economic development
7 license proposes to operate. The commission may waive the
8 provisions of this subsection ~~upon~~ **on** a showing of good cause.

9 (15) The commission shall annually report to the legislature
10 the names of the businesses issued licenses under this section and
11 their locations.

12 (16) The commission shall not require a class A hotel or a
13 class B hotel licensed under subsection (2), (3), or (4) to provide
14 food service to registered guests or to the public.

15 (17) Subject to the limitation ~~and quotas of~~ **in** subsection (1)
16 and to local legislative approval under section 501(2), the
17 commission may approve the transfer of ownership and location of an
18 on-premises escrowed license within the same county to a class G-1
19 or class G-2 license or may approve the reclassification of an
20 existing on-premises license at the location to be licensed to a
21 class G-1 license or to a class G-2 license. ~~, subject to~~
22 ~~subsection (1).~~ Resort or economic development on-premises licenses
23 created under subsection (3) or (4) may not be issued as, or
24 reclassified to, a class G-1 or class G-2 license.

25 (18) An escrowed specially designated distributor license may
26 be transferred, with the consent of the commission, to an applicant
27 whose proposed operation is located within any local governmental
28 unit in a county in which the specially designated distributor
29 license is located. If the local governmental unit within which the

escrowed specially designated distributor license is located spans more than 1 county, the license may be transferred to an applicant whose proposed operation is located within any local governmental unit in either county. ~~If the specially designated distributor license is activated within a local governmental unit other than that local governmental unit within which the specially designated distributor license was originally issued, the commission shall count that activated license against the local governmental unit originally issuing the specially designated distributor license.~~

(19) Subsection (8) of R 436.1135 of the Michigan ~~administrative code~~ **Administrative Code** does not apply to a transfer under subsection (18).

(20) As used in this section:

(a) "Escrowed license" means a license in which the rights of the licensee in the license or to the renewal of the license are still in existence and are subject to renewal and activation in the manner provided for in R 436.1107 of the Michigan ~~administrative code~~ **Administrative Code**.

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

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

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

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

Sec. 533. (1) Subject to subsection ~~(12)~~, **(6)**, the commission shall not issue a new specially designated merchant license or transfer an existing specially designated merchant license unless the applicant is an approved type of business. An applicant is not

1 an approved type of business unless the applicant meets 1 or more
2 of the following conditions:

3 (a) The applicant holds and maintains a retail food
4 establishment license issued under the food law, 2000 PA 92, MCL
5 289.1101 to 289.8111. As used in this subdivision, "retail food
6 establishment" means that term as defined in section 1111 of the
7 food law, 2000 PA 92, MCL 289.1111.

8 (b) The applicant holds and maintains an extended retail food
9 establishment license issued under the food law, 2000 PA 92, MCL
10 289.1101 to 289.8111. As used in this subdivision, "extended retail
11 food establishment" means that term as defined in section 1107 of
12 the food law, 2000 PA 92, MCL 289.1107.

13 (c) The applicant holds or the commission approves the
14 issuance of a specially designated distributor license to the
15 applicant.

16 (d) The applicant holds or the commission approves the
17 issuance of a class C license to the applicant.

18 (e) The applicant holds or the commission approves the
19 issuance of a class A hotel license to the applicant.

20 (f) The applicant holds or the commission approves the
21 issuance of a class B hotel license to the applicant.

22 (g) The applicant holds or the commission approves the
23 issuance of a club license to the applicant.

24 (h) The applicant holds or the commission approves the
25 issuance of a tavern license to the applicant.

26 (i) The applicant holds or the commission approves the
27 issuance of a class G-1 license to the applicant.

28 (j) The applicant holds or the commission approves the
29 issuance of a class G-2 license to the applicant.

1 (2) A specially designated distributor may apply for a license
2 as a specially designated merchant.

3 (3) An applicant for a specially designated merchant license
4 not in conjunction with an on-premises license, except as provided
5 in section 229(1), or a person licensed under this act as a
6 specially designated merchant only or a class B hotel may apply for
7 a license as a specially designated distributor.

8 ~~(4) In cities, incorporated villages, or townships, the~~
9 ~~commission shall issue only 1 specially designated distributor~~
10 ~~license for each 3,000 of population, or fraction of 3,000. The~~
11 ~~commission may waive the quota requirement under this subsection if~~
12 ~~there is no existing specially designated distributor licensee~~
13 ~~within 2 miles of the applicant, measured along the nearest traffic~~
14 ~~route.~~

15 ~~(5) Except as otherwise provided in this section, in cities,~~
16 ~~incorporated villages, or townships, the commission shall issue~~
17 ~~only 1 specially designated merchant license for each 1,000 of~~
18 ~~population, or fraction of 1,000. The quota under this subsection~~
19 ~~does not apply to any of the following:~~

20 ~~(a) An applicant for a specially designated merchant license~~
21 ~~that is an applicant for or the holder of a license listed in~~
22 ~~subsection (1) (d) to (j).~~

23 ~~(b) An applicant for or the holder of a specially designated~~
24 ~~merchant license whose licensed establishment meets 1 or more of~~
25 ~~the following conditions:~~

26 ~~(i) Meets both of the following conditions:~~

27 ~~(A) The licensed establishment is at least 20,000 square feet.~~

28 ~~(B) The licensed establishment's gross receipts derived from~~
29 ~~the sale of food are at least 20% of the total gross receipts.~~

~~(ii) The licensed establishment is also a pharmacy as that term is defined in section 17707 of the public health code, 1978 PA 368, MCL 333.17707.~~

~~(c) A secondary location permit issued to a specially designated merchant under section 541.~~

~~(d) A specially designated merchant license issued under subsection (7).~~

~~(e) A specially designated merchant license issued to a marina under section 539.~~

~~(6) The commission may waive the quota under subsection (5) if there is no existing specially designated merchant within 2 miles of the applicant, measured along the nearest traffic route.~~

~~(7) The commission shall waive the quota under subsection (5) if both of the following apply:~~

~~(a) The applicant applies for the specially designated merchant license within 60 days after January 4, 2017.~~

~~(b) The applicant is a retail dealer that holds a license issued under section 6(1) of the motor fuels quality act, 1984 PA 44, MCL 290.646. The applicant shall include a copy of the license described in this subdivision with the applicant's application under this subsection. As used in this subdivision, "retail dealer" means that term as defined in section 2 of the motor fuels quality act, 1984 PA 44, MCL 290.642.~~

~~(4) (8) A specially designated merchant license issued under this section may be transferred to an applicant whose proposed operation is located within any local governmental unit in a county in which the specially designated merchant license was located. If the local governmental unit within which the former licensee's premises were located spans more than 1 county, a specially~~

1 ~~designated merchant license may be transferred to an applicant~~
2 ~~whose proposed operation is located within any local governmental~~
3 ~~unit in either county. If a specially designated merchant license~~
4 ~~is transferred to a local governmental unit other than that local~~
5 ~~governmental unit within which the specially designated merchant~~
6 ~~license was originally issued, the commission shall count that~~
7 ~~transferred specially designated merchant license against the local~~
8 ~~governmental unit originally issuing the specially designated~~
9 ~~merchant license.~~

10 ~~(9) Except as otherwise provided in subsection (10), the quota~~
11 ~~under subsection (5) does not bar the right of an existing~~
12 ~~specially designated merchant to renew the specially designated~~
13 ~~merchant license or transfer the specially designated merchant~~
14 ~~license. This subsection applies to a specially designated merchant~~
15 ~~license issued or renewed before, on, or after January 4, 2017.~~

16 ~~(10) A specially designated merchant license issued after~~
17 ~~January 4, 2017 to a person described in subsection (5) (a) or (b)~~
18 ~~or to a specially designated merchant license issued under~~
19 ~~subsection (6) may not be transferred to another location.~~

20 ~~(5) (11)~~ An applicant for or the holder of a specially
21 designated merchant license that owns or operates a motor vehicle
22 fuel pump on or adjacent to the licensed premises is not required
23 to meet the conditions under section 541 as that section existed
24 before January 4, 2017.

25 ~~(6) (12)~~ For a marina that maintains motor vehicle fuel pumps
26 on or adjacent to the licensed premises, or maintains a financial
27 interest in any motor vehicle fuel pumps, the commission may only
28 issue a special designated merchant license to the marina under
29 section 539.

1 (7) ~~(13)~~ For purposes of this section, population is
2 determined by the latest federal decennial census, by a special
3 census under section 6 of the home rule city act, 1909 PA 279, MCL
4 117.6, or section 7 of the Glenn Steil state revenue sharing act of
5 1971, 1971 PA 140, MCL 141.907, or by the latest census and
6 corrections published by the United States Department of Commerce,
7 Bureau of the Census, whichever is later.