

SENATE BILL NO. 1136

September 22, 2020, Introduced by Senator STAMAS and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 521a (MCL 436.1521a), as amended by 2014 PA
270.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 521a. (1) In order to allow cities, villages, and
2 townships to enhance the quality of life for their residents and
3 visitors to their communities, the commission may issue public on-
4 premises licenses in addition to those quota licenses allowed in
5 cities, villages, and townships under section 531(1). The ~~licenses~~

commission shall issue a license under this section ~~shall be issued to businesses to a business~~ that ~~meet~~ **meets** either of the following conditions:

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

(b) ~~Are~~ **Is** 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.~~ **part 3 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4301 to 125.4329.**

(ii) A development area established under ~~the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.~~ **part 6 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4602 to 125.4629.**

(iii) A downtown district established under ~~1975 PA 197, MCL 125.1651 to 125.1681.~~ **part 2 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4201 to 125.4230.**

(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.

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

3 (i) A resolution of the governing body of the city, village, or
4 township establishing its status as a redevelopment project area.

5 (ii) An affidavit from the assessor, as certified by the clerk
6 of the city, village, or township, stating the total amount of
7 investment in real and personal property within the redevelopment
8 project area of the city, village, or township during the preceding
9 3 years.

10 (iii) An affidavit from the assessor, as certified by the clerk
11 of the city, village, or township, separately stating the amount of
12 investment money expended for manufacturing, industrial,
13 residential, and commercial development within the redevelopment
14 project area of the city, village, or township during the preceding
15 3 years.

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

25 (4) In relation to a license issued under subsection (1)(a),
26 an applicant ~~shall~~**must** be located in a city, village, or township
27 that meets at least 1 of the investment requirements of subsection
28 (1)(a) during the 3 years preceding the submission of its
29 application. The total investment in real and personal property in

1 the redevelopment project area within the city, village, or
 2 township over the appropriate time period described in this
 3 subsection ~~shall~~**must** be at least 1 of the following:

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

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

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

14 (6) The following apply to a license issued under subsection
 15 (1) (b) :

16 (a) The amount expended ~~for the rehabilitation or restoration~~
 17 ~~of~~**to rehabilitate or restore** the building ~~that housed the licensed~~
 18 ~~premises shall~~**or property must** be not less than ~~\$75,000.00~~
 19 **\$200,000.00** over a period of the preceding 5 years or a commitment
 20 for a capital investment of at least that amount in the building
 21 ~~that houses the licensed premises,~~**or property** that must be
 22 expended before the issuance of the license.

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

29 (c) The licensed business is engaged in dining, entertainment,

1 or recreation, is open to the general public, and has a seating
2 capacity of not less than 25 persons.

3 (7) The commission may issue 1 license for each monetary
4 threshold described in subsection (6)(b), or for each major
5 fraction thereof. ~~of the monetary threshold.~~ The initial enhanced
6 license fee for a license issued under this section is \$20,000.00.

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

17 (9) The individual signing the application for the license
18 shall state and demonstrate that the applicant attempted to secure
19 an appropriate on-premises escrowed license or quota license issued
20 under section 531 and that, to the best of his or her knowledge, an
21 on-premises escrowed license or quota license issued under section
22 531 is not readily available within the county in which the
23 applicant proposes to operate.

24 (10) As used in this section:

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

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

4 (i) The fair market value of the license based on where the
5 applicant will be located, if determinable.

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

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