



Municipal Law News

August 2014

MICHIGAN LIQUOR CONTROL COMMISSION RESUMES ISSUING REDEVELOPMENT LIQUOR LICENSES TO MICHIGAN TOWNSHIPS AND VILLAGES

-Lisa J. Hamameh and Ronald D. Richards, Jr.



The Michigan Liquor Control Commission may resume issuing Redevelopment Liquor Licenses to Michigan townships and villages.

The Michigan Legislature established a liquor license quota system in 1933 to limit the number

of businesses selling alcoholic beverages. The number of liquor licenses authorized to a municipality is based on a ratio of licenses-to-population. For businesses selling alcoholic beverages to be consumed on the premises, municipalities are allowed one liquor license for every 1,500 in population or major fraction of it. MCL 436.1531(1).

In 2007, the legislature created a new type of liquor license for businesses selling alcoholic beverages to be consumed on the premises in redevelopment districts or authorities, such as downtown development areas, or in redevelopment project areas. These types of licenses are referred to as Redevelopment Liquor Licenses and are exempt from the quota system, meaning they can be issued over and above the number of liquor licenses authorized to a municipality. MCL 436.1521a(1).

Prior to July 2, 2014, the 2007 law that created Redevelopment Liquor Licenses applied only to cities. Although a previous administration of the Michigan Liquor Control Commission

applied that law to cities, townships and villages, the current administration refused to do so. Public Act 270 of 2014 amends the law to apply equally to cities, townships and villages.

Under Act 270, Redevelopment Liquor Licenses must be issued to businesses that meet either of the following conditions:

- The business is located in a redevelopment project area meeting the criteria described in Act 270 and is engaged in activities determined by the Liquor Commission to be related to dining, entertainment, or recreation; or
- The business is located in a development district or area that is any of the following:
 - An authority district established under the tax increment finance authority act.
 - A development area established under the corridor improvement authority act.
 - A downtown district established under the downtown development authority act.
 - A principal shopping district established under the Principal Shopping District and Business Improvement Act.

To obtain this type of license, the business must submit an application and certain required documents, including a resolution of the governing body of the village or township establishing its status as a redevelopment project area.

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Redevelopment licenses also have many specific requirements that must be met by applicants and municipalities prior to issuance. For example, municipalities must provide documentation demonstrating their qualifications under the law. Further, an applicant for a Redevelopment Liquor License is required to demonstrate that there are no available quotas or escrowed liquor licenses in the municipality for the applicant to acquire or purchase. Redevelopment Liquor Licenses have an enhanced licensing fee of \$20,000. It is also important to note that although Redevelopment Liquor License ownership may be transferred, the license may not be transferred to another location. If an establishment operating with a Redevelopment Liquor License goes out of business, that Redevelopment Liquor License must be returned to the Michigan Liquor Control Commission.

To learn more about liquor licenses within your municipality, how to expand the number of available licenses, or how to control liquor licenses, please feel free to call one of the attorneys in our administrative or municipal practice group.

LISA HAMAMEH NAMED ONE OF MICHIGAN LAWYER'S WEEKLY'S "2014 WOMEN IN THE LAW"

Attorney Lisa J. Hamameh was selected as one of Michigan Lawyers Weekly's "Women in the Law" for 2014. The "Women in the Law" award recognizes individuals who have made meaningful and inspiring contributions to the legal community.

Honorees will be celebrated at the Women in the Law awards celebration on September 11 at the Detroit Marriott of Troy. The celebration will honor these influential leaders and their ideas, achievements and commitment to excellence.

Hamameh practices primarily in municipal law, zoning and land use and liquor licensing law. She has co-authored chapters on both Liquor Licensing and Plea Bargaining for the Michigan Institute of Continuing Legal Education. Hamameh earned her Bachelor of Science degree in Criminal Justice from Wayne State University, and her Juris Doctorate from Wayne State University Law School.

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