
Communities Seek to Regain Control Over Liquor Licensing

By Jeffrey M. Bloom, Jason R. Canvasser / Feb 12, 2013

On June 29, 2012, the Office of Regulatory Reinvention (ORR) publicly released its report to Governor Rick Snyder containing 72 recommendations for improving Michigan's liquor control system while continuing to protect Michigan's citizens. A substantial portion of the ORR's recommendations focus on process improvement to make Michigan more competitive nationally as both a tourist and manufacturing destination.

Consistent with the ORR's goals and objectives, the Michigan Liquor Control Commission (LCC) also released newly revised interpretations of existing laws and regulations pertaining to local approval of licensing changes and transactions. Under the revised interpretation, local legislative and police approval is no longer required for any changes or transactions involving new or existing off-premises (SDD or SDM) licenses. Certain on-premise license changes and transactions also no longer require local approval. For example, local approval is no longer required to transfer an existing on-premise license from one location to another.

Not everyone is happy about these changes, though, as some municipalities are concerned about no longer having a say in the process. For example, the City of Novi is concerned about losing control over the transfer of existing on-premise licenses from one person to another, or one location to another. Clay Pearson, Novi's City Manager, believes that "Such transfers could jeopardize health, safety, and welfare compliance by transferring licenses to those who have not been properly vetted by local agencies." The cities of Novi, Wixom, and South Lyon recently expressed such concerns in a meeting with representatives from the LCC and Rep. Hugh Crawford, R-Novi and Sen. Mike Kowall, R-White Lake. Novi may also ask the state Attorney General for an opinion on the matter.

The result of these mounting concerns may be a strong push by local governments for legislation to reestablish local control over the licensing process. Any such changes will significantly impact the licensing process and should be of great interest to current and prospective licensees. Current and prospective licensees should therefore follow this story closely for any developments that may impact their interests. Licensees should also consider contacting their state representatives to express their opinions on this issue.

It should be noted that under the LCC's revised interpretation, the local governmental entity can still submit an opinion regarding a proposed change or transaction, which, in certain instances, the LCC is required to consider. The local governmental entity may also attempt to enforce zoning ordinances pertaining to liquor-licensed establishments, although such ordinances may be preempted by the authority to regulate liquor vested in the LCC.

Clark Hill's liquor licensing team will continue to follow this developing story and provide updates as they become available. The LCC's chart summarizing its revised interpretations of local approval requirements can be found [here](#).

Source: Lonnie Huhman, [Novi wants back control over liquor license transfers, Legislative action may be needed for it to happen](#), Observer & Eccentric (Jan. 23, 2013, 9:07 AM).

Don't forget to renew your licenses

Liquor license renewal season is fast approaching. All licenses expire on April 30, 2013 of each year. Renewal packages will be mailed March 1, 2013 and all licenses must be renewed by May 1, 2013. Please make sure that the all new licenses are on display by May 1 in order to continue selling or serving alcoholic beverages and to be in compliance with the Liquor Control Code and Regulations. To renew online, visit www.michigan.gov/lcc.

Age Sign

The LCC has received multiple phone calls requesting the 2013 Age Sign. Copies are available [here](#), free of charge.

If you have any questions about the contents of this bulletin, or other liquor licensing enforcement questions please feel free to contact any of Clark Hill's liquor licensing attorneys.