



**House
Legislative
Analysis
Section**

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ESCROWED LIQUOR LICENSES

House Bill 5649
Sponsor: Rep. Beverly Bodem
Committee: Regulatory Affairs

Complete to 3-20-96

A SUMMARY OF HOUSE BILL 5649 AS INTRODUCED 2-28-96

Under the Liquor Control Act, licenses for the on-premises consumption of alcoholic beverages are generally limited by population; only one such license per 1,500 people can be issued within any governmental unit. (There are, however, a number of exceptions.) The term "escrowed license" means a license that is not in active operation but to 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. Currently, an escrowed liquor license is only available to an applicant whose proposed business is within the same local unit of government (town, city, township, etc.) as the location of the escrowed license. House Bill 5649 would expand this provision to permit an escrowed liquor license to be available to an applicant whose proposed place of business was within the same county as the location of the escrowed license. If the local unit where the former liquor licensee had had his or her business spanned more than one county, the escrowed license would be available to applicants in either county. In regards to the population quota, if the escrowed license was transferred to a business in a locale other than the governmental unit where the former licensee had been, the license would be counted against the local governmental unit that had originally issued the license.

MCL 436.19c

House Bill 5649 (3-20-96)

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