

Michigan Department of Licensing and Regulatory Affairs Liquor Control Commission (MLCC) Mailing Address: PO Box 30005, Lansing, MI 48909 Toll Free 866-813-0011 – <u>www.michigan.gov/lcc</u>

# License Location Transfer Requirements & General Information

Many types of retailer liquor licenses may be transferred within a local governmental unit or between local governmental units within the same county, under certain provisions of the law. A current licensee may apply to transfer a license to a new location or an applicant may request a location transfer in conjunction with a request to transfer ownership of a license.

## **Retailer License Location Transfer Requirements**

### **Off-Premises License Location Transfers**

- The location of a Specially Designated Distributor (SDD) license may be transferred within a local unit of government or between local units of government in the same county.
- Resort Specially Designated Distributor licenses issued under MCL 436.1531(5) cannot be transferred to a different location.
- The location of a Specially Designated Merchant (SDM) license may be transferred within a local unit of government or between local units of government in the same county, unless the SDM license was originally issued after January 4, 2017 under a subsection of MCL 436.1533 that prohibits it being transferred by location:
  - A SDM license issued under the "two-mile" waiver under MCL 436.1533(6).
  - A SDM license issued in conjunction with an on-premises licensed under MCL 436.1533(5)(a).
  - A SDM license issued to an establishment that is at least 20,000 square feet and at least 20% of gross receipts are derived from the sale of food under MCL 436.1533(5)(b)(i).
  - A SDM license issued to an establishment that is a pharmacy under MCL 436.1533(5)(b)(ii).

### **On-Premises License Location Transfers**

- The location of an on-premises licenses (Class C, Tavern, B-Hotel, or A-Hotel) may be transferred within a local unit of government or between local units of government in the same county. A license to be transferred between governmental units must be placed into escrow before the transferred license can be issued to the applicant at the new location.
- On-premises resort licenses issued under MCL 436.1531(3) and (4) and onpremises licenses issued under the law for specific locations or purposes may not be transferred from one location to another.

• On-premises resort licenses issued under MCL 436.1531(2) may be transferred anywhere within the state.

### How to Apply

All applicants requesting to transfer the location of a retail liquor license must submit the following:

- Application Form
  - For on-premises licenses: <u>On-Premises Retailer License & Permit Application</u> (LCC-100a)
  - For off-premises licenses: <u>Off-Premises Retailer License & Permit Application</u> (LCC-100b)
- Inspection Fee A \$70.00 nonrefundable inspection fee is required for each license requested in an application. For example, if an applicant has requested to transfer a Class C license that has a Specially Designated Merchant license in conjunction, the inspection fee would be \$140.00.
- **Property Document** Applicants must provide documentation that demonstrates they will have control over the property that comprises the proposed licensed premises. Property documents include deeds, land contracts, and lease agreements.
  - A provision to reassign the license in the event of a default on a land contract or termination of a lease agreement may be included, but may only provide for the reassignment subject to Commission approval.
  - If the applicant is a company and its members or stockholders own the real estate as individuals or under another company, a lease agreement is needed.
  - If the applicant is an individual and he or she owns the real estate with a spouse or someone else who will not be named on the license, a lease between the applicant and the owners of the real estate is needed.

### Licensing Process

The Licensing Division reviews the application and corresponding documents for completeness and verifies the appropriate fees have been received. If additional documents, fees, or corrections to documents are needed, Licensing will notify the applicant. Once all the necessary documents have been received Licensing will submit the request to the Enforcement Division for its investigation.

The Enforcement Division will contact the applicant to schedule an interview with the applicant (and current licensee for license transfers). At this meeting an investigator will review the purchase agreement, financial documents, property documents, and other items with the applicant. After the interview, the investigator will prepare a report for the Commission regarding the investigation and submit the request back to Licensing for further processing.

Licensing reviews the report from Enforcement and any additional documents received during the interview process. The request is prepared for the Commission to consider and placed on a docket for an upcoming licensing meeting.

The Commission considers the request, including the liquor license operating history of the applicant (if a current or prior licensee), the arrest and conviction record of the applicant, whether the applicant meets the requirements for a license, the applicant's financial information, and the opinions of the local legislative body or police department, if received. The Commission will approve or deny the request based on these factors. Occasionally, the Commission will request more information from the applicant before making a final decision.

After the Commission makes a decision on the request, the file is returned to Licensing for final processing. Approval orders are sent to the applicant requesting any final items before the issuance of the license. Denial orders are sent to the applicant and the applicant may appeal the decision. When all the final items are received by Licensing, the completed request is forwarded to the Renewal Unit for the issuance of the physical license documents.

### Churches & Schools

A request to transfer location of an existing license, may be denied if the proposed location is within <u>500 feet</u> of a church or school. The Commission may waive the church/school provision if the church or school <u>does not</u> file an objection to the proposed license. If the church or school <u>does</u> file an objection, the Commission shall hold a hearing before making a decision on the issuance of the license.

### Proof of Financial Responsibility

- Liquor liability coverage of at least \$50,000.00 is required by Michigan law for active operation of a licensed business. Types of acceptable coverage are:
  - liquor liability insurance
  - o cash
  - o unencumbered securities
  - constant value bond
  - membership in an authorized group self-insurance pool
- For more information, please read the instructions in the <u>Proof of Financial</u> <u>Responsibility (LC-95)</u>.