



Michigan Department of Licensing and Regulatory Affairs  
Liquor Control Commission (MLCC)  
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## **Class C Licensing Requirements & General Information**

A Class C license, as defined by MCL 436.1107(2), is a place licensed to sell, at retail, beer, wine, mixed spirit drink, and spirits for consumption on the premises.

Bars or restaurants selling beer, wine, spirits, and mixed spirit drink products require a Class C license in order to sell alcoholic liquor to patrons at their establishment.

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### **How to Apply**

All applicants requesting new Class C license, seeking to transfer ownership of a Class C license, or transferring interest (stock or membership interest) in a Class C license must submit the following:

- **Application Form**

For a new Class C license or to transfer a Class C license - [On-Premises Retailer License & Permit Application \(Form LCC-100a\)](#)

To transfer interest in a Class C license – [License Interest Transfer Application \(LCC-101\)](#)

- **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 (SDM) license in conjunction, the inspection fee would be \$140.00.
- **License & Permit Fees** – The initial and annual renewal fee for a Class C license is \$600.00. Additional fees will vary based upon whether additional licenses and permits are requested in conjunction with a Class C license.
- **Livescan Fingerprints** – Applicants that have never been licensed through the Michigan Liquor Control Commission must submit fingerprints through the Livescan fingerprinting process - [Livescan Fingerprint Background Request Form](#).
- **Purchase Agreement** – Applicants requesting to transfer a license from another licensee must submit an executed purchase agreement or other documentation signed by both the applicant and the current licensee, which details the sale of the liquor license(s) and other business assets.

- Purchase agreements must specifically indicate that the liquor license is being sold and provide the purchase price and terms of the sale.
  - Purchasers of on-premises licenses must have at least 10% of the purchase price of the business, excluding real estate.
  - Purchase agreements that are not for cash only sales and include real estate must list the personal property, including the licenses, and real estate with the terms and price for each.
  - If the personal property and real estate are being purchased by separate people or entities, the purchase agreement must indicate those names and who is purchasing which items.
  - If the applicant will not pay the full purchase price at closing, the balance due may be covered by a security agreement or promissory note. Alcoholic beverage inventory cannot be included on a security agreement or promissory note.
- **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.

**In addition to the documents required by all applicants:**

**Corporations** must submit the following information per Administrative Rule R 436.1109:

- Copy of current, filed Articles of Incorporation.
- Current Certificate of Good Standing from the state where incorporated and Certificate of Authority to Do Business in Michigan, if incorporated outside of this state.
- Certified copy of the minutes of a meeting of its board of directors or a statement signed by an officer of the corporation naming the persons authorized by corporate resolution to sign the application and other documents required by the Commission (or Part 3 of Form LCC-301).
- [Report of Stockholders/Members/Partners \(Form LCC-301\)](#)

**Limited Liability Companies (LLC)** must submit the following information pursuant to Administrative Rule R 436.1110:

- Copy of Articles of Organization and copies of any amendments to the Articles of Organization.
- Current Certificate of Authority to Do Business in Michigan, if the LLC is a non-Michigan LLC.
- Copy of Operating Agreement entered into by members.

- Copy of most recent annual statement filed with the Corporations Division, if an existing LLC.
- Statement signed by a manager of the limited liability company or by at least 1 member if management is reserved to the members naming the person authorized to sign the application and other documents required by the Commission (or Part 3 of Form LCC-301).
- [Report of Stockholders/Members/Partners \(Form LCC-301\)](#)

**Partnerships** must submit the following information per Administrative Rule R 436.1111:

- Partnership Agreement, if a Limited Partnership.
  - [Report of Stockholders/Members/Partners \(Form LCC-301\)](#)
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### **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. If an applicant has applied for and meets the requirements for a conditional license, the request will be considered by the Commission.
- 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 with the applicant documents, including:
  - purchase agreement
  - financial documents
  - property documents
  - other items pertaining to the application
- 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
  - 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.
    - Any changes in financial provisions at the time of closing which do not conform to the terms previously indicated and investigated may require submission of new forms and possible additional investigation.
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### **Other Licenses That May Be Held in Conjunction With a Class C License**

A **Specially Designated Distributor (SDD)** license for the sale of spirits products in their original, unopened package for consumption off the licensed premises (take-out) may be held in conjunction with a Class C license.

A **Specially Designated Merchant (SDM)** license for the sale of beer, wine, and mixed spirit drink products for consumption off the licensed premises (take-out) may be held in conjunction with a Class C license.

A **Brewpub** license which allows a licensee to manufacture and sell beer produced on the premises or for take-out with an SDM license may be held in conjunction with a Class C license.

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### **Permits, Permissions, and Authorizations**

**Sunday Sales Permit (A.M.)** - A permit that allows the sale of spirits, mixed spirit drink, beer, and wine on Sunday mornings between 7:00am and 12:00 noon, if allowed by the local unit of government.

**Sunday Sales Permit (P.M.)** - A permit that allows the sale of mixed spirit drink and spirits on Sunday afternoons and evenings between 12:00 noon and 2:00am (Monday morning), if allowed by the local unit of government.

**Additional Bar** – Allows a licensee to set up an additional bar within its licensed premises or Outdoor Service area. The licensee may obtain one or more Additional Bars.

**Specific Purpose Permit** - A permit that allows specific types of activities (such as the service of food, sporting activities, meetings, etc.) to occur on the licensed premises outside the legal hours for the sale of alcohol. A specific purpose permit does not allow the sale of alcohol outside of the legal hours of sale.

**Dance Permit** - Allows dancing by patrons of a business with an on premises license. Often combined with an Entertainment Permit.

**Entertainment Permit** - Permits certain types of live entertainment at a business with an on premises license. An entertainment permit does not allow topless activity. Often combined with a Dance Permit.

**Extended Hours Permit** - A permit held in conjunction with a Dance or Entertainment Permit (or both) that allows dancing or entertainment on the licensed premises outside the legal hours for the sale of alcohol. An Extended Hours Permit does not allow the sale of alcohol outside of the legal hours of sale.

**Catering Permit** - Authorizes a holder of a Class C license to sell, deliver, and serve beer, wine, and spirits in the original containers at private events. A licensee must have a food service establishment license or retail food establishment license to qualify for this permit.

**Banquet Facility Permit** – Authorizes an on-premises licensee to serve alcohol at a separate licensed banquet facility used only for scheduled functions. An on-premises licensee may be issued one Banquet Facility Permit, as an extension of its licensed premises.

**Living Quarters Permit** - Allows living quarters to be directly connected to the licensed premises.

**Topless Activity Permit** - Allows topless activity by the employees, agents, or contractors of a business with an on premises license.

**Direct Connection permission** - Allows connections from the licensed premises to unlicensed premises.

**Outdoor Service authorization** - Authorization granted by the Commission for a licensee to sell alcohol outdoors in an area controlled by the licensee. This can be a patio area next to the licensed premises or a space as large as a golf course

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### **License Quotas and Local Government Unit Approval for New Class C Licenses**

- Each local governmental unit (city, village, or township) has a limited number of Class C licenses that may be issued based on the population from the most recent federal census.

- An applicant requesting a new Class C license must first verify that the license quota limit for Class C licenses in the local governmental unit has not been reached and an available Class C license exists.
  - If an available Class C quota license exists in the local government unit, the applicant must obtain a recommendation from the legislative body of the local governmental unit (city council, village council, or township board).
  - The legislative body may pass a resolution to recommend the applicant's application for the new Class C license. It may also record its approval on the [Local Government Approval Form \(Form LCC-106\)](#).
  - The resolution must be submitted to the Commission with the initial application and documents.
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### **Churches & Schools**

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

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### **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
  - cash
  - unencumbered securities
  - constant value bond
  - membership in an authorized group self-insurance pool
- For more information, please read the instructions in the [Proof of Financial Responsibility form \(Form LC-95\)](#).