

TERM	DEFINITION
Add Space Request	A request made by a licensee to increase the physical dimensions of its licensed premises. Administrative Rule 436.1023(2)(b) requires licensees to obtain prior written approval from the Commission before adding space to the physical structure of the licensed premises.
Additional Bar	Allows a Class C or B-Hotel licensee to set up an additional bar within its licensed premises or Outdoor Service area. The licensee may obtain one or more Additional Bars.
A-Hotel License	A license that allows a hotel to sell only beer and wine for consumption on the premises to bona fide guests.
Aircraft	Licensed to carry passengers in this state that sell, offer for sale, provide, or transport alcoholic liquor.
Articles of Incorporation	The documents filed with a government body that documents the legal formation of a corporation. In Michigan, a corporation would file its Articles of Incorporation with the Corporations Division of the Department of Licensing and Regulatory Affairs. The Corporations Division will provide the corporation with a certificate to verify the articles were filed.
Articles of Organization	The documents filed with a government body that documents the legal formation of a limited liability company. In Michigan, a limited liability company would file its Articles of Organization with the Corporations Division of the Department of Licensing and Regulatory Affairs. The Corporations Division will provide the limited liability company with a certificate to verify the articles were filed.
Banquet Facility Permit	A permit that allows an on-premises licensee to serve alcohol at a separate banquet facility used only for scheduled functions.
Beer & Wine Sampling Permit	A permit that allows for an off-premises licensee to provide patrons samples of beer or wine under certain circumstances.
B-Hotel License	A license that allows a hotel to sell beer, wine, spirits, and mixed drinks for consumption on the premises to bona fide guests.
Brewpub License	A license that allows a licensee to manufacture and sell beer produced on the premises for consumption on the premises or for take-out. Held in conjunction with a Class C, Tavern, A-Hotel, or B-Hotel license.
Bylaws	Bylaws are a legal document that defines a corporation's purpose, how it will run its affairs, and the duties and responsibilities of people who own and manage it.

Catering Permit	A Catering Permit authorizes a holder of a public on premises, Specially Designated Merchant, and/or Specially Designated Distributor 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.
Class C License	A license that allows a business to sell beer, wine, spirits, and mixed drinks for consumption on the premises.
Classification Transfer	A license transfer wherein the classification of the license changes from one type of license to another, such as a Class C license is reclassified as a B-Hotel license.
Club License	A license that allows a nonprofit organization to sell beer, wine, spirits, and mixed drinks for consumption on the premises to bona fide members and their guests who are 21 years of age or older only.
Commencement Date (Lease Agreement)	The date a lease agreement begins. In some leases this is referred to as the effective date.
Conditional License	A license that an applicant may obtain under certain criteria which allows the applicant to operate while awaiting the approval of its permanent licensing request.
Dance Permit	Allows dancing by patrons of a business with an on premises license. Often combined with an Entertainment Permit.
Direct Connection to Unlicensed Premises	Allows connections from the licensed premises to unlicensed premises.
Dram Shop Insurance	See Proof of Financial Responsibility.
Drop Space Request	A request made by a licensee to reduce the physical dimensions of its licensed premises. Administrative Rule 436.1023(2)(b) requires licensees to obtain prior written approval from the Commission before dropping space from the physical structure of the licensed premises.
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.
Escrow	When a license is no longer being used for active operation it must be placed into escrow for the period of time it will not be used.

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. This permit does not allow the sale of alcohol outside of the legal hours of sale.
Fuel Pump Permission	Special permission granted to retail licensees for the operation of fuel pumps in conjunction with the licensed business. This permission requires the licensed business to maintain certain amounts of approved inventory, not including the value of the fuel.
G-1 License	A license that allows a facility that has an 18-hole golf course of at least 5,000 yards to sell beer, wine, spirits, and mixed drinks for consumption on the premises to members only.
G-2 License	A license that allows a facility that has an 18-hole golf course of at least 5,000 yards to sell beer and wine only for consumption on the premises to members only.
Licensed Premises	The location and physical space approved by the Commission for a liquor license.
Living Quarters Permit	Allows living quarters to be directly connected to the licensed premises.
Membership Interest Transfer	The transfer of a percentage of membership interest between existing or new members in a limited liability company, the issuance of a percentage of membership interest to a new or existing member, or the redemption of a percentage of membership interest of an existing member.
Off-Premises Storage	A locked storage area, not located on the licensed premises, where a licensee may store alcohol inventory.
Operating Agreement	An agreement among limited liability company members governing the limited liability company's business and members' financial and managerial rights and duties.
Outdoor Service	Authorization granted by the Commission for a licensee to sell alcohol outdoors in an area controlled by the licensee. The area must be well-defined and clearly marked.
Physical Plant	The actual, physical building, or space where a licensee will operate its business. See Licensed Premises.
Proof of Financial Responsibility	Special liability insurance for businesses that sell alcohol in Michigan as required under MCL 436.1803. Sometimes referred to as Dram Shop Insurance.

Property Document	A lease agreement, deed, land contract, or other document that demonstrates that the applicant or licensee has a legal right to occupy and use the physical plant for the licensed premises.
Purchase Agreement	A legal agreement executed between a seller and purchaser that defines the terms of the transaction, such as the items being sold, the amount paid for those items, and how payment will be made.
Redefine Licensed Premises Request	Similar to adding or dropping space, but utilized when a licensee requests to include additional space to the licensed premises that is not connected to its currently licensed premises or when reconstructing the licensed premises based on a different footprint.
Redevelopment License	A license that can be issued as a Class C, Tavern, B-Hotel, or A-Hotel license that must meet certain capital investment guidelines and be located in a redevelopment district, such as a downtown development district, corridor improvement district, principal shopping district, or tax increment finance authority district.
Resort License	A special type of Specially Designated Distributor license or on-premises license that is not issued under the regular quota for licenses. A resort license has additional requirements for issuance and most cannot be transferred to another location.
SDD License	See Specially Designated Distributor License.
SDM License	See Specially Designated Merchant License.
Special License	Only a bona fide nonprofit organization may request a Special License. Individuals may not request a Special License. A Special License is good for one day. An organization can obtain up to twelve (12) Special Licenses per year.
Specially Designated Distributor License	A license that allows a business to sell liquor and mixed spirit drinks for consumption off the premises.
Specially Designated Merchant License	A license that allows a business to sell beer and wine only for consumption off the premises.
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.

Stock Interest Transfer	The transfer of shares of stock between existing or new stockholders in a corporation, the issuance of new shares to a new or existing stockholder, or the redemption of the shares of an existing stockholder.
Sunday Sales Permit (A.M.)	A permit that allows the sale of liquor, 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 liquor on Sunday afternoons and evenings between 12:00 noon and 2:00am (Monday morning),if allowed by the local unit of government. No Sunday Sales Permit (P.M.) is required for the sale of beer and wine on Sunday after 12:00 noon.
Tavern License	A license that allows a business to sell beer and wine only for consumption on the premises.
Topless Activity Permit	Allows topless activity by the employees, agents, or contractors of a business with an on premises license.
Train	Licensed dining cars or other railroad or Pullman cars selling alcoholic liquor.
Watercraft	Licensed to carry passengers, selling alcoholic liquor.