

# From Application to Approval – The Process for Obtaining a Michigan Liquor License

May 29, 2024

Joseph A. Peterson  
(248) 433-7158  
jpeterson@plunkettcooney.com

Elaine M. Pohl  
(248) 594-6356  
epohl@plunkettcooney.com

The process for applying for and receiving approval for a liquor license in Michigan involves several steps, which can vary depending on the specific type of establishment (restaurant, bar, brewery) and the type of license required.

The following is a detailed overview of the process and what a business can expect at each step from the initial application, the issuance of a new license and what is required to renew it.

## 1. Determine the Type of License Needed

The first step towards applying for a liquor license involves reviewing the different types of licenses available to determine which option is right for your business. Michigan offers various types of licenses tailored to whether the liquor will be sold and consumed on the premises or whether the liquor will be consumed at some other location. There are several sub-classifications for licenses within these two main categories that vary depending on the type of liquor that is sold and the nature of the establishment.

Once the type of liquor license is identified, an applicant would need to review the records for the municipality where the license would be issued to determine whether a new license is available. If no new licenses are available of the type being sought, the applicant would need to determine if an existing license is available for sale.

## **2. Application Preparation and Submission**

You will need to prepare the application form for the type of license that applies to your business and gather all required information and documents. This includes personal identification, business financial and organizational documents, and it may include proof of financial responsibility. The application must be submitted to the Michigan Liquor Control Commission (MLCC) along with the necessary fees, which will include an inspection fee and a license fee.

## **3. Local Government Approval**

For new licenses, the applicant will need approval from the local government or city commission. This step often involves a public hearing and a review by local authorities to ensure compliance with local laws and ordinances. During the public hearing, members of the public can ask questions about the application and voice their concerns regarding the proposed license. Provided that the public hearing is successful, and approval is granted by the local municipality, the application can move forward.

## **4. Public Notification**

Michigan law requires that the public is notified of a business' intent to obtain a liquor license. This might include posting a notice at the proposed location and possibly in a local newspaper. Often, this is done during the public hearing as outlined in Step #3.

## **5. Background Checks and Investigation**

The licensing division of the MLCC will review the application and supporting documents to verify that they are complete. If additional information is required, the MLCC will send a follow up letter requesting it from the applicant. Once the application is complete and any follow up documentation is received, the request will be forwarded to the enforcement division of the MLCC.

At this stage in the process, an investigator from the enforcement division will contact the applicant to request additional records and to schedule an in-person interview. During this interview, an investigator will review the application package with the applicant. The MLCC will also conduct a background check on the applicant, which includes fingerprinting. The investigator might also visit the proposed location to ensure it complies with state regulations.

Following the interview and any follow-up visits to the proposed location, the investigator will prepare a report for the commission with the results of the investigation for further consideration.

## 6. Review and Decision by the MLCC

After the investigation, the commission will review all submitted materials as well as the investigator's report and recommendations. It will also consider the results of any hearings and opinions provided by the local municipality, including those of local law enforcement. If the application is complete and all criteria are met, the commission will decide to approve the application during one of its regular meetings. The commission may approve, deny or request additional information during this meeting.

## 7. Issuance of the License

If the commission approves the application, it is sent back to the licensing division for final processing. At this point, the MLCC will send approval orders to the applicant and issue the liquor license. The applicant may need to submit additional documents or meet further conditions before the license is physically issued.

## 8. Compliance and Renewal

Once a license is issued by the MLCC, the applicant must comply with all applicable rules and regulations, including proper record-keeping and operational standards. Liquor licenses in Michigan are valid for one year and must be renewed annually. The business must also remain in compliance with any local ordinances regarding the sale of alcoholic beverages.

## Additional Considerations

- **Quota System:** Michigan issues certain types of liquor licenses based on a quota system, which generally limits the number of licenses available in a municipality based on its population. As noted in Step #1, it's important to check if a quota license is available or if you need to purchase an existing license from another business.
- **Special Circumstances:** For breweries, wineries, and distilleries, additional federal licensing from the Alcohol and Tobacco Tax and Trade Bureau (TTB) may be necessary, in addition to state licensing from the MLCC.

The liquor license application process can be complex and time-consuming, often taking several months to complete. It is advisable to start the application process well in advance of your planned opening date and to consider consulting with a legal expert specializing in liquor licensing to navigate the complexities of Michigan liquor laws and the application process.