

# Special NALCP Edition

## Carlin Edwards Brown PLLC

Attorneys & Counselors at Law

### MICHIGAN HOSPITALITY LAW NEWSLETTER

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#### Secondary Use Advertising

2014 brought about monumental changes in Michigan's long-standing secondary use advertising prohibition with the passage and implementation of Public Act No. 47 (SB 505).

- Prior approved advertising items such as mirrors, napkins, trays, drinkware, pitchers, coasters, table tents, matchbooks, recipe literature, and point-of-sale material used strictly for advertising continues to be allowed in Michigan.
- **Restaurants are now allowed to purchase brand logoed "barware" plus hats, shirts and patio umbrellas for use in their establishments. For a complete list of approved items, please contact us.**

#### Conditional License Now Allowed

Legislation also created a "Conditional License", or temporary license, available while investigation is ongoing with MLCC.

- Conditional License is available to an applicant seeking to:
  - **transfer ownership of an existing on-premises or off-premises license (AT THE SAME LOCATION)**
- Conditional License is **NOT** available for:
  - an application for a new on-premises license
  - an application to transfer location of any license to another location

#### Restaurants Purchasing Spirits from Packaged Liquor Stores

- Recently introduced HB 5578, if adopted, will eliminate the current 9 liter/month limit on spirits a restaurant can purchase from a packaged liquor store. This bill recently passed the House but is pending Senate approval.

#### Critical Violations – Penalty Increases

- HB 4935 is pending before the Michigan Legislature proposing to increase penalties for licensees found responsible for basic violations of the Liquor Control Code to \$750 per violation. The legislation would also dramatically increase penalties and sanctions for each "critical violation", beginning with a fine of not less than \$1,000 and minimum 1 day license suspension for the first offense and escalating with each subsequent critical violation within a 24-month period.