



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## CITY COUNCIL AGENDA ITEM

Date: February 12, 2020

To: Honorable Mayor and City Council Members

From: Mark F. Miller, City Manager  
Lori Grigg Bluhm, City Attorney  
Frank Nastasi, Chief of Police  
Aileen Dickson, City Clerk

Subject: Liquor Violation Hearings

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### On- Premises Liquor Licenses

Michigan law (MCL 436.1501) and Troy's Liquor Ordinance (Chapter 101) allow for City Council to object to the otherwise automatic renewal of a liquor license for On-Premises licenses (sit down restaurants). However, before taking any adverse action against a liquor license, the City must provide due process to allow the licensee to challenge the violation and/or articulate mitigating circumstances. For this reason, in the past, City Administration has scheduled liquor violation hearings prior to the State's March 31 licensing deadline. For this year, the following on-premises liquor licenses had violations, where there were sales to minors, chronologically listed:

**Midori Sushi**- 1913 E. Big Beaver Road- 3/23/2019- MLCC imposed an \$800 fine- no priors  
**Bailey's**- 1965 W. Maple- 11/21/2019- MLCC violation pending- no priors under current owner  
**Kona Grill**- 30 E. Big Beaver- 11/21/2019- MLCC violation pending-no priors  
**Courtyard Marriott**- 1525 E. Maple- 11/23/2019- MLCC violation pending-last violation 2000  
**Sy Thai**- 459 E. Big Beaver Road- 12/10/2019- MLCC violation pending- no priors

For the past few years, based on similar violation records, the Troy City Council has required licensees to submit proof of additional server training, and has not objected to the automatic renewal. One of the issues raised in past liquor hearings is the punishment for the clerks that sold alcohol to minors. City Administration has confirmed that the sales clerks in each of the instances above were issued a ticket for the unlawful sale to a minor. The maximum punishment for this civil infraction violation under state law is \$100.

### Off- Premises Liquor Licenses

Michigan law limits a municipality's ability to take adverse actions against an off-premises liquor license (alcohol sold for consumption off the premises). The Michigan Liquor Control Commission will take no adverse action against an off premises liquor license unless there are three or more violations in a calendar year. None of the Troy violators, as set forth below, satisfy this threshold:

**BP Gas Station**- 2989 Crooks Road- 3/10/2019- MLCC imposed an \$800 fine- no priors



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**Citgo Gas Station-** 1654 Livernois- 3/10/2019- MLCC imposed a \$700 fine- no priors  
**Speedway Gas Station-** 880 E. Maple- 11/21/2019- MLCC violation pending- 2017 violation  
**Shell Gas Station-** 1489 E. Maple- 11/21/2019- MLCC violation pending- no priors  
**H Mart-** 2963 E. Big Beaver- 11/23/2019- MLCC violation pending- last violation 2015  
**John's Market-** 75 E. Square Lake- 12/10/2019- MLCC violation pending- last violation 2003

Two thirds of the off-premises violators for 2019 were gas stations. Effective January 2017, the State of Michigan relaxed its laws restricting gas stations, and the City then received a significant number of applications. Prior to that time, the City had an ordinance that restricted liquor sales at gas stations, but this ordinance is arguably pre-empted by the revised state law, which the City objected to prior to its passage.

All of the off premises sales clerks selling alcohol to a minor were issued a civil infraction ticket, which is the maximum penalty that can be imposed under state law.

### **Recommendation**

City Administration can request each on premises and off premises license produce proof of additional liquor sales training as a result of these violations, without the need for a formal City Council resolution. Most likely, this would be required by the Michigan Liquor Control Commission anyways if the violation is established. Following this, City Administration recommends that City Council forego the due process liquor violation hearings for violations in 2019, as set forth above.

If City Council believes that these public hearings should be scheduled, they should be scheduled in March 2020 to comply with the Michigan Liquor Control Commission's licensing calendar.