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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director

Legislative Policy Division Staff

DATE: May 3, 2024

RE: RESOLUTION FOR A MORATORIUM ON LIQUOR LICENSES

Council Member Latisha Johnson requested that the Legislative Policy Division (LPD) draft a resolution calling for a moratorium on the Michigan Liquor Control Commission issuing liquor licenses in the City of Detroit.

Please contact us if we can be of any further assistance.

BY COUNCIL MEMBER LATISHA JOHNSON

RESOLUTION FOR A MORATORIUM ON LIQUOR LICENSES

- **WHEREAS**, In March of 2024, the Michigan Office of the Auditor General produced a performance audit report regarding the Michigan Liquor Control Commission (MLCC), which is responsible for licensing the manufacture, distribution, and sale of all beer, wine, distilled spirits, and mixed spirit drinks in the state of Michigan; ¹ and
- WHEREAS, According to the report, the MLCC lacked key internal controls over liquor license management; and
- WHEREAS, The Auditor General's report found that several cities exceeded their liquor license quotas, either because of exceptions for resort or development districts, decreased population, or the MLCC's inability to track licenses that are transferred from one business to another; and
- WHEREAS, In Detroit, MLCC has issued 517 on-premises liquor licenses where only 426 are allowed, which is 21% in excess of what is allowed. Likewise, the MLCC has issued 421 specially designated distributor (SDD) licenses where only 214 are allowed, which is 97% in excess of what is allowed; and
- WHEREAS, The excessive number of liquor licenses in the City of Detroit directly implicates the public peace, health and safety of Detroit residents; NOW THEREFORE BE IT
- **RESOLVED,** The Detroit City Council strongly urges the MLCC to impose a moratorium on the issuance of liquor licenses withing the City of Detroit until it can devise a method to limit the number of licenses to the amount allowed under the Michigan Liquor Control Code of 1998; **THEREFORE, BE IT FINALLY**
- **RESOLVED,** That the Detroit City Clerk is directed to send this resolution to the Michigan Liquor Control Commission, the Detroit delegations of both the Michigan State House and Senate, and Governor Gretchen Whitmer.

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¹ https://audgen.michigan.gov/wp-content/uploads/2024/03/r641016222-7180.pdf