

Liquor License Requirements and Guidelines

Liquor Licenses for establishments where alcoholic beverages are consumed on the premises are referred to as Class C, or B-Hotel, or A-Hotel, or Tavern liquor licenses. Class C and B-Hotel licenses permit the sale of drinks containing liquor (spirits) as well as beer and wine for consumption on the premises. Tavern liquor licenses and A-Hotel liquor licenses permit the sale of only beer and wine for consumption on the premises.

The number of liquor licenses in the City of Troy is based in part on a "quota" system. The State of Michigan Liquor Control Commission issues quota liquor licenses to cities/townships in proportion to the most recent U.S. census population of the city/town. As of the most recent census (Year 2010), the City of Troy is permitted 54 quota licenses, and all of those quota licenses have been issued at this time. The official population will not change until after the next census is taken in the year 2020. Therefore, there will be no more additional quota liquor licenses available in the City of Troy until after the 2020 census.

A business owner may purchase an escrowed liquor license from someone else and transfer the license into the City of Troy, because there are no more quota liquor licenses available. In order to transfer a liquor license into the City of Troy, the applicant must begin the process with the Michigan Liquor Control Commission (MLCC). The application forms are on the MLCC's website, which is www.michigan.gov/lcc and the phone number is (517) 322-1345.

On their website, the MLCC maintains a list of liquor licenses that are currently in escrow. A business representative can review the list of escrowed licenses and then contact the owner of the liquor license to arrange for the purchase of the license. The business would apply to the MLCC in order to remove the license from escrow and transfer it to the City of Troy.

After you start the process with the MLCC, the MLCC will send a letter to the City of Troy to inform us that your application is started. Then at that point we get involved in the application process here at the City, and you will receive a letter indicating what you must do to meet the City of Troy requirements. This includes, but may not be limited to, passing a background check conducted by the Police Department, payment of the established application fee, payment of all taxes/fees due to the City of Troy at the business address, securing all necessary building construction/renovation permits, and pass all necessary inspections conducted by the Troy Fire Department, Building Department, Oakland County or State Health Department, and any other such requirement deemed necessary by the City of Troy. There are restrictions placed on liquor licensed businesses and locations by state law, local ordinance and MLCC rules, including, but limited to, proximity of a liquor license establishment to schools or churches, for example.

Businesses that sell alcoholic beverages for consumption off the premises (such as grocery stores, drug stores, party stores, etc.) are required to have a liquor license from the MLCC. A store that sells only beer and wine for consumption off the premises is required to have a Specially Designated Merchant (SDM) liquor license, and a store that sells beer and wine and liquor/spirits is required to have a Specially Designated Distributor (SDD) and SDM liquor license. The application process starts with the MLCC, as described above. SDM licenses are not controlled by quota, but there are restrictions placed on business locations by state and local regulations.

If you have further questions regarding liquor licensing, please call 248.619.7676.