Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Toll-Free: 866-813-0011 - www.michigan.gov/lcc

Business ID: _____

Request ID: _____

(For MLCC Use Only)

Request to Place License in Escrow

Part 1 - Licensee Information

Individuals, please state your legal name. Corporations or Limited Liability Companies, please state your name as it is filed with the State of Michigan Corporation Division.

Licensee name(s):	
Licensed address:	
City:	Zip Code:
License type(s) and number(s):	

Part 2 - Contact Information & Release of Information to Public

In order for our office to provide you with information regarding your license and mail your annual license renewal application, we require a valid mailing address, phone number and e-mail address. Failure to provide this information or notify us of changes could result in the cancellation of your license. You are responsible for providing this information to the Commission under the provisions of administrative rule R 436.1107(6). You may also consent to the release of your information to potential buyers to contact you regarding your escrowed license or you may request this information to remain private.

Contact name:	◯ Make my information available to the public	◯ Make my information private
Mailing address:		
City:	State:	Zip Code:
Phone:	Fax number:	Email:

Part 3 - Reason for Escrow - Check all that apply

If you check "Litigation/Estate", "Natural Event" or "Other", you must submit documentation with this form to validate your request.

☐ Business Closed	☐ Conditional License Issued at Location	☐ Pending Transfer of Location	☐ Litigation/Estate
☐ Rebuild/Remodel	☐ Transfer with License to Be Held in Escrow	☐ Natural Event (e.g. Fire, Flood)	☐ Other - Attach explanation

☐ Seasonal Closing Seasonal Closing Dates - From: _____ To: _____

For seasonal closings, do not return license and permit documents. Keep your Proof of Financial Responsibility (liquor liability insurance) current. If the license and permit documents are returned or the Proof of Financial Responsibility is cancelled for a seasonal closing, the license must go into through the regular escrow process. Seasonal employers as defined under the Michigan Employment Security Act, MCL 421.27(o)(9)(d), do not need to place their license into escrow when not in active use.

Part 4 - Return of License(s) and Permit(s)

Administrative rule R 436.1047 states that a licensee who ceases active operation of the licensed business for a period of more than 30 days shall return all licenses and permits to the Commission, except as noted above for seasonal closings. Only current licensing year license and permit documents will be accepted. Previous year documents will not be accepted.

◯ My license and permit documents (including all additional bar permits) are attached to this form to be placed in to escrow.
Note: If you are the holder of a Banquet Facility Permit, please also return the associated Banquet Facility Permit documents to our office.

◯ My license and permit documents were destroyed or they are lost. Note: If you indicate that your license and permit documents are either lost or destroyed you must submit a detailed description of the circumstances concerning the loss or destruction. The statement must be signed by the licensee and be accompanied by any remaining part of the license or permit document.

Part 5 - Signature of Licensee or Authorized Signer of Record

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing **false** or **fraudulent** information is a violation of the Liquor Control Code pursuant to MCL 436.2003. I also understand that my license must be renewed by April 30 each year to avoid cancellation. I also understand that my license will not be reinstated if I fail to renew my license by April 30.

Print Licensee/Authorized Signer Name & Title	Signature of Licensee/Authorized Signer	Date

Please return this completed form along with corresponding documents to:
Michigan Liquor Control Commission
Mailing address: P.O. Box 30005, Lansing, MI 48909
Hand deliveries or overnight packages: Constitution Hall - 525 W. Allegan, Lansing, MI 48933

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Escrow Rules and Good Cause Requirements

(Authorized by administrative rules R 436.1047 and R 436.1107)

R 436.1107 - Renewal of license (Rule 7 of the Michigan administrative code)

(1) A **license** that is not in active operation shall be placed in escrow with the Commission.

(2) A licensee shall have only 5 licensing years after the expiration date of the escrowed license to put the license into active operation. If the licensee fails to put the license into active operation within 5 years after its expiration, then all rights to the license shall terminate unless the commission has received written verification of either of the following:

(a) That the license or an interest in the license is the subject of litigation or estate or bankruptcy proceedings in a court of competent jurisdiction.

(b) That the license was placed into escrow as a result of damage to the licensed premises by fire, flood, tornado or other natural event that makes the licensed premises unsuitable for the operation of the business and unsafe for public accomodation.

(3) If the Commission extends the length of time for which a licensee may renew the license during the pendency of litigation or estate or bankruptcy proceedings or as a result of damage to the licensed premises for the reasons as stated in subrule (2) of this rule, then the licensee shall pay the required license fee for each elapsed licensing year before placing the license in active operation.

(4) The Commission may extend the length of time for which a licensee may renew the license upon written order of the Commission after a showing of good cause.

(5) Except as provided in subrule (3) of this rule, a license held in escrow with the Commission shall be renewed in the same manner as an active license, including payment of all required license fees, each year by April 30.

(6) A licensee who places a license in escrow with the Commission shall be responsible for providing the Commission with current contact information, in writing, for all correspondence, which includes the name, mailing address, and telephone number.

(7) The Commission shall provide or attempt to provide each licensee whose license is in escrow with a copy of this rule.

(8) A license that is held in escrow with the Commission on the effective date of this rule begins the 5-year period allowed by subrule

(2) of this rule on March 24, 2004.

Good Cause Requirements Pursuant to R 436.1107(4)

Commission consideration is required when a licensee needs an extension of time beyond the 5 year renewal/expiration period pursuant to R 436.1107(2). A request for extension of time beyond the 5 year limit requires a written showing of good cause by the license holder. **Failure by the licensee to provide this documentation may result in the denial of an extension beyond 5 years for lack of good cause shown, or could result in the cancellation of the license**.

A request for good cause for an escrow extension beyond 5 years should be submitted in writing to our office and include:

1. A detailed description of the future plans for activation of the license.
   a) If the business will reopen under the current licensee, a business plan which details the time line, steps being taken for reopening and any renovation plans.
   b) If the license is for sale, a copy of the current sales listing or other marketing documentation that includes the list price of the license.
   c) A copy of the signed agreement to be used if you have found a buyer for your license.
2. Current escrow contact information must be on file pursuant to R 436.1107(6). As the holder of a liquor license it is your responsibility to maintain current contact information on file with our office which includes a contact name, mailing address, and telephone number. Failure to provide this information may result in the cancellation of the license.

Frequently Asked Questions (FAQ)

Question: My business is currently closed. What do I need to do with my license?

Answer: If your business is closed or will be closed for more than 30 days you need to submit your license and permit document (along with the form LCC-108) to the Lansing offices of the Commission for escrow. As long as you continue to renew your license by April 30 every year, your license will remain on file. If you fail to renew the license it will expire and be cancelled - and cannot be reinstated.

(FAQ continued next page)

Question: If I place my license in escrow what am I required to do with my alcoholic beverage inventory?

Answer: You have a couple of different options available, depending on the type of license you hold. If you are selling your business, you can include the alcoholic beverage inventory in the sale of the business assets. Your beer and wine inventory can either be taken home for personal consumption or you can contact your wholesaler to see if they would be willing to take it back. You can also put in a request for your spirit inventory to be picked up by your Authorized Distribution Agent (ADA) and returned to the State for a refund, less 10%. If you are only closing temporarily or are requesting to move, you can either secure your alcoholic beverage inventory on the premises or make a written request to the Commission for permission to temporarily store your alcoholic beverage inventory in a secure, off site location.

Question: How long can I hold my license in escrow?

Answer: Your license can be held in escrow for up to 5 years as long as you pay the license fee by April 30 annually. If the license is not renewed it will expire and be cancelled.

Question: I am remodeling; do I have to place my license in escrow?

Answer: If you are not actively operating your business for more than 30 days you are required to submit your license and permit document for escrow, with completed form LCC-108 in order to comply with R 436.1107(1).

Question: How do I get my license out of escrow? How long does it take?

Answer: You can write to our office and request to have your license released from escrow. The time frame will vary, depending on how long your license has been in escrow. In some cases, our enforcement division may have to come out to your establishment and conduct an inspection prior the to the license release; our office would notify you of that requirement if that is the case. Plan to request a release of license from escrow several weeks in advance to avoid any potential interruptions in your business preparations.

Question: My license was cancelled for non-renewal; can I get it back or request a hearing?

Answer: If your license is cancelled for non-renewal you would have to reapply for a different license. There is not a provision in the liquor control code that allows for a hearing to be conducted to reinstate a liquor license that was cancelled for non-renewal. To avoid this from happening, make sure that all of your mailing information stays current on file with our office to avoid unnecessary delays. All license renewal applications are mailed in February and are due by April 30 every year, regardless of whether or not your business is closed or you are operating.

Question: I see that I have to return my liquor license and permit document to be placed in to escrow - what are those documents?

Answer: A liquor license is the contract between you and the State of Michigan that allows you to sell alcoholic beverages. This is a document that is renewed yearly and usually varies in color. It will tell you the types of licenses you hold, the name and address of your establishment, along with the renewal year that the license is good for. The permit document is a secondary document, usually yellow, and it tells you the various permits your establishment is approved for such as Outdoor Service areas, Dance Permits, Entertainment, etc. Both documents need to be returned to our office if you are placing your license in to escrow pursuant to R 436.1047.

Question: My license is issued under the provisions of MCL 436.1521a(1)(a) or MCL 436.1521a(1)(b). Can I place this license in escrow?

Answer: If you go out of business the license must be surrendered to the Commission for cancellation. If you are closing temporarily to remodel or have a special circumstance that requires you to close for a specific period of time, you can submit a written request to the Commission for its consideration. There are cases where you will be able to temporarily escrow your license, subject to renewal requirements and regular communication with the commission on the status of your license.

Question: My license has been in escrow for 5 years already . Will I be able to renew?

Answer: You will need to submit a written request to the Commission for an extension beyond 5 years under R 436.1107(4). The written request must demonstrate good cause for the Commission to consider the request. For what "good cause" constitutes see the escrow rules and good cause requirements attachment.

Please note: After the fifth year of license renewal you will **not** receive any further renewal applications, unless you are approved for further extension beyond 5 years. To avoid cancellation of the license you must provide this written request with good cause in order to be considered for an extension of the escrow period.

Question: May I cancel any of my licenses or permits for which fees I must pay annual renewal fees and just renew the main license in escrow?

Answer: If you hold any on-premises license, such as a Class C or B-Hotel license, or an off-premises Specially Designated Distributor license with which you hold a Specially Designated Merchant (SDM) license or you have permits for which an annual renewal fee is assessed, such as a Sunday Sales Permit, Banquet Facility Permit, Catering Permit, or additional bars, you may cancel the license and permits, leaving just the main license in escrow. Payment of the renewal fees for the main license will still be required annually while the license remains in escrow, but you will not pay the extra fees for the SDM license or permits. If you reactivate the license in the future and want the SDM license or permits added back to your main license, you will need to apply for them through the regular licensing process.

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