

**SUBSTITUTE FOR  
HOUSE BILL NO. 4865**

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending section 541 (MCL 436.1541), as amended by 2016 PA 434.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 541. ~~(1) Except as provided in section 539 or subsections~~  
2 ~~(2) to (5), the commission shall not allow an applicant for or the~~  
3 ~~holder of a specially designated distributor license to own or~~  
4 ~~operate motor vehicle fuel pumps on or adjacent to the licensed~~  
5 ~~premises, unless both of the following conditions are met:~~  
6       ~~(a) One or both of the following conditions exist:~~  
7       ~~(i) The applicant or licensee is located in a neighborhood~~  
8 ~~shopping center.~~  
9       ~~(ii) The applicant or licensee maintains a minimum inventory on~~

1 ~~the premises, excluding alcoholic liquor and motor vehicle fuel, of~~  
 2 ~~not less than \$250,000.00, at cost, of those goods and services~~  
 3 ~~customarily marketed by approved types of businesses.~~

4 ~~(b) The site of payment of alcoholic liquor and selection of~~  
 5 ~~alcoholic liquor is not less than 5 feet from that point where~~  
 6 ~~motor vehicle fuel is dispensed.~~

7 ~~(1) (2)~~The commission shall not prohibit an applicant for or  
 8 the holder of a **specially designated merchant license or** specially  
 9 designated distributor license from owning or operating motor  
 10 vehicle fuel pumps on or adjacent to the licensed premises ~~, if all~~  
 11 ~~of the following conditions are met:~~

12 ~~(a) The applicant is located in a township with a population~~  
 13 ~~of 7,000 or less that is not contiguous with any other township.~~  
 14 ~~For purposes of this subdivision, a township is not considered~~  
 15 ~~contiguous by water.~~

16 ~~(b) The applicant or licensee maintains a minimum inventory on~~  
 17 ~~the premises, excluding alcoholic liquor and motor vehicle fuel, of~~  
 18 ~~not less than \$12,500.00, at cost, of those goods and services~~  
 19 ~~customarily marketed by approved types of businesses.~~

20 ~~(c) The applicant has the approval of the township, as~~  
 21 ~~evidenced by a resolution adopted by the township and submitted~~  
 22 ~~with the application to the commission.~~

23 ~~(3) The commission shall not prohibit an applicant for or the~~  
 24 ~~holder of a specially designated distributor license from owning or~~  
 25 ~~operating motor vehicle fuel pumps on or adjacent to the licensed~~  
 26 ~~premises if both of the following conditions are met:~~

27 ~~(a) The applicant or licensee is located in either of the~~  
 28 ~~following:~~

29 ~~(i) A city, incorporated village, or township with a population~~

1 ~~of 3,500 or less and a county with a population of 31,000 or more.~~

2 ~~(ii) A city, incorporated village, or township with a~~  
3 ~~population of 4,000 or less and a county with a population of less~~  
4 ~~than 31,000.~~

5 ~~(b) The applicant or licensee maintains a minimum inventory on~~  
6 ~~the premises, excluding alcoholic liquor and motor vehicle fuel, of~~  
7 ~~not less than \$12,500.00, at cost, of those goods and services~~  
8 ~~customarily marketed by approved types of businesses. **the site of**~~  
9 ~~**payment for alcoholic liquor and of selection of alcoholic liquor**~~  
10 ~~**is at least 5 feet from the point where motor vehicle fuel is**~~  
11 ~~**dispensed. This subsection does not apply to a specially designated**~~  
12 ~~**distributor license or specially designated merchant license issued**~~  
13 ~~**to a marina under section 539.**~~

14 (2) ~~(4)~~—A person that was issued a specially designated  
15 merchant license or specially designated distributor license at a  
16 location at which another person owned, operated or maintained  
17 motor vehicle fuel pumps at the same location may have or acquire  
18 an interest in the ownership, operation or maintenance of those  
19 motor vehicle fuel pumps.

20 (3) ~~(5)~~—The commission may transfer ownership of a specially  
21 designated merchant license or specially designated distributor  
22 license to a person that owns or is acquiring an interest in motor  
23 vehicle fuel pumps already in operation at the same location at  
24 which the license is issued.

25 ~~(6) The commission shall not prohibit an applicant for or the~~  
26 ~~holder of a specially designated merchant license from owning or~~  
27 ~~operating motor vehicle fuel pumps on or adjacent to the licensed~~  
28 ~~premises if the site of payment of alcoholic liquor and selection~~  
29 ~~of alcoholic liquor is not less than 5 feet from that point where~~

1 ~~motor vehicle fuel is dispensed. This subsection does not apply to~~  
2 ~~a specially designated merchant license issued to a marina under~~  
3 ~~section 539.~~

4 (4) ~~(7)~~—If a specially designated merchant's licensed premises  
5 ~~are~~**is** a primary location, the commission may issue a secondary  
6 location permit to the specially designated merchant, as an  
7 extension of the specially designated merchant's license, for the  
8 sale of beer, wine, or ~~both,~~**mixed spirit drink**, at the secondary  
9 location. The commission shall issue a secondary location permit  
10 only to a specially designated merchant to which both of the  
11 following apply:

12 (a) The holder of the specially designated merchant license  
13 for the primary location ~~premises~~ or a subsidiary or affiliate of  
14 the license holder owns or leases the secondary location.

15 (b) The holder of the specially designated merchant license  
16 for the primary location or a subsidiary or affiliate of the  
17 license holder owns or operates motor vehicle fuel pumps at the  
18 secondary location.

19 (5) ~~(8)~~—An applicant for a secondary location permit shall  
20 submit an application to the commission in a format provided by the  
21 commission and accompanied by an application and initial permit fee  
22 of \$100.00. The application must include a diagram of the secondary  
23 location with building dimensions and a depiction of the distance  
24 measurement described in subsection ~~(6)~~—**(1)**. The secondary  
25 location permit expires on the same date as the specially  
26 designated merchant license and may be renewed in conjunction with  
27 the specially designated merchant license. The secondary location  
28 permit holder may renew the secondary location permit by submitting  
29 a permit renewal fee of \$100.00 and a completed renewal

1 application.

2 (6) ~~(9)~~—After a specially designated merchant is issued a  
 3 secondary location permit under subsection ~~(7)~~, **(4)**, if a  
 4 subsidiary or affiliate of the specially designated merchant owns  
 5 or operates the secondary location and the subsidiary or affiliate  
 6 shares the same ultimate controlling party of the specially  
 7 designated merchant, the secondary location may receive and sell  
 8 beer, wine, or ~~both~~ **mixed spirit drink** under the specially  
 9 designated merchant's license.

10 (7) ~~(10)~~—The holder of a secondary location permit shall  
 11 prominently display the secondary location permit at the secondary  
 12 location in the point-of-sale area.

13 (8) ~~(11)~~—As used in this section:

14 (a) "Neighborhood shopping center" means 1 commercial  
 15 establishment, or a group of commercial establishments organized or  
 16 operated as a unit, that is related in location, size, and type of  
 17 shop to the trade area that the unit serves, and consists of not  
 18 less than 50,000 square feet of leasable retail space, and has  
 19 access to off-street parking spaces.

20 (b) "Primary location" means **a** licensed premises that meets  
 21 both of the following conditions:

22 ~~(i) One or both of the following conditions exist:~~

23 **(i)** ~~(A)~~—The applicant or licensee is located in a neighborhood  
 24 shopping center.

25 ~~(B) The applicant or licensee maintains a minimum inventory on~~  
 26 ~~the premises, excluding alcoholic liquor and motor vehicle fuel, of~~  
 27 ~~not less than \$250,000.00, at cost, of those goods and services~~  
 28 ~~customarily marketed by approved types of businesses.~~

29 **(ii)** The site of payment ~~of~~ **for** alcoholic liquor and **of**

1 selection of alcoholic liquor is ~~not less than~~ **at least** 5 feet from  
2 ~~that~~ **the** point where motor vehicle fuel is dispensed.

3 (c) "Secondary location" means a business operation of the  
4 holder of a specially designated merchant license for a primary  
5 location, or a subsidiary or affiliate of that license holder, that  
6 takes place on real property, that includes at least 1 building and  
7 1 or more motor vehicle fuel pumps, and that is located on or  
8 adjacent to the primary location. On commission approval of the  
9 secondary location permit, the secondary location is considered  
10 licensed premises and an extension of the licensed primary  
11 location.