

HOUSE BILL NO. 4865

June 28, 2023, Introduced by Reps. Snyder, Rogers, Andrews, Rheingans, Meerman, Liberati, Fitzgerald, Jaime Greene, Glanville, Tsernoglou and McFall and referred to the Committee on Regulatory Reform.

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:~~

1 ~~(i)~~ The applicant or licensee is located in a neighborhood
2 shopping center.

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

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

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

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

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

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

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

29 (a) The applicant or licensee is located in either of the

1 following:

2 (i) A city, incorporated village, or township with a population
3 of 3,500 or less and a county with a population of 31,000 or more.

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

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

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

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

22 (6) The commission shall not prohibit an applicant for or the
23 holder of a specially designated merchant license from owning or
24 operating motor vehicle fuel pumps on or adjacent to the licensed
25 premises if the site of payment of alcoholic liquor and selection
26 of alcoholic liquor is not less than 5 feet from that point where
27 motor vehicle fuel is dispensed. This subsection does not apply to
28 a specially designated merchant license issued to a marina under
29 section 539.

1 (7) If a specially designated merchant's licensed premises are
2 a primary location, the commission may issue a secondary location
3 permit to the specially designated merchant, as an extension of the
4 specially designated merchant's license, for the sale of beer,
5 wine, or both, at the secondary location. The commission shall
6 issue a secondary location permit only to a specially designated
7 merchant to which both of the following apply:

8 (a) The holder of the specially designated merchant license
9 for the primary location premises or a subsidiary or affiliate of
10 the license holder owns or leases the secondary location.

11 (b) The holder of the specially designated merchant license
12 for the primary location or a subsidiary or affiliate of the
13 license holder owns or operates motor vehicle fuel pumps at the
14 secondary location.

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

27 (9) After a specially designated merchant is issued a
28 secondary location permit under subsection (7), if a subsidiary or
29 affiliate of the specially designated merchant owns or operates the

1 secondary location and the subsidiary or affiliate shares the same
 2 ultimate controlling party of the specially designated merchant,
 3 the secondary location may receive and sell beer, wine, or both
 4 under the specially designated merchant's license.

5 (10) The holder of a secondary location permit shall
 6 prominently display the secondary location permit at the secondary
 7 location in the point-of-sale area.

8 (11) As used in this section:

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

15 (b) "Primary location" means licensed premises that meets both
 16 of the following conditions:

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

18 ~~(A) The applicant or licensee is located in a neighborhood~~
 19 ~~shopping center.~~

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

24 (ii) The site of payment of alcoholic liquor and selection of
 25 alcoholic liquor is not less than 5 feet from that point where
 26 motor vehicle fuel is dispensed.

27 (c) "Secondary location" means a business operation of the
 28 holder of a specially designated merchant license for a primary
 29 location, or a subsidiary or affiliate of that license holder, that

1 takes place on real property, that includes at least 1 building and
2 1 or more motor vehicle fuel pumps, and that is located on or
3 adjacent to the primary location. On commission approval of the
4 secondary location permit, the secondary location is considered
5 licensed premises and an extension of the licensed primary
6 location.