

**SUBSTITUTE FOR
SENATE BILL NO. 82**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 533 (MCL 436.1533), as amended by 2018 PA 386.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 533. (1) Subject to subsection (12), the commission shall
2 not issue a new specially designated merchant license or transfer
3 an existing specially designated merchant license unless the
4 applicant is an approved type of business. An applicant is not an
5 approved type of business unless the applicant meets 1 or more of
6 the following conditions:

7 (a) The applicant holds and maintains a retail food
8 establishment license issued under the food law, 2000 PA 92, MCL
9 289.1101 to 289.8111. As used in this subdivision, "retail food



1 establishment" means that term as defined in section 1111 of the
2 food law, 2000 PA 92, MCL 289.1111.

3 (b) The applicant holds and maintains an extended retail food
4 establishment license issued under the food law, 2000 PA 92, MCL
5 289.1101 to 289.8111. As used in this subdivision, "extended retail
6 food establishment" means that term as defined in section 1107 of
7 the food law, 2000 PA 92, MCL 289.1107.

8 (c) The applicant holds or the commission approves the
9 issuance of a specially designated distributor license to the
10 applicant.

11 (d) The applicant holds or the commission approves the
12 issuance of a class C license to the applicant.

13 (e) The applicant holds or the commission approves the
14 issuance of a class A hotel license to the applicant.

15 (f) The applicant holds or the commission approves the
16 issuance of a class B hotel license to the applicant.

17 (g) The applicant holds or the commission approves the
18 issuance of a club license to the applicant.

19 (h) The applicant holds or the commission approves the
20 issuance of a tavern license to the applicant.

21 (i) The applicant holds or the commission approves the
22 issuance of a class G-1 license to the applicant.

23 (j) The applicant holds or the commission approves the
24 issuance of a class G-2 license to the applicant.

25 (2) A specially designated distributor may apply for a license
26 as a specially designated merchant.

27 (3) ~~An applicant for a~~ **A** specially designated merchant
28 **distributor** license ~~not issued under subsection (4) or section~~
29 **531(5) may be held** in conjunction with ~~an on-premises license,~~



1 ~~except as provided in section 229(1), or a person licensed under~~
 2 ~~this act as a specially designated merchant only or a class B hotel~~
 3 ~~may apply for a license as a specially designated distributor.~~**any**
 4 **of the following licenses:**

5 (a) **A specially designated merchant license.**

6 (b) **Subject to subsection (13), a class B hotel license.**

7 (c) **Subject to subsection (13), a class C license.**

8 (d) **Subject to subsection (13), a combination of licenses in**
 9 **subdivisions (a) and (b) or (a) and (c).**

10 (4) In cities, incorporated villages, or townships, the
 11 commission shall issue only 1 specially designated distributor
 12 license for each 3,000 of population, or fraction of 3,000. The
 13 commission may waive the quota requirement under this subsection if
 14 there is no existing specially designated distributor licensee
 15 within 2 miles of the applicant, measured along the nearest traffic
 16 route.

17 (5) Except as otherwise provided in this section, in cities,
 18 incorporated villages, or townships, the commission shall issue
 19 only 1 specially designated merchant license for each 1,000 of
 20 population, or fraction of 1,000. The quota under this subsection
 21 does not apply to any of the following:

22 (a) An applicant for a specially designated merchant license
 23 that is an applicant for or the holder of a license listed in
 24 subsection (1)(d) to (j).

25 (b) An applicant for or the holder of a specially designated
 26 merchant license whose licensed establishment meets 1 or more of
 27 the following conditions:

28 (i) Meets both of the following conditions:

29 (A) The licensed establishment is at least 20,000 square feet.



1 (B) The licensed establishment's gross receipts derived from
2 the sale of food are at least 20% of the total gross receipts.

3 (ii) The licensed establishment is also a pharmacy as that term
4 is defined in section 17707 of the public health code, 1978 PA 368,
5 MCL 333.17707.

6 (c) A secondary location permit issued to a specially
7 designated merchant under section 541.

8 (d) A specially designated merchant license issued under
9 subsection (7).

10 (e) A specially designated merchant license issued to a marina
11 under section 539.

12 (6) The commission may waive the quota under subsection (5) if
13 there is no existing specially designated merchant within 2 miles
14 of the applicant, measured along the nearest traffic route.

15 (7) The commission shall waive the quota under subsection (5)
16 if both of the following apply:

17 (a) The applicant applies for the specially designated
18 merchant license within 60 days after January 4, 2017.

19 (b) The applicant is a retail dealer that holds a license
20 issued under section 6(1) of the motor fuels quality act, 1984 PA
21 44, MCL 290.646. The applicant shall include a copy of the license
22 described in this subdivision with the applicant's application
23 under this subsection. As used in this subdivision, "retail dealer"
24 means that term as defined in section 2 of the motor fuels quality
25 act, 1984 PA 44, MCL 290.642.

26 (8) A specially designated merchant license issued under this
27 section may be transferred to an applicant whose proposed operation
28 is located within any local governmental unit in a county in which
29 the specially designated merchant license was located. If the local



1 governmental unit within which the former licensee's premises were
2 located spans more than 1 county, a specially designated merchant
3 license may be transferred to an applicant whose proposed operation
4 is located within any local governmental unit in either county. If
5 a specially designated merchant license is transferred to a local
6 governmental unit other than that local governmental unit within
7 which the specially designated merchant license was originally
8 issued, the commission shall count that transferred specially
9 designated merchant license against the local governmental unit
10 originally issuing the specially designated merchant license.

11 (9) Except as otherwise provided in subsection (10), the quota
12 under subsection (5) does not bar the right of an existing
13 specially designated merchant to renew the specially designated
14 merchant license or transfer the specially designated merchant
15 license. This subsection applies to a specially designated merchant
16 license issued or renewed before, on, or after January 4, 2017.

17 (10) A specially designated merchant license issued after
18 January 4, 2017 to a person described in subsection (5) (a) or (b)
19 or to a specially designated merchant license issued under
20 subsection (6) may not be transferred to another location.

21 (11) An applicant for or the holder of a specially designated
22 merchant license that owns or operates a motor vehicle fuel pump on
23 or adjacent to the licensed premises is not required to meet the
24 conditions under section 541 as that section existed before January
25 4, 2017.

26 (12) For a marina that maintains motor vehicle fuel pumps on
27 or adjacent to the licensed premises, or maintains a financial
28 interest in any motor vehicle fuel pumps, the commission may only
29 issue a special designated merchant license to the marina under



1 section 539.

2 (13) License fees for a specially designated distributor
3 license held in conjunction with a class B hotel license or a class
4 C license as described in subsection (3) must be calculated under
5 section 525(1) (k) based on the total retail value of merchandise
6 purchased from the commission under the specially designated
7 distributor license during the previous calendar year plus the
8 total retail value of the merchandise purchased from the commission
9 under either the class B hotel license or the class C license.

10 (14) ~~(13)~~ For purposes of this section, population is
11 determined by the latest federal decennial census, by a special
12 census under section 6 of the home rule city act, 1909 PA 279, MCL
13 117.6, or section 7 of the Glenn Steil state revenue sharing act of
14 1971, 1971 PA 140, MCL 141.907, or by the latest census and
15 corrections published by the United States Department of Commerce,
16 Bureau of the Census, whichever is later.

