

# Legislative Analysis



## LIQUOR SALES AND GAS PUMPS

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**House Bill 5562 as enrolled**

**Public Act 253 of 2006**

**Sponsor: Rep. Kevin Elsenheimer**

**House Committee: Regulatory Reform**

**Senate Committee: Economic Development, Small Business and Regulatory Reform**

**Complete to 1-16-07**

## A SUMMARY OF HOUSE BILL 5562 AS ENROLLED

The bill would amend the Liquor Control Code to do the following:

(1) Revise population figures in a section that allows the holder of or applicant for a beer and wine takeout license (referred to as a "specially designated merchant" or SDM) to own and operate motor vehicle fuel pumps on or adjacent to the licensed premises.

(2) Permit the holder of an SDM license or the holder of a spirits takeout license (a "specially designated distributor" or SDD) in certain townships to own and operate fuel pumps under certain conditions.

SDM Applicants and Licensees. Currently, the LCC cannot prohibit an SDM from owning or operating motor vehicle fuel pumps if the applicant or licensee is located in either (1) a city, incorporated village, or township with a population of 3,000 or less in a county with a population of 31,000 or more; or (2) a city, incorporated village, or township with a population of 3,500 or less in a county of under 31,000. The licensee must maintain a minimum inventory of \$10,000, excluding alcoholic liquor and motor vehicle fuel, of goods and services customarily marketed by approved businesses.

The bill would increase the population figures from 3,000 to 3,500 in the larger counties and from 3,500 to 4,000 in the smaller counties.

(Similar provisions regarding the coexistence of fuel pumps with SDD licensees would not be amended. Those population figures would remain the same.)

SDM and SDD Licensees in Certain Townships. The bill would also add a provision so that the LCC could not prohibit an applicant for or holder of an SDM or SDD license from owning and operating fuel pumps if all of the following conditions were met.

**\*\*** The applicant is located in a township with a population of 7,000 or less and the township is not contiguous with any other township. (A township could not be considered contiguous by water.)

\*\* The applicant or licensee maintains a minimum inventory on the premises, excluding alcoholic liquor and fuel, of at least \$12,500 of goods and services customarily marketed by approved types of businesses.

\*\* The applicant has the approval of the township, evidenced by a resolution adopted by the township, which is to be submitted with the application to the LCC.

MCL 436.1541

**FISCAL IMPACT:**

There is a potential for a slight increase in liquor license fee revenue, but the additional number of retail store owners who will qualify is not determinable.

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