



Senate Fiscal Agency  
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**BILL ANALYSIS**

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House Bill 5562 (Substitute S-1 as reported)  
Sponsor: Representative Kevin Elsenheimer  
House Committee: Regulatory Reform  
Senate Committee: Economic Development, Small Business and Regulatory Reform

**CONTENT**

The bill would amend the Michigan Liquor Control Code to provide that the Liquor Control Commission could not prohibit an applicant for or the holder of a specially designated distributor or merchant license from owning or operating fuel pumps on or adjacent to the premises if the applicant were located in a township with a population of 7,000 or less that was not contiguous with any other township. The applicant or licensee would have to maintain a minimum inventory on the premises, excluding alcoholic liquor and motor vehicle fuel, of at least \$12,500 at cost, of those goods and services customarily marketed by approved types of businesses. The applicant also would have to have the approval of the township.

Additionally, the bill would increase the maximum size of the city, incorporated village, or township where the holder of a specially designated merchant license may not be prohibited from owning or operating fuel pumps. The increase would be from 3,000 to 3,500 in a county with a population of 31,000 or more; and from 3,500 to 4,000 in a county with a population under 31,000.

(A specially designated merchant is a person licensed to sell beer and/or wine at retail for off-premises consumption. A specially designated distributor is person engaged in an established business licensed to distribute spirits and mixed spirit drink in the original package for the Commission for off-premises consumption.)

MCL 436.1541

Legislative Analyst: J.P. Finet

**FISCAL IMPACT**

The current license fees for these license categories are: specially designated distributor \$150 annual fee and a \$2 fee for each \$1,000 of purchases over \$25,000, and specially designated merchant \$100 annual fee. The amount of revenue that would be generated would depend on the number of establishments that would become available under this population change. This revenue is used by the Liquor Control Commission to offset the cost of regulation.

Date Completed: 6-2-06

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