

## LIQUOR LICENSES: EXPAND EXEMPTION FROM CHURCH & SCHOOL RULE

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**House Bill 4169 as introduced**  
**Sponsor: Rep. Tommy Brann**  
**Committee: Regulatory Reform**  
**Complete to 4-18-17**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

The bill would expand the exemption to what is known as the "church and school rule" so that it would apply to any outstanding on-premise or SDD liquor license currently located within 500 feet of a church or school, and also to the renewal or transfer of such a license, if the license were issued before March 1, 2017. The "church and school rule" generally prohibits certain retail liquor establishments from being located within 500 feet of a church or school. (An SDD, or specially designated distributor, licensee is authorized to sell spirits, in addition to beer and wine, for off-premises consumption. SDMs, or specially designated merchants, who sell only take-out beer and wine, are already exempt from the rule.)

#### *Church and School Rule*

Under what is referred to as the "church and school rule," an application for an on-premises liquor license or Specially Designated Distributor (SDD) license may be denied by the Michigan Liquor Control Commission (MLCC) if the proposed location is within 500 feet of a church or school. The church and school rule also applies to requests to transfer an existing on-premises license or SDD license. The MLCC has statutory authority to waive the church/school prohibition if the church or school does not file an objection. If the church and/or school does file an objection, the LCC must hold a hearing before making a decision whether to grant or deny the license.

#### *Current Exceptions*

There are some current exceptions to the church and school rule. The rule does not apply:

- ❖ To Specially Designated Merchant (SDM) licensees unless the SDM was issued in conjunction with an on-premises license. SDM licensees sell beer and wine for off-premises consumption.
- ❖ To location transfers if the licensed establishment was already within 500 feet of a church or school and the transfer would still locate the establishment within the 500-foot distance but further away from the church or school. For example, a liquor establishment that is 100 feet away from a church or school could move to a location that is 400 feet away from the church or school.
- ❖ To an outstanding license issued before March 1, 1949, for a location within the 500-foot distance of a church or school, or to the renewal or transfer of that outstanding license at the location.

***New Exemption***

House Bill 4169 amends Section 503 of the Michigan Liquor Control Code to change the date highlighted above from March 1, 1949, to March 1, 2017 (MCL 436.1503). The bill also revises the commission's authority to waive the church/school rule prohibition if an objection is not filed by the church or school to apply for all classes of licenses; currently, the commission may waive the prohibition in the case of other classes of licenses.

**FISCAL IMPACT:**

House Bill 4169 would not have a significant fiscal impact on the Department of Licensing and Regulatory Affairs, or other units of state or local government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.