

**SUBSTITUTE FOR
HOUSE BILL NO. 5090**

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 551 (MCL 436.1551), as amended by 2021 PA 64.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 551. (1) The governing body of a local governmental unit
2 may designate a social district that contains a commons area that
3 may be used by qualified licensees that obtain a social district
4 permit. A governing body of a local governmental unit shall not
5 designate a social district that would close a road unless the
6 governing body receives prior approval from the road authority with
7 jurisdiction over the road. If the governing body of a local
8 governmental unit designates a social district that contains a
9 commons area under this section, the governing body must define and

1 clearly mark the commons area with signs. The governing body shall
2 establish local management and maintenance plans, including, but
3 not limited to, hours of operation, for a commons area and submit
4 those plans to the commission. The governing body shall maintain
5 the commons area in a manner that protects the health and safety of
6 the community. Subject to this subsection, the governing body may
7 revoke the designation if it determines that the commons area
8 threatens the health, safety, or welfare of the public or has
9 become a public nuisance. Before revoking the designation, the
10 governing body must hold at least 1 public hearing on the proposed
11 revocation. The governing body shall give notice as required under
12 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, of the
13 time and place of the public hearing before the public hearing. The
14 governing body shall file the designation or the revocation of the
15 designation with the commission. As used in this subsection:

16 (a) "Local road agency" means a county road commission or
17 designated county road agency or city or village that is
18 responsible for the construction or maintenance of public roads
19 within this state.

20 (b) "Road authority" means a local road agency or the state
21 transportation department.

22 (2) ~~Subject to subsection (3), the~~ **The** holder of a social
23 district permit may sell alcoholic liquor for consumption within
24 the confines of a commons area if both of the following
25 requirements are met:

26 (a) The holder of the social district permit sells and serves
27 alcoholic liquor only on the holder's licensed premises.

28 (b) The holder of the social district permit serves alcoholic
29 liquor to be consumed in the commons area only in a container to

1 which all of the following apply:

2 (i) The container prominently displays the social district
3 permittee's trade name or logo or some other mark that is unique to
4 the social district permittee under the social district permittee's
5 on-premises license.

6 (ii) The container prominently displays a logo or some other
7 mark that is unique to the commons area.

8 (iii) The container is not glass.

9 (iv) The container has a liquid capacity that does not exceed
10 16 ounces.

11 (3) If the commission issues a special license to a special
12 licensee **whose event is to be held within a commons area** located ~~in~~
13 **within** a social district, ~~the holder of a social district permit~~
14 ~~shall not sell and serve alcoholic liquor under subsection (2)~~
15 ~~during the effective period of the special license.~~ **for the**
16 **effective period of the special license, and subject to the**
17 **commission's approval, the governing body of the local unit of**
18 **government shall delineate the portion of the commons area to be**
19 **utilized exclusively by the special licensee and the portion of the**
20 **commons area to be used exclusively by social district permittees.**

21 (4) A purchaser may remove a container of alcoholic liquor
22 sold by a holder of a social district permit under subsection (2)
23 from the social district permittee's licensed premises if both of
24 the following conditions are met:

25 (a) Except as otherwise provided in subdivision (b), the
26 purchaser does not remove the container from the commons area.

27 (b) While possessing the container, the purchaser does not
28 enter the licensed premises of a social district permittee other
29 than ~~the~~ **any of the following:**

1 (i) **The** social district permittee from which the purchaser
2 purchased the container.

3 (ii) **A social district permittee whose licensed premises is a**
4 **class B hotel.**

5 (5) The consumption of alcoholic liquor from a container
6 described in subsection (2) (b) in the commons area as allowed under
7 this section may occur only during the ~~legal hours for the sale of~~
8 ~~alcoholic liquor by the social district permittee.~~**hours of**
9 **operation under the local management and maintenance plans**
10 **established by the governing body of the local unit of government**
11 **under subsection (1).**

12 (6) A qualified licensee whose licensed premises is shared by
13 and contiguous to a commons area in a social district designated by
14 the governing body of a local governmental unit under this section
15 may obtain from the commission an annual social district permit as
16 provided in this section. The social district permit must be issued
17 for the same period and may be renewed in the same manner as the
18 license held by the applicant. The commission shall develop an
19 application for a social district permit and shall charge a fee of
20 \$250.00 for a social district permit. An application for a social
21 district permit must be approved by the governing body of the local
22 governmental unit in which the applicant's place of business is
23 located before the application is submitted to the commission and
24 before the permit is granted by the commission. The \$250.00 permit
25 fee under this subsection must be deposited into the liquor control
26 enforcement and license investigation revolving fund under section
27 543(9).

28 ~~(7) This section does not apply after January 1, 2025.~~

29 (7) ~~(8)~~As used in this section:

1 (a) "Commons area" means an area within a social district
2 clearly designated and clearly marked by the governing body of the
3 local governmental unit that is shared by and contiguous to the
4 premises of at least 2 other qualified licensees. Commons area does
5 not include the licensed premises of any qualified licensee.

6 (b) "Local governmental unit" means a city, township, village,
7 or charter authority.

8 (c) "Qualified licensee" means any of the following:

9 (i) A retailer that holds a license, other than a special
10 license, to sell alcoholic liquor for consumption on the licensed
11 premises.

12 (ii) A manufacturer with an on-premises tasting room permit
13 issued under section 536.

14 (iii) A manufacturer that holds an off-premises tasting room
15 license issued under section 536.

16 (iv) A manufacturer that holds a joint off-premises tasting
17 room license issued under section 536.