

HOUSE BILL NO. 5090

June 22, 2021, Introduced by Reps. Clements, Outman, Damoose, Hall, Filler, Bolden, Maddock, Tate, Hertel, Witwer and Yancey and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 551 (MCL 436.1551), as added by 2020 PA 124.

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

governing body receives prior approval from the road authority with jurisdiction over the road. If the governing body of a local governmental unit designates a social district that contains a commons area under this section, the governing body must define and clearly mark the commons area with signs. The governing body shall establish local management and maintenance plans, including, but not limited to, hours of operation, for a commons area and submit those plans to the commission. The governing body shall maintain the commons area in a manner that protects the health and safety of the community. Subject to this subsection, the governing body may revoke the designation if it determines that the commons area threatens the health, safety, or welfare of the public or has become a public nuisance. Before revoking the designation, the governing body must hold at least 1 public hearing on the proposed revocation. The governing body shall give notice as required under the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, of the time and place of the public hearing before the public hearing. The governing body shall file the designation or the revocation of the designation with the commission. As used in this subsection:

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

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

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

1 (a) The holder of the social district permit ~~only~~ sells and
2 serves alcoholic liquor **only** on the holder's licensed premises.

3 (b) The holder of the social district permit ~~only~~ serves
4 alcoholic liquor to be consumed in the commons area **only** in a
5 container to which all of the following apply:

6 (i) The container prominently displays the social district
7 permittee's trade name or logo or some other mark that is unique to
8 the social district permittee under the social district permittee's
9 on-premises license.

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

12 (iii) The container is not glass.

13 (iv) The container has a liquid capacity that does not exceed
14 16 ounces.

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

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

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

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

6 (i) **The** social district permittee from which the purchaser
7 purchased the container.

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

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

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

1 fee under this subsection must be deposited into the liquor control
 2 enforcement and license investigation revolving fund under section
 3 543(9).

4 ~~(7) This section does not apply after December 31, 2024.~~

5 ~~(7) (8)~~ As used in this section:

6 (a) "Commons area" means an area within a social district
 7 clearly designated and clearly marked by the governing body of the
 8 local governmental unit that is shared by and contiguous to the
 9 premises of at least 2 other qualified licensees. Commons area does
 10 not include ~~the~~ **either of the following:**

11 **(i) The** licensed premises of any qualified licensee.

12 **(ii) The outdoor service area under an outdoor service area**
 13 **permit issued under section 552.**

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

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

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

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

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

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

26 Enacting section 1. This amendatory act does not take effect
 27 unless Senate Bill No.____ or House Bill No.____ (request no.
 28 02786'21) of the 101st Legislature is enacted into law.