

HOUSE BILL NO. 6429

October 11, 2022, Introduced by Rep. Hauck 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 541 (MCL 436.1541), as amended by 2016 PA 434;
and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 541. (1) ~~Except as provided in section 539 or subsections~~
2 ~~(2) to (5), the commission shall not allow an applicant for or the~~
3 ~~holder of a specially designated distributor license to~~ **A retailer**
4 **may** own or operate motor vehicle fuel pumps on or adjacent to the
5 licensed premises. ~~, unless both of the following conditions are~~
6 ~~met:~~

~~(a) One or both of the following conditions exist:~~

~~(i) The applicant or licensee is located in a neighborhood shopping center.~~

~~(ii) The applicant or licensee maintains a minimum inventory on the premises, excluding alcoholic liquor and motor vehicle fuel, of not less than \$250,000.00, at cost, of those goods and services customarily marketed by approved types of businesses.~~

~~(b) The site of payment of alcoholic liquor and selection of alcoholic liquor is not less than 5 feet from that point where motor vehicle fuel is dispensed.~~

~~(2) The commission shall not prohibit an applicant for or the holder of a specially designated distributor license from owning or operating motor vehicle fuel pumps on or adjacent to the licensed premises, if all of the following conditions are met:~~

~~(a) The applicant is located in a township with a population of 7,000 or less that is not contiguous with any other township. For purposes of this subdivision, a township is not considered contiguous by water.~~

~~(b) The applicant or licensee maintains a minimum inventory on the premises, excluding alcoholic liquor and motor vehicle fuel, of not less than \$12,500.00, at cost, of those goods and services customarily marketed by approved types of businesses.~~

~~(c) The applicant has the approval of the township, as evidenced by a resolution adopted by the township and submitted with the application to the commission.~~

~~(3) The commission shall not prohibit an applicant for or the holder of a specially designated distributor license from owning or operating motor vehicle fuel pumps on or adjacent to the licensed premises if both of the following conditions are met:~~

~~(a) The applicant or licensee is located in either of the following:~~

~~(i) A city, incorporated village, or township with a population of 3,500 or less and a county with a population of 31,000 or more.~~

~~(ii) A city, incorporated village, or township with a population of 4,000 or less and a county with a population of less than 31,000.~~

~~(b) The applicant or licensee maintains a minimum inventory on the premises, excluding alcoholic liquor and motor vehicle fuel, of not less than \$12,500.00, at cost, of those goods and services customarily marketed by approved types of businesses.~~

~~(4) A person that was issued a specially designated merchant license or specially designated distributor license at a location at which another person owned, operated or maintained motor vehicle fuel pumps at the same location may have or acquire an interest in the ownership, operation or maintenance of those motor vehicle fuel pumps.~~

~~(5) The commission may transfer ownership of a specially designated merchant license or specially designated distributor license to a person that owns or is acquiring an interest in motor vehicle fuel pumps already in operation at the same location at which the license is issued.~~

~~(6) The commission shall not prohibit an applicant for or the holder of a specially designated merchant license from owning or operating motor vehicle fuel pumps on or adjacent to the licensed premises if the site of payment of alcoholic liquor and selection of alcoholic liquor is not less than 5 feet from that point where motor vehicle fuel is dispensed. This subsection does not apply to a specially designated merchant license issued to a marina under~~

1 ~~section 539.~~

2 (2) ~~(7)~~ If a specially designated merchant's licensed premises
3 are a primary location, the commission may issue a secondary
4 location permit to the specially designated merchant, as an
5 extension of the specially designated merchant's license, for the
6 sale of beer, wine, or ~~both~~, **mixed spirit drink**, at the secondary
7 location. The commission shall issue a secondary location permit
8 only to a specially designated merchant to which both of the
9 following apply:

10 (a) The holder of the specially designated merchant license
11 for the primary location premises or a subsidiary or affiliate of
12 the license holder owns or leases the secondary location.

13 (b) The holder of the specially designated merchant license
14 for the primary location or a subsidiary or affiliate of the
15 license holder owns or operates motor vehicle fuel pumps at the
16 secondary location.

17 (3) ~~(8)~~ An applicant for a secondary location permit shall
18 submit an application to the commission in a format provided by the
19 commission and accompanied by an application and initial permit fee
20 of \$100.00. The application must include a diagram of the secondary
21 location with building dimensions and a depiction of the distance
22 measurement described in subsection ~~(6)~~. ~~(8) (c)~~. The secondary
23 location permit expires on the same date as the specially
24 designated merchant license and may be renewed in conjunction with
25 the specially designated merchant license. The secondary location
26 permit holder may renew the secondary location permit by submitting
27 a permit renewal fee of \$100.00 and a completed renewal
28 application.

29 (4) ~~(9)~~ After a specially designated merchant is issued a

1 secondary location permit under subsection ~~(7)~~, **(2)**, if a
2 subsidiary or affiliate of the specially designated merchant owns
3 or operates the secondary location and the subsidiary or affiliate
4 shares the same ultimate controlling party of the specially
5 designated merchant, the secondary location may receive and sell
6 beer, wine, or ~~both~~ **mixed spirit drink**, under the specially
7 designated merchant's license.

8 **(5)** ~~(10)~~—The holder of a secondary location permit shall
9 prominently display the secondary location permit at the secondary
10 location in the point-of-sale area.

11 **(6)** The commission shall not issue a specially designated
12 distributor license or specially designated merchant license to an
13 applicant that operates a drive-in or drive-through establishment
14 and shall not allow a person that holds a specially designated
15 distributor license or specially designated merchant license to
16 change the nature of the existing licensed premises to include a
17 drive-in or drive-through establishment that permits the sale of
18 alcoholic liquor through the drive-in or drive-through
19 establishment.

20 **(7)** The commission shall not issue a specially designated
21 distributor license or specially designated merchant license to an
22 applicant that operates a drive-up or walk-up window for the sale
23 of alcoholic liquor at the proposed location and shall not allow a
24 person that holds a specially designated distributor license or
25 specially designated merchant license to change the nature of the
26 existing licensed premises to include a drive-up or walk-up window
27 that permits the sale of alcoholic liquor through the drive-up or
28 walk-up window.

29 **(8)** ~~(11)~~—As used in this section:

(a) "Neighborhood shopping center" means 1 commercial establishment, or a group of commercial establishments organized or operated as a unit, that is related in location, size, and type of shop to the trade area that the unit serves, and consists of not less than 50,000 square feet of leasable retail space, and has access to off-street parking spaces.

(b) "Primary location" means licensed premises that meets **1 or** both of the following conditions:

~~(i) One or both of the following conditions exist:~~

~~(A)~~ The applicant or licensee is located in a neighborhood shopping center.

~~(ii) (B)~~ The applicant or licensee maintains a minimum inventory on the premises, excluding alcoholic liquor and motor vehicle fuel, of not less than \$250,000.00, at cost, of those goods and services customarily marketed by approved types of businesses.

~~(ii) The site of payment of alcoholic liquor and selection of alcoholic liquor is not less than 5 feet from that point where motor vehicle fuel is dispensed.~~

(c) "Secondary location" means a business operation of the holder of a specially designated merchant license for a primary location, or a subsidiary or affiliate of that license holder, that takes place on real property, that includes at least 1 building and 1 or more motor vehicle fuel pumps, and that is located on or adjacent to the primary location. **The site of the selection of and payment for alcoholic liquor is not less than 5 feet from the point where motor vehicle fuel is dispensed.** On commission approval of the secondary location permit, the secondary location is considered licensed premises and an extension of the licensed primary location.

1 Enacting section 1. Section 539 of the Michigan liquor control
2 code of 1998, 1998 PA 58, MCL 436.1539, is repealed.

3 Enacting section 2. R 436.1129, R 436.1135, R 436.1141, and R
4 436.1142 of the Michigan Administrative Code are rescinded.

5 Enacting section 3. This amendatory act does not take effect
6 unless Senate Bill No.____ or House Bill No. 6428 (request no.
7 06820'22) of the 101st Legislature is enacted into law.