

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 929**

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending sections 525, 533, 539, 541, and 543 (MCL 436.1525, 436.1533, 436.1539, 436.1541, and 436.1543), section 525 as amended by 2014 PA 353, section 533 as amended by 2016 PA 137, section 541 as amended by 2016 PA 84, and section 543 as amended by 2010 PA 213, and by adding section 903b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 525. (1) Except as otherwise provided in this section,
2 the following license fees ~~shall~~**MUST** be paid at the time of filing
3 applications or as otherwise provided in this act and are subject
4 to allocation under section 543:

5 (a) Manufacturers of spirits, not including makers, blenders,
6 and rectifiers of wines containing 21% or less alcohol by volume,

1 \$1,000.00.

2 (b) Manufacturers of beer, \$50.00 per 1,000 barrels, or
3 fraction of a barrel, production annually with a maximum fee of
4 \$1,000.00, and in addition \$50.00 for each motor vehicle used in
5 delivery to retail licensees. A fee increase does not apply to a
6 manufacturer of less than 15,000 barrels production per year.

7 (c) Outstate seller of beer, delivering or selling beer in
8 this state, \$1,000.00.

9 (d) Wine makers, blenders, and rectifiers of wine, including
10 makers, blenders, and rectifiers of wines containing 21% or less
11 alcohol by volume, \$100.00. The small wine maker license fee is
12 \$25.00.

13 (e) Outstate seller of wine, delivering or selling wine in
14 this state, \$300.00.

15 (f) Outstate seller of mixed spirit drink, delivering or
16 selling mixed spirit drink in this state, \$300.00.

17 (g) Dining cars or other railroad or Pullman cars selling
18 alcoholic liquor, \$100.00 per train.

19 (h) Wholesale vendors other than manufacturers of beer,
20 \$300.00 for the first motor vehicle used in delivery to retail
21 licensees and \$50.00 for each additional motor vehicle used in
22 delivery to retail licensees.

23 (i) Watercraft, licensed to carry passengers, selling
24 alcoholic liquor, a minimum fee of \$100.00 and a maximum fee of
25 \$500.00 per year computed on the basis of \$1.00 per person per
26 passenger capacity.

27 (j) Specially designated merchants, for selling beer or wine

1 for consumption off the premises only but not at wholesale, \$100.00
2 for each location regardless of whether the location is part of a
3 system or chain of merchandising.

4 (k) Specially designated distributors licensed by the
5 commission to distribute spirits and mixed spirit drink in the
6 original package for the commission for consumption off the
7 premises, \$150.00 per year, and an additional fee of \$3.00 for each
8 \$1,000.00 or major fraction of that amount in excess of \$25,000.00
9 of the total retail value of merchandise purchased under each
10 license from the commission during the previous calendar year.

11 (l) Hotels of class A selling beer and wine, a minimum fee of
12 \$250.00 and \$1.00 for each bedroom in excess of 20, but not more
13 than \$500.00 total.

14 (m) Hotels of class B selling beer, wine, mixed spirit drink,
15 and spirits, a minimum fee of \$600.00 and \$3.00 for each bedroom in
16 excess of 20. If a hotel of class B sells beer, wine, mixed spirit
17 drink, and spirits in more than 1 public bar, a fee of \$350.00
18 ~~shall~~**MUST** be paid for each additional public bar, other than a
19 bedroom.

20 (n) Taverns, selling beer and wine, \$250.00.

21 (o) Class C license selling beer, wine, mixed spirit drink,
22 and spirits, \$600.00. Subject to section 518(2), if a class C
23 licensee sells beer, wine, mixed spirit drink, and spirits in more
24 than 1 bar, a fee of \$350.00 ~~shall~~**MUST** be paid for each additional
25 bar. In municipally owned or supported facilities in which
26 nonprofit organizations operate concession stands, a fee of \$100.00
27 ~~shall~~**MUST** be paid for each additional bar.

1 (p) Clubs selling beer, wine, mixed spirit drink, and spirits,
2 \$300.00 for clubs having 150 or fewer accredited members and \$1.00
3 for each member in excess of 150. Clubs shall submit a list of
4 members by a ~~sworn~~**AN** affidavit 30 days before the closing of the
5 license year. The ~~sworn~~ affidavit ~~shall~~**MAY** be used only for
6 determining the license fees to be paid under this subdivision.
7 This subdivision does not prevent the commission from checking a
8 membership list and making its own determination from the list or
9 otherwise. The list of members and additional members is not
10 required of a club paying the maximum fee. The maximum fee ~~shall~~
11 **MUST** not exceed \$750.00 for any 1 club.

12 (q) Warehouse, to be fixed by the commission with a minimum
13 fee for each warehouse of \$50.00.

14 (r) Special licenses, a fee of \$50.00 per day, except that the
15 fee for ~~that~~**THE** license or permit issued to ~~any~~**A** bona fide
16 nonprofit association, ~~duly~~ organized and in continuous existence
17 for 1 year before the filing of its application, is \$25.00. Not
18 more than 12 special licenses may be granted to any organization,
19 including an auxiliary of the organization, in a calendar year.

20 (s) Airlines licensed to carry passengers in this state that
21 sell, offer for sale, provide, or transport alcoholic liquor,
22 \$600.00.

23 (t) Brandy manufacturer, \$100.00.

24 (u) Mixed spirit drink manufacturer, \$100.00.

25 (v) Brewpub, \$100.00.

26 (w) Class G-1, \$1,000.00.

27 (x) Class G-2, \$500.00.

1 (y) Motorsports event license, the amount as described and
2 determined under section 518(2).

3 (z) Small distiller, \$100.00.

4 (aa) Wine auction license, \$50,000.00.

5 (bb) Nonpublic continuing care retirement center license,
6 \$600.00.

7 (cc) Conditional license approved under subsection (6) and
8 issued under subsection (7), \$300.00.

9 (2) The fees provided in this act for the various types of
10 licenses ~~shall~~ **MUST** not be prorated for a portion of the effective
11 period of the license. Notwithstanding subsection (1), the initial
12 license fee for ~~any licenses~~ **A LICENSE** issued under section 531(3)
13 or (4) is \$20,000.00. The renewal license fee ~~shall be~~ **IS** the
14 amount described in subsection (1). However, the commission shall
15 not impose the \$20,000.00 initial license fee for applicants whose
16 license eligibility was already approved on July 20, 2005.

17 (3) If the commission requires an applicant to submit
18 fingerprints, the applicant shall have the fingerprints taken by a
19 local law enforcement agency, the department of state police, or
20 any other person qualified to take fingerprints as determined by
21 the department of state police. The applicant shall submit the
22 fingerprints and the appropriate state and federal fees, which
23 shall be borne by the applicant, to the department of state police
24 and the ~~federal bureau of investigation~~ **FEDERAL BUREAU OF**
25 **INVESTIGATION** for a criminal history check. After conducting the
26 criminal history check, the department of state police shall
27 provide the commission with a report of the criminal history check.

1 The report ~~shall~~**MUST** contain criminal history record information
2 concerning the person who is the subject of the criminal history
3 check that is maintained by the department of state police. If a
4 criminal arrest fingerprint card is subsequently submitted to the
5 department of state police and matches against a fingerprint that
6 was submitted ~~pursuant to~~**UNDER** this act and stored in its
7 automated fingerprint identification system (AFIS) database, the
8 department of state police shall notify the commission.

9 (4) ~~Except in the case of any~~**FOR A** resort or resort economic
10 development license issued under section 531(2), (3), (4), or (5)
11 or a license issued under section 521a, the commission shall issue
12 an initial or renewal license not later than 90 days after the
13 applicant files a completed application. The application is
14 considered to be received the date the application is received by
15 ~~any~~**AN** agency or department of this state. If the commission
16 determines that an application is incomplete, the commission shall
17 notify the applicant in writing, or make the information
18 electronically available, within 30 days after receipt of the
19 incomplete application, describing the deficiency and requesting
20 the additional information. The determination of the completeness
21 of an application is not an approval of the application for the
22 license and does not confer eligibility ~~upon~~**ON** an applicant
23 determined otherwise ineligible for issuance of a license. The 90-
24 day period is tolled for the following periods under any of the
25 following circumstances:

26 (a) If notice is sent by the commission of a deficiency in the
27 application, until the date all of the requested information is

1 received by the commission.

2 (b) For the time required to complete actions required by a
3 person, other than the applicant or the commission, including, but
4 not limited to, completion of construction or renovation of the
5 licensed premises; mandated inspections by the commission or by any
6 state, local, or federal agency; approval by the legislative body
7 of a local unit of government; criminal history or criminal record
8 checks; financial or court record checks; or other actions mandated
9 by this act or rule or as otherwise mandated by law or local
10 ordinance.

11 (5) If the commission fails to issue or deny a license within
12 the time required by this section, the commission shall return the
13 license fee and shall reduce the license fee for the applicant's
14 next renewal application, if any, by 15%. The failure to issue a
15 license within the time required under this section does not allow
16 the commission to otherwise delay the processing of the
17 application, and that application, ~~upon~~**ON** completion, ~~shall~~**MUST**
18 be placed in sequence with other completed applications received at
19 that same time. The commission shall not discriminate against an
20 applicant in the processing of the application ~~based upon the fact~~
21 ~~that~~**BECAUSE** the license fee was refunded or discounted under this
22 subsection.

23 (6) If, in addition to a completed application under this
24 section, an applicant submits a separate form requesting a
25 conditional license with an acceptable proof of financial
26 responsibility form under section 803, and an executed property
27 document, the commission shall, after considering the arrest and

1 conviction records or previous violation history in the management,
2 operation, or ownership of a licensed business, approve or deny a
3 conditional license. A conditional license issued under subsection
4 (7) for the transfer of an existing license at the same location
5 shall include any existing permits and approvals held in connection
6 with ~~that~~**THE** license. The following applicants may request a
7 conditional license:

8 (a) An applicant seeking to transfer ownership of or interest
9 in an existing license at the same location to sell alcoholic
10 liquor for consumption on or off the premises.

11 (b) An applicant seeking an initial license other than a
12 specially designated distributor license, **A SPECIALLY DESIGNATED**
13 **MERCHANT LICENSE ISSUED UNDER SECTION 533(6)**, or a license for the
14 sale of alcoholic liquor for consumption on the premises.

15 (7) The commission shall issue a conditional license to
16 ~~applicants~~**AN APPLICANT** approved under subsection (6) within 20
17 business days after receipt of a completed application and a
18 completed conditional license request form and documentation for a
19 conditional license at a single location. The commission may take
20 up to 30 business days to issue conditional licenses to approved
21 applicants seeking conditional licenses at multiple locations.

22 (8) A conditional license approved under subsection (6) and
23 issued under subsection (7) is nontransferable and nonrenewable. A
24 conditional license approved under subsection (6) and issued under
25 subsection (7) expires when the commission issues an order of
26 denial of the license application that serves as the basis for the
27 conditional license after all administrative remedies before the

1 commission have been exhausted, expires 20 business days after the
2 commission issues an order of approval of the license application
3 that serves as the basis for the conditional license, expires when
4 the licensee or conditional licensee notifies the commission in
5 writing that the initial application should be canceled, or expires
6 1 year after the date the conditional license was issued, whichever
7 occurs first. If a conditionally approved licensee fails to
8 maintain acceptable proof of its financial responsibility, the
9 commission shall, after due notice and proper hearing, suspend the
10 conditional license until the licensee files an acceptable proof of
11 financial responsibility form under section 803. If a conditional
12 license is revoked, the conditional licensee shall not recover from
13 a unit of local government any compensation for property, future
14 income, or future economic loss due to the revocation.

15 (9) ~~Upon~~**ON** issuing a conditional license under subsection
16 (7), the commission shall, until the conditional license expires
17 under subsection (8), place an existing license under subsection
18 (4) in escrow in compliance with R 436.1107 of the Michigan
19 ~~administrative code.~~**ADMINISTRATIVE CODE.** If the conditional
20 license expires because a transfer of an existing license was
21 denied or because the license was not transferred within the 1-year
22 period, an existing licensee may do 1 of the following:

23 (a) Request that the commission release the license from
24 escrow.

25 (b) Keep the license in escrow. The escrow date for compliance
26 with R 436.1107 of the Michigan ~~administrative code shall be~~
27 **ADMINISTRATIVE CODE IS** the date the conditional license expires.

1 (10) The chair of the commission shall submit a report by
 2 December 1 of each year to the standing committees and
 3 appropriations subcommittees of the senate and house of
 4 representatives concerned with liquor license issues. The chair of
 5 the commission shall include all of the following information in
 6 the report concerning the preceding fiscal year:

7 (a) The number of initial and renewal applications the
 8 commission received and completed within the 90-day time period
 9 described in subsection (4).

10 (b) The number of applications denied.

11 (c) The number of applicants not issued a license within the
 12 90-day time period and the amount of money returned to licensees
 13 under subsection (5).

14 (11) As used in this section, "completed application" means an
 15 application complete on its face and submitted with any applicable
 16 licensing fees as well as any other information, records, approval,
 17 security, or similar item required by law or rule from a local unit
 18 of government, a federal agency, or a private entity but not from
 19 another department or agency of ~~the state of Michigan.~~**THIS STATE.**

20 Sec. 533. (1) ~~A person may apply for a specially designated~~
 21 ~~merchant license without holding or applying for any other license~~
 22 ~~under this act.~~**SUBJECT TO SUBSECTION (11), THE COMMISSION SHALL NOT**
 23 **ISSUE A NEW SPECIALLY DESIGNATED MERCHANT LICENSE OR TRANSFER AN**
 24 **EXISTING SPECIALLY DESIGNATED MERCHANT LICENSE UNLESS THE APPLICANT**
 25 **IS AN APPROVED TYPE OF BUSINESS. AN APPLICANT IS NOT AN APPROVED**
 26 **TYPE OF BUSINESS UNLESS THE APPLICANT MEETS 1 OR MORE OF THE**
 27 **FOLLOWING CONDITIONS:**

1 (A) THE APPLICANT HOLDS AND MAINTAINS A RETAIL FOOD
2 ESTABLISHMENT LICENSE ISSUED UNDER THE FOOD LAW, 2000 PA 92, MCL
3 289.1101 TO 289.8111. AS USED IN THIS SUBDIVISION, "RETAIL FOOD
4 ESTABLISHMENT" MEANS THAT TERM AS DEFINED IN SECTION 1111 OF THE
5 FOOD LAW, 2000 PA 92, MCL 289.1111.

6 (B) THE APPLICANT HOLDS AND MAINTAINS AN EXTENDED RETAIL FOOD
7 ESTABLISHMENT LICENSE ISSUED UNDER THE FOOD LAW, 2000 PA 92, MCL
8 289.1101 TO 289.8111. AS USED IN THIS SUBDIVISION, "EXTENDED RETAIL
9 FOOD ESTABLISHMENT" MEANS THAT TERM AS DEFINED IN SECTION 1107 OF
10 THE FOOD LAW, 2000 PA 92, MCL 289.1107.

11 (C) THE APPLICANT HOLDS OR THE COMMISSION APPROVES THE
12 ISSUANCE OF A SPECIALLY DESIGNATED DISTRIBUTOR LICENSE TO THE
13 APPLICANT.

14 (D) THE APPLICANT HOLDS OR THE COMMISSION APPROVES THE
15 ISSUANCE OF A CLASS C LICENSE TO THE APPLICANT.

16 (E) THE APPLICANT HOLDS OR THE COMMISSION APPROVES THE
17 ISSUANCE OF A CLASS A HOTEL LICENSE TO THE APPLICANT.

18 (F) THE APPLICANT HOLDS OR THE COMMISSION APPROVES THE
19 ISSUANCE OF A CLASS B HOTEL LICENSE TO THE APPLICANT.

20 (G) THE APPLICANT HOLDS OR THE COMMISSION APPROVES THE
21 ISSUANCE OF A CLUB LICENSE TO THE APPLICANT.

22 (H) THE APPLICANT HOLDS OR THE COMMISSION APPROVES THE
23 ISSUANCE OF A TAVERN LICENSE TO THE APPLICANT.

24 (I) THE APPLICANT HOLDS OR THE COMMISSION APPROVES THE
25 ISSUANCE OF A CLASS G-1 LICENSE TO THE APPLICANT.

26 (J) THE APPLICANT HOLDS OR THE COMMISSION APPROVES THE
27 ISSUANCE OF A CLASS G-2 LICENSE TO THE APPLICANT.

1 (2) ~~An applicant for a class C, class A hotel, class B hotel,~~
 2 ~~class C-1, class C-2, tavern, or A~~ specially designated distributor
 3 ~~license or a retailer licensed under this act to sell alcoholic~~
 4 ~~liquor~~ may apply for a license as a specially designated merchant.

5 (3) An applicant for a specially designated merchant license
 6 not in conjunction with an on-premises license, except as provided
 7 in section 229(1), or a person licensed under this act as a
 8 specially designated merchant only or a class B hotel may apply for
 9 a license as a specially designated distributor.

10 (4) In cities, incorporated villages, or townships, the
 11 commission shall issue only 1 specially designated distributor
 12 license for each 3,000 of population, or fraction of 3,000. The
 13 commission may waive the quota requirement **UNDER THIS SUBSECTION** if
 14 there is no existing specially designated distributor licensee
 15 within 2 miles of the applicant, measured along the nearest traffic
 16 route.

17 **(5) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, IN CITIES,**
 18 **INCORPORATED VILLAGES, OR TOWNSHIPS, THE COMMISSION SHALL ISSUE**
 19 **ONLY 1 SPECIALLY DESIGNATED MERCHANT LICENSE FOR EACH 1,000 OF**
 20 **POPULATION. THE QUOTA UNDER THIS SUBSECTION DOES NOT APPLY TO ANY**
 21 **OF THE FOLLOWING:**

22 **(A) AN APPLICANT FOR A SPECIALLY DESIGNATED MERCHANT LICENSE**
 23 **THAT IS AN APPLICANT FOR OR THE HOLDER OF A LICENSE LISTED IN**
 24 **SUBSECTION (1) (D) TO (J) .**

25 **(B) AN APPLICANT FOR OR THE HOLDER OF A SPECIALLY DESIGNATED**
 26 **MERCHANT LICENSE WHOSE LICENSED ESTABLISHMENT MEETS 1 OR MORE OF**
 27 **THE FOLLOWING CONDITIONS:**

1 (i) MEETS BOTH OF THE FOLLOWING CONDITIONS:

2 (A) THE LICENSED ESTABLISHMENT IS AT LEAST 20,000 SQUARE FEET.

3 (B) THE LICENSED ESTABLISHMENT'S GROSS RECEIPTS DERIVED FROM
4 THE SALE OF FOOD ARE AT LEAST 20% OF THE TOTAL GROSS RECEIPTS.

5 (ii) THE LICENSED ESTABLISHMENT IS ALSO A PHARMACY AS THAT
6 TERM IS DEFINED IN SECTION 17707 OF THE PUBLIC HEALTH CODE, 1978 PA
7 368, MCL 333.17707.

8 (C) A SECONDARY LOCATION PERMIT ISSUED TO A SPECIALLY
9 DESIGNATED MERCHANT UNDER SECTION 541.

10 (D) A SPECIALLY DESIGNATED MERCHANT LICENSE ISSUED TO A MARINA
11 UNDER SECTION 539.

12 (6) THE COMMISSION MAY WAIVE THE QUOTA UNDER SUBSECTION (5) IF
13 THERE IS NO EXISTING SPECIALLY DESIGNATED MERCHANT WITHIN 2 MILES
14 OF THE APPLICANT, MEASURED ALONG THE NEAREST TRAFFIC ROUTE.

15 (7) A SPECIALLY DESIGNATED MERCHANT LICENSE ISSUED UNDER THIS
16 SECTION MAY BE TRANSFERRED TO AN APPLICANT WHOSE PROPOSED OPERATION
17 IS LOCATED WITHIN ANY LOCAL GOVERNMENTAL UNIT IN A COUNTY IN WHICH
18 THE SPECIALLY DESIGNATED MERCHANT LICENSE WAS LOCATED. IF THE LOCAL
19 GOVERNMENTAL UNIT WITHIN WHICH THE FORMER LICENSEE'S PREMISES WERE
20 LOCATED SPANS MORE THAN 1 COUNTY, A SPECIALLY DESIGNATED MERCHANT
21 LICENSE MAY BE TRANSFERRED TO AN APPLICANT WHOSE PROPOSED OPERATION
22 IS LOCATED WITHIN ANY LOCAL GOVERNMENTAL UNIT IN EITHER COUNTY. IF
23 A SPECIALLY DESIGNATED MERCHANT LICENSE IS TRANSFERRED TO A LOCAL
24 GOVERNMENTAL UNIT OTHER THAN THAT LOCAL GOVERNMENTAL UNIT WITHIN
25 WHICH THE SPECIALLY DESIGNATED MERCHANT LICENSE WAS ORIGINALLY
26 ISSUED, THE COMMISSION SHALL COUNT THAT TRANSFERRED SPECIALLY
27 DESIGNATED MERCHANT LICENSE AGAINST THE LOCAL GOVERNMENTAL UNIT

1 ORIGINALLY ISSUING THE SPECIALLY DESIGNATED MERCHANT LICENSE.

2 (8) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (9), THE QUOTA
3 UNDER SUBSECTION (5) DOES NOT BAR THE RIGHT OF AN EXISTING
4 SPECIALLY DESIGNATED MERCHANT TO RENEW THE SPECIALLY DESIGNATED
5 MERCHANT LICENSE OR TRANSFER THE SPECIALLY DESIGNATED MERCHANT
6 LICENSE. THIS SUBSECTION APPLIES TO A SPECIALLY DESIGNATED MERCHANT
7 LICENSE ISSUED OR RENEWED BEFORE, ON, OR AFTER THE EFFECTIVE DATE
8 OF THE AMENDATORY ACT THAT ADDED SUBSECTION (5).

9 (9) A SPECIALLY DESIGNATED MERCHANT LICENSE ISSUED AFTER THE
10 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (5) TO A
11 PERSON DESCRIBED IN SUBSECTION (5) (A) OR (B) OR A SPECIALLY
12 DESIGNATED MERCHANT LICENSE ISSUED UNDER SUBSECTION (6) AFTER THE
13 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (5) MAY
14 NOT BE TRANSFERRED TO ANOTHER LOCATION.

15 (10) AN APPLICANT FOR OR THE HOLDER OF A SPECIALLY DESIGNATED
16 MERCHANT LICENSE THAT OWNS OR OPERATES A MOTOR VEHICLE FUEL PUMP ON
17 OR ADJACENT TO THE LICENSED PREMISES IS NOT REQUIRED TO MEET THE
18 CONDITIONS UNDER SECTION 541 AS THAT SECTION EXISTED BEFORE THE
19 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (5).

20 (11) FOR A MARINA THAT MAINTAINS MOTOR VEHICLE FUEL PUMPS ON
21 OR ADJACENT TO THE LICENSED PREMISES, OR MAINTAINS A FINANCIAL
22 INTEREST IN ANY MOTOR VEHICLE FUEL PUMPS, THE COMMISSION MAY ONLY
23 ISSUE A SPECIAL DESIGNATED MERCHANT LICENSE TO THE MARINA UNDER
24 SECTION 539.

25 (12) FOR PURPOSES OF THIS SECTION, POPULATION IS DETERMINED BY
26 THE LAST FEDERAL DECENNIAL CENSUS, BY A SPECIAL CENSUS UNDER
27 SECTION 6 OF THE HOME RULE CITY ACT, 1909 PA 279, MCL 117.6, OR

1 SECTION 7 OF THE GLENN STEIL STATE REVENUE SHARING ACT OF 1971,
 2 1971 PA 140, MCL 141.907, OR BY THE LATEST CENSUS AND CORRECTIONS
 3 PUBLISHED BY THE UNITED STATES DEPARTMENT OF COMMERCE, BUREAU OF
 4 THE CENSUS, WHICHEVER IS LATER.

5 Sec. 539. A marina that is situated on 1 of the Great Lakes,
 6 on that part of an inland waterway or tributary connected to and
 7 navigable to 1 of the Great Lakes, or on a Great Lakes connecting
 8 waterway may be issued a license as a specially designated merchant
 9 or specially designated distributor, notwithstanding the fact that
 10 the marina maintains motor vehicle fuel pumps on or adjacent to the
 11 licensed premises, or maintains a financial interest in any motor
 12 vehicle fuel pumps, if ~~both~~**ALL** of the following conditions are
 13 met:

14 (a) The marina's primary business is the sale of boats or the
 15 provision of services and supplies to recreational power cruisers
 16 and sailboats of the type that typically travel on the Great Lakes.

17 (b) The fuel pumps are used for dispensing fuel only to boats
 18 described in subdivision (a).

19 **(C) THE MARINA IS AN APPROVED TYPE OF BUSINESS AS PROVIDED IN**
 20 **SECTION 533(1).**

21 Sec. 541. (1) Except as provided in **SECTION 539 OR** subsections
 22 (2) to ~~(6)~~, **(5)**, the commission shall not allow an applicant for or
 23 the holder of a specially designated distributor license ~~or~~
 24 ~~specially designated merchant license from owning or operating~~ **TO**
 25 **OWN OR OPERATE** motor vehicle fuel pumps on or adjacent to the
 26 licensed premises, unless both of the following conditions are met:

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

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

3 (ii) ~~Subject to subsection (9), the~~ **THE** applicant or licensee
4 maintains a minimum inventory on the premises, excluding alcoholic
5 liquor and motor vehicle fuel, of not less than \$250,000.00, at
6 cost, of those goods and services customarily marketed by approved
7 types of businesses.

8 (b) The site of payment **OF ALCOHOLIC LIQUOR** and selection of
9 alcoholic liquor is not less than 5 feet from that point where
10 motor vehicle fuel is dispensed.

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

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

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

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

27 ~~(3) The commission shall not prohibit an applicant for or the~~

1 ~~holder of a specially designated merchant license from owning or~~
 2 ~~operating motor vehicle fuel pumps on or adjacent to the licensed~~
 3 ~~premises if both of the following conditions are met:~~

4 ~~—— (a) The applicant or licensee is located in any of the~~
 5 ~~following:~~

6 ~~—— (i) A city, incorporated village, or township with a~~
 7 ~~population of 3,500 or less and a county with a population of~~
 8 ~~31,000 or more.~~

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

12 ~~—— (iii) A township in which the applicant or licensee is the~~
 13 ~~only person that owns or operates motor fuel pumps within the~~
 14 ~~township on the date of application. The commission shall not~~
 15 ~~revoke a license that was granted under this subparagraph if a~~
 16 ~~second person that owns or operates motor fuel pumps opens within~~
 17 ~~the township after the original application was filed.~~

18 ~~—— (b) The applicant or licensee maintains a minimum inventory on~~
 19 ~~the premises, excluding alcoholic liquor and motor vehicle fuel, of~~
 20 ~~not less than \$10,000.00, at cost, of those goods and services~~
 21 ~~customarily marketed by approved types of businesses.~~

22 **(3)** ~~(4)~~ The commission shall not prohibit an applicant for or
 23 the holder of a specially designated distributor license from
 24 owning or operating motor vehicle fuel pumps on or adjacent to the
 25 licensed premises if both of the following conditions are met:

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

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

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

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

11 (4) ~~(5)~~—A person that was issued a specially designated
12 merchant license or specially designated distributor license at a
13 location at which another person owned, operated or maintained
14 motor vehicle fuel pumps at the same location may have or acquire
15 an interest in the ownership, operation or maintenance of those
16 motor vehicle fuel pumps.

17 (5) ~~(6)~~—The commission may transfer ownership of a specially
18 designated merchant license or specially designated distributor
19 license to a person that owns or is acquiring an interest in motor
20 vehicle fuel pumps already in operation at the same location at
21 which the license is issued.

22 (6) **THE COMMISSION SHALL NOT PROHIBIT AN APPLICANT FOR OR THE**
23 **HOLDER OF A SPECIALLY DESIGNATED MERCHANT LICENSE FROM OWNING OR**
24 **OPERATING MOTOR VEHICLE FUEL PUMPS ON OR ADJACENT TO THE LICENSED**
25 **PREMISES IF THE SITE OF PAYMENT OF ALCOHOLIC LIQUOR AND SELECTION**
26 **OF ALCOHOLIC LIQUOR IS NOT LESS THAN 5 FEET FROM THAT POINT WHERE**
27 **MOTOR VEHICLE FUEL IS DISPENSED. THIS SUBSECTION DOES NOT APPLY TO**

1 **A SPECIALLY DESIGNATED MERCHANT LICENSE ISSUED TO A MARINA UNDER**
2 **SECTION 539.**

3 (7) If a specially designated merchant's licensed premises are
4 a primary location, the commission may issue a secondary location
5 permit to the specially designated merchant, as an extension of the
6 specially designated merchant's license, for the sale of beer,
7 wine, or both, at the secondary location. The commission shall
8 issue a secondary location permit only to a specially designated
9 merchant to which both of the 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. ~~under subsection (1).~~

17 (8) An applicant for a secondary location permit shall submit
18 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 ~~(1)(b)~~. **(6)**. 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

1 application.

2 ~~— (9) After a specially designated merchant is issued a~~
 3 ~~secondary location permit under subsection (7) and if the specially~~
 4 ~~designated merchant's licensed premises are a primary location that~~
 5 ~~is not a neighborhood shopping center, for purposes of determining~~
 6 ~~the minimum inventory condition described in subsection (1) (a) (ii),~~
 7 ~~the primary location and the secondary location are considered 1~~
 8 ~~premises.~~

9 (9) ~~(10)~~ After a specially designated merchant is issued a
 10 secondary location permit under subsection (7), if a subsidiary or
 11 affiliate of the specially designated merchant owns or operates the
 12 secondary location and the subsidiary or affiliate shares the same
 13 ultimate controlling party of the specially designated merchant,
 14 the secondary location may receive and sell beer, wine, or both
 15 under the specially designated merchant's license.

16 (10) ~~(11)~~ The holder of a secondary location permit shall
 17 prominently display the secondary location permit at the secondary
 18 location in the point-of-sale area.

19 (11) ~~(12)~~ As used in this section:

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

26 (b) "Primary location" means licensed premises that ~~meet~~ **MEETS**
 27 **BOTH OF** the **FOLLOWING** conditions: ~~under subsection (1).~~

1 (i) ONE OR BOTH OF THE FOLLOWING CONDITIONS EXIST:

2 (A) THE APPLICANT OR LICENSEE IS LOCATED IN A NEIGHBORHOOD
3 SHOPPING CENTER.

4 (B) THE APPLICANT OR LICENSEE MAINTAINS A MINIMUM INVENTORY ON
5 THE PREMISES, EXCLUDING ALCOHOLIC LIQUOR AND MOTOR VEHICLE FUEL, OF
6 NOT LESS THAN \$250,000.00, AT COST, OF THOSE GOODS AND SERVICES
7 CUSTOMARILY MARKETED BY APPROVED TYPES OF BUSINESSES.

8 (ii) THE SITE OF PAYMENT OF ALCOHOLIC LIQUOR AND SELECTION OF
9 ALCOHOLIC LIQUOR IS NOT LESS THAN 5 FEET FROM THAT POINT WHERE
10 MOTOR VEHICLE FUEL IS DISPENSED.

11 (c) "Secondary location" means a business operation of the
12 holder of a specially designated merchant license for a primary
13 location, or a subsidiary or affiliate of that license holder, that
14 takes place on real property, that includes at least 1 building and
15 1 or more motor vehicle fuel pumps, and that is located on or
16 adjacent to the primary location. ~~Upon~~**ON** commission approval of
17 the secondary location permit, the secondary location is considered
18 licensed premises and an extension of the licensed primary
19 location.

20 Sec. 543. (1) Quarterly, ~~upon~~**ON THE COMMISSION'S**
21 recommendation, ~~of the commission,~~ the state shall pay pursuant to
22 appropriation in the manner prescribed by law to the city, village,
23 or township in which a full-time police department or full-time
24 ordinance enforcement department is maintained or, if a police
25 department or full-time ordinance enforcement department is not
26 maintained, to the county, to be credited to the sheriff's
27 department of the county in which the licensed premises are

1 located, 55% of the amount of the proceeds of the retailers'
 2 license fees and license renewal fees collected in that
 3 jurisdiction, for the specific purpose of enforcing this act and
 4 the rules promulgated under this act. Forty-one and one-half
 5 percent of the amount of the proceeds of retailers' license and
 6 license renewal fees collected ~~shall~~**MUST** be deposited in a special
 7 fund to be annually appropriated to the commission for carrying out
 8 the licensing and enforcement provisions of this act. Any
 9 unencumbered or uncommitted money in the special fund ~~shall~~**MUST**
 10 revert to the general fund of ~~the~~**THIS** state 12 months after the
 11 end of each fiscal year in which the ~~funds were~~**MONEY WAS**
 12 collected. The legislature shall appropriate 3-1/2% of the amount
 13 of the proceeds of retailers' license and license renewal fees
 14 collected to be credited to a special fund in the state treasury
 15 for the purposes of promoting and sustaining programs for the
 16 prevention, rehabilitation, care, and treatment of alcoholics. This
 17 subsection does not apply to retail license fees collected for
 18 railroad or Pullman cars, watercraft, aircraft, or wine auctions or
 19 to the transfer fees provided in section 529.

20 (2) All license and license renewal fees, other than retail
 21 license and license renewal fees **AND WHOLESALE VENDOR LICENSE AND**
 22 **LICENSE RENEWAL FEES**, ~~shall~~**MUST** be credited to the grape and wine
 23 industry council created in section 303, to be used as provided in
 24 section 303. Money credited to the grape and wine industry council
 25 ~~shall~~**MUST** not revert to the ~~state~~ general fund at the close of the
 26 fiscal year, but ~~shall~~**MUST** remain in the account to which it was
 27 credited to be used as provided in section 303.

1 (3) All retail license fees collected for railroad or Pullman
2 cars, watercraft, or aircraft and the transfer fees provided in
3 section 529 ~~shall~~**MUST** be deposited in the special fund created in
4 subsection (1) for carrying out the licensing and enforcement
5 provisions of this act.

6 (4) The license fee enhancement imposed for licenses issued
7 under section 531(3) and (4) ~~shall~~**MUST** be deposited into a special
8 fund to be annually appropriated to the commission for enforcement
9 and other related projects determined appropriate by the
10 commission. The money representing that amount of the license fees
11 for identical licenses not issued under section 531(3) and (4)
12 ~~shall~~**MUST** be allocated and appropriated under subsection (1).

13 (5) The license fee imposed on direct shipper licenses and any
14 violation fines imposed by the commission ~~shall~~**MUST** be deposited
15 into the direct shipper enforcement revolving fund. The direct
16 shipper enforcement revolving fund is created within the state
17 treasury. The state treasurer shall direct the investment of the
18 fund. The state treasurer shall credit to the fund interest and
19 earnings from fund investments. Money in the fund at the close of
20 the fiscal year ~~shall~~**MUST** remain in the fund and ~~shall~~**MUST** not
21 lapse to the general fund. The commission shall expend money from
22 the fund, ~~upon~~**ON** appropriation, only for enforcement of the
23 provisions of section 203 and related projects.

24 (6) One hundred percent of the wine auction license fee
25 imposed in section 525(1)(aa) ~~shall~~**MUST** be deposited into the
26 general fund.

27 ~~— (7) As used in this section, "license fee enhancement" means~~

1 ~~the money representing the difference between the license fee~~
2 ~~imposed for a license under section 525(1) and the additional~~
3 ~~amount imposed for resort and resort economic development licenses~~
4 ~~under section 525(2).~~

5 (7) ~~(8)~~ Notwithstanding any other provision of this section,
6 the additional \$160.00 license fee imposed ~~upon any~~ **ON A** licensee
7 selling alcoholic liquor between the hours of 7 a.m. on Sunday and
8 12 noon on Sunday is allocated to the general fund.

9 (8) **WHOLESALE VENDOR LICENSE FEES AND LICENSE RENEWAL FEES**
10 **MUST BE DEPOSITED INTO THE LIQUOR CONTROL ENFORCEMENT AND LICENSE**
11 **INVESTIGATION REVOLVING FUND CREATED UNDER SUBSECTION (9).**

12 (9) **THE LIQUOR CONTROL ENFORCEMENT AND LICENSE INVESTIGATION**
13 **REVOLVING FUND IS CREATED WITHIN THE STATE TREASURY. THE STATE**
14 **TREASURER SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE**
15 **TREASURER SHALL CREDIT TO THE FUND INTEREST AND EARNINGS FROM FUND**
16 **INVESTMENTS. MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR MUST**
17 **REMAIN IN THE FUND AND MUST NOT LAPSE TO THE GENERAL FUND. THE**
18 **COMMISSION SHALL EXPEND MONEY FROM THE FUND, ON APPROPRIATION, ONLY**
19 **FOR ENFORCEMENT OF THIS ACT AND THE RULES PROMULGATED UNDER THIS**
20 **ACT AND FOR LICENSE INVESTIGATIONS. THE COMMISSION SHALL NOT USE**
21 **MORE THAN 35% OF THE MONEY APPROPRIATED TO THE FUND UNDER THIS**
22 **SUBSECTION TO CARRY OUT THE LICENSING PROVISIONS OF THIS ACT.**

23 (10) AS USED IN THIS SECTION, "LICENSE FEE ENHANCEMENT" MEANS
24 THE MONEY REPRESENTING THE DIFFERENCE BETWEEN THE LICENSE FEE
25 IMPOSED FOR A LICENSE UNDER SECTION 525(1) AND THE ADDITIONAL
26 AMOUNT IMPOSED FOR RESORT AND RESORT ECONOMIC DEVELOPMENT LICENSES
27 UNDER SECTION 525(2).

1 SEC. 903B. A RETAILER VIOLATES THIS ACT IF THE RETAILER OR THE
2 RETAILER'S CLERK, SERVANT, AGENT, OR EMPLOYEE MAKES A PAYMENT TO A
3 WHOLESALE, THE COMMISSION, OR THIS STATE BY ANY MEANS THAT HAS
4 BEEN DISHONORED BY A FINANCIAL INSTITUTION FOR LACK OF SUFFICIENT
5 FUNDS.

6 Enacting section 1. This amendatory act takes effect January
7 1, 2017.