

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, 541, and 543 (MCL 436.1525, 436.1533, 436.1541, and 436.1543), section 525 as amended by 2014 PA 353, section 533 as amended by 1998 PA 416, 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 **MAY** not exceed \$750.00 for any 1 club.

12 (q) Warehousemen, 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~~ **MAY** 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 or a license for the sale
13 of alcoholic liquor for consumption on the premises.

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

21 **HOWEVER, FOR AN APPLICANT DESCRIBED UNDER THIS SUBSECTION THAT IS**
22 **SEEKING A SPECIALLY DESIGNATED MERCHANT LICENSE UNDER SECTION**
23 **533(6), THE COMMISSION MAY TAKE UP TO 45 BUSINESS DAYS TO ISSUE A**
24 **CONDITIONAL LICENSE.**

25 (8) A conditional license approved under subsection (6) and
26 issued under subsection (7) is nontransferable and nonrenewable. A
27 conditional license approved under subsection (6) and issued under

1 subsection (7) expires when the commission issues an order of
2 denial of the license application that serves as the basis for the
3 conditional license after all administrative remedies before the
4 commission have been exhausted, expires 20 business days after the
5 commission issues an order of approval of the license application
6 that serves as the basis for the conditional license **OR 45 BUSINESS**
7 **DAYS AFTER THE COMMISSION ISSUES AN ORDER OF APPROVAL OF THE**
8 **LICENSE APPLICATION FOR A SPECIALLY DESIGNATED MERCHANT LICENSE**
9 **UNDER SECTION 533(6) THAT SERVES AS THE BASIS FOR THE CONDITIONAL**
10 **LICENSE**, expires when the licensee or conditional licensee notifies
11 the commission in writing that the initial application should be
12 canceled, or expires 1 year after the date the conditional license
13 was issued, whichever occurs first. If a conditionally approved
14 licensee fails to maintain acceptable proof of its financial
15 responsibility, the commission shall, after due notice and proper
16 hearing, suspend the conditional license until the licensee files
17 an acceptable proof of financial responsibility form under section
18 803. If a conditional license is revoked, the conditional licensee
19 shall not recover from a unit of local government any compensation
20 for property, future income, or future economic loss due to the
21 revocation.

22 (9) ~~Upon~~ **ON** issuing a conditional license under subsection
23 (7), the commission shall, until the conditional license expires
24 under subsection (8), place an existing license under subsection
25 (4) in escrow in compliance with R 436.1107 of the Michigan
26 ~~administrative code.~~ **ADMINISTRATIVE CODE**. If the conditional
27 license expires because a transfer of an existing license was

1 denied or because the license was not transferred within the 1-year
2 period, an existing licensee may do 1 of the following:

3 (a) Request that the commission release the license from
4 escrow.

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

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

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

17 (b) The number of applications denied.

18 (c) The number of applicants not issued a license within the
19 90-day time period and the amount of money returned to licensees
20 under subsection (5).

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

27 Sec. 533. (1) ~~A retail vendor licensed under this act to sell~~

1 ~~for consumption on the premises may apply for a license as a~~
2 ~~specially designated merchant.~~ THE COMMISSION SHALL NOT ISSUE A NEW
3 SPECIALLY DESIGNATED MERCHANT LICENSE OR TRANSFER AN EXISTING
4 SPECIALLY DESIGNATED MERCHANT LICENSE UNLESS THE APPLICANT IS AN
5 APPROVED TYPE OF BUSINESS. AN APPLICANT IS NOT AN APPROVED TYPE OF
6 BUSINESS UNLESS THE APPLICANT MEETS 1 OR MORE OF THE FOLLOWING
7 CONDITIONS:

8 (A) THE APPLICANT HOLDS AND MAINTAINS A RETAIL FOOD
9 ESTABLISHMENT LICENSE ISSUED UNDER THE FOOD LAW, 2000 PA 92, MCL
10 289.1101 TO 289.8111. AS USED IN THIS SUBDIVISION, "RETAIL FOOD
11 ESTABLISHMENT" MEANS THAT TERM AS DEFINED IN SECTION 1111 OF THE
12 FOOD LAW, 2000 PA 92, MCL 289.1111.

13 (B) THE APPLICANT HOLDS AND MAINTAINS AN EXTENDED RETAIL FOOD
14 ESTABLISHMENT LICENSE ISSUED UNDER THE FOOD LAW, 2000 PA 92, MCL
15 289.1101 TO 289.8111. AS USED IN THIS SUBDIVISION, "EXTENDED RETAIL
16 FOOD ESTABLISHMENT" MEANS THAT TERM AS DEFINED IN SECTION 1107 OF
17 THE FOOD LAW, 2000 PA 92, MCL 289.1107.

18 (C) THE APPLICANT HOLDS OR THE COMMISSION APPROVES THE
19 ISSUANCE OF A SPECIALLY DESIGNATED DISTRIBUTOR LICENSE TO THE
20 APPLICANT.

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

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

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

27 (G) THE APPLICANT HOLDS OR THE COMMISSION APPROVES THE

1 ISSUANCE OF A CLUB LICENSE TO THE APPLICANT.

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

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

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

8 (2) A specially designated distributor may apply for a license
9 as a specially designated merchant.

10 (3) 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~~ or fraction of 3,000 ~~OF~~
13 ~~POPULATION~~. The ~~COMMISSION MAY WAIVE THE~~ quota ~~requirement~~ may be
14 ~~waived at the discretion of the commission~~ ~~UNDER THIS SUBSECTION~~ if
15 there is no existing specially designated distributor licensee
16 within 2 miles of the applicant, measured along the nearest traffic
17 route.

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

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

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

1 THE FOLLOWING CONDITIONS:

2 (i) MEETS BOTH OF THE FOLLOWING CONDITIONS:

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

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

6 (ii) THE LICENSED ESTABLISHMENT IS ALSO A PHARMACY AS THAT
7 TERM IS DEFINED IN SECTION 17707 OF THE PUBLIC HEALTH CODE, 1978 PA
8 368, MCL 333.17707.

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

11 (D) A SPECIALLY DESIGNATED MERCHANT LICENSE ISSUED UNDER
12 SUBSECTION (6).

13 (E) A SPECIALLY DESIGNATED MERCHANT LICENSE ISSUED TO A MARINA
14 UNDER SECTION 539.

15 (5) THE COMMISSION MAY WAIVE THE QUOTA UNDER SUBSECTION (4) IF
16 THERE IS NO EXISTING SPECIALLY DESIGNATED MERCHANT WITHIN 2 MILES
17 OF THE APPLICANT, MEASURED ALONG THE NEAREST TRAFFIC ROUTE.

18 (6) THE COMMISSION SHALL WAIVE THE QUOTA UNDER SUBSECTION (4)
19 IF BOTH OF THE FOLLOWING APPLY:

20 (A) THE APPLICANT APPLIES FOR THE SPECIALLY DESIGNATED
21 MERCHANT LICENSE WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF THE
22 AMENDATORY ACT THAT ADDED SUBSECTION (4).

23 (B) THE APPLICANT IS A RETAIL DEALER THAT HOLDS A LICENSE
24 ISSUED UNDER SECTION 6(1) OF THE MOTOR FUELS QUALITY ACT, 1984 PA
25 44, MCL 290.646. HOWEVER, THIS SUBDIVISION DOES NOT APPLY IF THE
26 APPLICANT IS A MARINA THAT MEETS THE CONDITIONS UNDER SECTION
27 539(A) AND (B). THE APPLICANT SHALL INCLUDE A COPY OF THE LICENSE

1 DESCRIBED IN THIS SUBDIVISION WITH THE APPLICANT'S APPLICATION
2 UNDER THIS SUBSECTION. AS USED IN THIS SUBDIVISION, "RETAIL DEALER"
3 MEANS THAT TERM AS DEFINED IN SECTION 2 OF THE MOTOR FUELS QUALITY
4 ACT, 1984 PA 44, MCL 290.642.

5 (7) A SPECIALLY DESIGNATED MERCHANT LICENSE ISSUED UNDER THIS
6 SECTION MAY BE TRANSFERRED TO AN APPLICANT WHOSE PROPOSED OPERATION
7 IS LOCATED WITHIN ANY LOCAL GOVERNMENTAL UNIT IN A COUNTY IN WHICH
8 THE SPECIALLY DESIGNATED MERCHANT LICENSE WAS LOCATED. IF THE LOCAL
9 GOVERNMENTAL UNIT WITHIN WHICH THE FORMER LICENSEE'S PREMISES WERE
10 LOCATED SPANS MORE THAN 1 COUNTY, A SPECIALLY DESIGNATED MERCHANT
11 LICENSE MAY BE TRANSFERRED TO AN APPLICANT WHOSE PROPOSED OPERATION
12 IS LOCATED WITHIN ANY LOCAL GOVERNMENTAL UNIT IN EITHER COUNTY. IF
13 A SPECIALLY DESIGNATED MERCHANT LICENSE IS TRANSFERRED TO A LOCAL
14 GOVERNMENTAL UNIT OTHER THAN THAT LOCAL GOVERNMENTAL UNIT WITHIN
15 WHICH THE SPECIALLY DESIGNATED MERCHANT LICENSE WAS ORIGINALLY
16 ISSUED, THE COMMISSION SHALL COUNT THAT TRANSFERRED SPECIALLY
17 DESIGNATED MERCHANT LICENSE AGAINST THE LOCAL GOVERNMENTAL UNIT
18 ORIGINALLY ISSUING THE SPECIALLY DESIGNATED MERCHANT LICENSE.

19 (8) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (9), THE QUOTA
20 UNDER SUBSECTION (4) DOES NOT BAR THE RIGHT OF AN EXISTING
21 SPECIALLY DESIGNATED MERCHANT TO RENEW THE SPECIALLY DESIGNATED
22 MERCHANT LICENSE OR TRANSFER THE SPECIALLY DESIGNATED MERCHANT
23 LICENSE. THIS SUBSECTION APPLIES TO A SPECIALLY DESIGNATED MERCHANT
24 LICENSE ISSUED OR RENEWED BEFORE, ON, OR AFTER THE EFFECTIVE DATE
25 OF THE AMENDATORY ACT THAT ADDED SUBSECTION (4).

26 (9) A SPECIALLY DESIGNATED MERCHANT LICENSE ISSUED AFTER THE
27 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (4) TO A

1 PERSON DESCRIBED IN SUBSECTION (4) (A) OR (B) OR A SPECIALLY
2 DESIGNATED MERCHANT LICENSE ISSUED UNDER SUBSECTION (5) AFTER THE
3 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (4) MAY
4 NOT BE TRANSFERRED TO ANOTHER LOCATION.

5 (10) AN APPLICANT FOR OR THE HOLDER OF A SPECIALLY DESIGNATED
6 MERCHANT LICENSE THAT OWNS OR OPERATES A MOTOR VEHICLE FUEL PUMP ON
7 OR ADJACENT TO THE LICENSED PREMISES IS NOT REQUIRED TO MEET THE
8 CONDITIONS UNDER SECTION 541 AS THAT SECTION EXISTED BEFORE THE
9 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (4).

10 (11) FOR PURPOSES OF THIS SECTION, POPULATION IS DETERMINED BY
11 THE LAST FEDERAL DECENNIAL CENSUS, BY A SPECIAL CENSUS UNDER
12 SECTION 6 OF THE HOME RULE CITY ACT, 1909 PA 279, MCL 117.6, OR
13 SECTION 7 OF THE GLENN STEIL STATE REVENUE SHARING ACT OF 1971,
14 1971 PA 140, MCL 141.907, OR BY THE LATEST CENSUS AND CORRECTIONS
15 PUBLISHED BY THE UNITED STATES DEPARTMENT OF COMMERCE, BUREAU OF
16 THE CENSUS, WHICHEVER IS LATER.

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

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

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

26 (ii) ~~Subject to subsection (9), the~~ **THE** applicant or licensee
27 maintains a minimum inventory on the premises, excluding alcoholic

1 liquor and motor vehicle fuel, of not less than \$250,000.00, at
2 cost, of those goods and services customarily marketed by approved
3 types of businesses.

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

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

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

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

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

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

27 ~~—— (a) The applicant or licensee is located in any of the~~

1 following:

2 ~~—— (i) A city, incorporated village, or township with a~~
3 ~~population of 3,500 or less and a county with a population of~~
4 ~~31,000 or more.~~

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

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

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

18 (3) ~~(4)~~—The commission shall not prohibit an applicant for or
19 the holder of a specially designated distributor license from
20 owning or operating motor vehicle fuel pumps on or adjacent to the
21 licensed premises if both of the following conditions are met:

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

24 (i) A city, incorporated village, or township with a
25 population of 3,500 or less and a county with a population of
26 31,000 or more.

27 (ii) A city, incorporated village, or township with a

1 population of 4,000 or less and a county with a population of less
2 than 31,000.

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

7 (4) ~~(5)~~—A person that was issued a specially designated
8 merchant license or specially designated distributor license at a
9 location at which another person owned, operated or maintained
10 motor vehicle fuel pumps at the same location may have or acquire
11 an interest in the ownership, operation or maintenance of those
12 motor vehicle fuel pumps.

13 (5) ~~(6)~~—The commission may transfer ownership of a specially
14 designated merchant license or specially designated distributor
15 license to a person that owns or is acquiring an interest in motor
16 vehicle fuel pumps already in operation at the same location at
17 which the license is issued.

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

24 (7) If a specially designated merchant's licensed premises are
25 a primary location, the commission may issue a secondary location
26 permit to the specially designated merchant, as an extension of the
27 specially designated merchant's license, for the sale of beer,

1 wine, or both, at the secondary location. The commission shall
2 issue a secondary location permit only to a specially designated
3 merchant to which both of the following apply:

4 (a) The holder of the specially designated merchant license
5 for the primary location premises or a subsidiary or affiliate of
6 the license holder owns or leases the secondary location.

7 (b) The holder of the specially designated merchant license
8 for the primary location or a subsidiary or affiliate of the
9 license holder owns or operates motor vehicle fuel pumps at the
10 secondary location. ~~under subsection (1).~~

11 (8) An applicant for a secondary location permit shall submit
12 an application to the commission in a format provided by the
13 commission and accompanied by an application and initial permit fee
14 of \$100.00. The application must include a diagram of the secondary
15 location with building dimensions and a depiction of the distance
16 measurement described in subsection ~~(1)(b)~~. ~~(6)~~. The secondary
17 location permit expires on the same date as the specially
18 designated merchant license and may be renewed in conjunction with
19 the specially designated merchant license. The secondary location
20 permit holder may renew the secondary location permit by submitting
21 a permit renewal fee of \$100.00 and a completed renewal
22 application.

23 ~~After a specially designated merchant is issued a~~
24 ~~secondary location permit under subsection (7) and if the specially~~
25 ~~designated merchant's licensed premises are a primary location that~~
26 ~~is not a neighborhood shopping center, for purposes of determining~~
27 ~~the minimum inventory condition described in subsection (1)(a)(ii),~~

1 ~~the primary location and the secondary location are considered 1~~
 2 ~~premises.~~

3 (9) ~~(10)~~ After a specially designated merchant is issued a
 4 secondary location permit under subsection (7), if a subsidiary or
 5 affiliate of the specially designated merchant owns or operates the
 6 secondary location and the subsidiary or affiliate shares the same
 7 ultimate controlling party of the specially designated merchant,
 8 the secondary location may receive and sell beer, wine, or both
 9 under the specially designated merchant's license.

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

13 (11) ~~(12)~~ As used in this section:

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

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

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

23 (A) **THE APPLICANT OR LICENSEE IS LOCATED IN A NEIGHBORHOOD**
 24 **SHOPPING CENTER.**

25 (B) **THE APPLICANT OR LICENSEE MAINTAINS A MINIMUM INVENTORY ON**
 26 **THE PREMISES, EXCLUDING ALCOHOLIC LIQUOR AND MOTOR VEHICLE FUEL, OF**
 27 **NOT LESS THAN \$250,000.00, AT COST, OF THOSE GOODS AND SERVICES**

1 CUSTOMARILY MARKETED BY APPROVED TYPES OF BUSINESSES.

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

5 (c) "Secondary location" means a business operation of the
6 holder of a specially designated merchant license for a primary
7 location, or a subsidiary or affiliate of that license holder, that
8 takes place on real property, that includes at least 1 building and
9 1 or more motor vehicle fuel pumps, and that is located on or
10 adjacent to the primary location. ~~Upon~~**ON** commission approval of
11 the secondary location permit, the secondary location is considered
12 licensed premises and an extension of the licensed primary
13 location.

14 Sec. 543. (1) Quarterly, ~~upon~~**ON THE COMMISSION'S**
15 recommendation, ~~of the commission,~~ the state shall pay pursuant to
16 appropriation in the manner prescribed by law to the city, village,
17 or township in which a full-time police department or full-time
18 ordinance enforcement department is maintained or, if a police
19 department or full-time ordinance enforcement department is not
20 maintained, to the county, to be credited to the sheriff's
21 department of the county in which the licensed premises are
22 located, 55% of the amount of the proceeds of the retailers'
23 license fees and license renewal fees collected in that
24 jurisdiction, for the specific purpose of enforcing this act and
25 the rules promulgated under this act. Forty-one and one-half
26 percent of the amount of the proceeds of retailers' license and
27 license renewal fees collected ~~shall~~**MUST** be deposited in a special

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

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

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

27 (4) The license fee enhancement imposed for licenses issued

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

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

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

21 ~~— (7) As used in this section, "license fee enhancement" means~~
22 ~~the money representing the difference between the license fee~~
23 ~~imposed for a license under section 525(1) and the additional~~
24 ~~amount imposed for resort and resort economic development licenses~~
25 ~~under section 525(2).~~

26 (7) ~~(8)~~ Notwithstanding any other provision of this section,
27 the additional \$160.00 license fee imposed ~~upon any~~**ON A** licensee

1 selling alcoholic liquor between the hours of 7 a.m. on Sunday and
2 12 noon on Sunday is allocated to the general fund.

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

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

17 (10) AS USED IN THIS SECTION, "LICENSE FEE ENHANCEMENT" MEANS
18 THE MONEY REPRESENTING THE DIFFERENCE BETWEEN THE LICENSE FEE
19 IMPOSED FOR A LICENSE UNDER SECTION 525(1) AND THE ADDITIONAL
20 AMOUNT IMPOSED FOR RESORT AND RESORT ECONOMIC DEVELOPMENT LICENSES
21 UNDER SECTION 525(2).

22 SEC. 903B. A RETAILER VIOLATES THIS ACT IF THE RETAILER OR THE
23 RETAILER'S CLERK, SERVANT, AGENT, OR EMPLOYEE MAKES A PAYMENT TO A
24 WHOLESALER, THE COMMISSION, OR THIS STATE BY ANY MEANS THAT HAS
25 BEEN DISHONORED BY A FINANCIAL INSTITUTION FOR LACK OF SUFFICIENT
26 FUNDS.

27 Enacting section 1. This amendatory act takes effect January

1 1, 2017.