

HOUSE BILL NO. 4276

March 20, 2025, Introduced by Reps. Snyder, Prestin, McFall, Glanville, Aragona, Arbit, Rogers, Witwer, Greene, Outman, Liberati and Meerman and referred to 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.

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 own or~~
4 ~~operate motor vehicle fuel pumps on or adjacent to the licensed~~
5 ~~premises, unless both of the following conditions are met:~~
6 ~~(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) The applicant or licensee maintains a minimum inventory on~~
4 ~~the premises, excluding alcoholic liquor and motor vehicle fuel, of~~
5 ~~not less than \$250,000.00, at cost, of those goods and services~~
6 ~~customarily marketed by approved types of businesses.~~

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

10 **(1) The commission shall deny an application for a new**
11 **license, an application for any transfer of interest or ownership**
12 **in an existing license, or an application for a transfer of**
13 **location of an existing license if the commission is notified, in**
14 **writing, that the applicant, licensee, proposed licensed premises,**
15 **or current licensed premises does not meet all appropriate state**
16 **and local building, plumbing, zoning, fire, sanitation, and health**
17 **laws and ordinances as certified to the commission by the**
18 **appropriate law enforcement officials or local legislative body**
19 **that has jurisdiction over the licensed premises.**

20 **(2) A licensee shall comply with all state and local building,**
21 **plumbing, zoning, fire, sanitation, and health laws, rules, and**
22 **ordinances as determined by a state or local law enforcement**
23 **official who has jurisdiction over the licensee.**

24 **(3) A licensee may not use a license at the licensed premises**
25 **unless a temporary or permanent certificate of occupancy has been**
26 **issued by the local unit of government having jurisdiction over the**
27 **location of the licensed premises or the licensed premises complies**
28 **with the requirements in subsection (2).**

29 **(4) An applicant for a license or permit shall affirm on the**

1 application form that the applicant will comply with the
2 requirements in subsection (2).

3 (5) In addition to the penalties under section 903, the
4 commission or any commissioner or duly authorized agent of the
5 commission designated by the chairperson of the commission, on
6 notice and proper hearing, shall suspend the license of a licensee
7 that violates subsection (2) until the licensee has demonstrated to
8 the commission that it has remedied the violation of subsection
9 (2).

10 (6) ~~(2)~~—The commission shall not prohibit an applicant for or
11 the holder of a **specially designated merchant license or** specially
12 designated distributor license from owning or operating motor
13 vehicle fuel pumps on or adjacent to the licensed premises ~~, if all~~
14 ~~of the following conditions are met:~~

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

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

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

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

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

3 ~~(i) A city, incorporated village, or township with a population~~
4 ~~of 3,500 or less and a county with a population of 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 ~~(b) The applicant or licensee maintains a minimum inventory on~~
9 ~~the premises, excluding alcoholic liquor and motor vehicle fuel, of~~
10 ~~not less than \$12,500.00, at cost, of those goods and services~~
11 ~~customarily marketed by approved types of businesses.~~ **the site of**
12 **payment for alcoholic liquor and of selection of alcoholic liquor**
13 **is at least 5 feet from the point where motor vehicle fuel is**
14 **dispensed. This subsection does not apply to a specially designated**
15 **distributor license or specially designated merchant license issued**
16 **to a marina under section 539.**

17 **(7)** ~~(4)~~ A person that was issued a specially designated
18 merchant license or specially designated distributor license at a
19 location at which another person owned, operated, or maintained
20 motor vehicle fuel pumps at the same location may have or acquire
21 an interest in the ownership, operation, or maintenance of those
22 motor vehicle fuel pumps.

23 **(8)** ~~(5)~~ The commission may transfer ownership of a specially
24 designated merchant license or specially designated distributor
25 license to a person that owns or is acquiring an interest in motor
26 vehicle fuel pumps already in operation at the same location at
27 which the license is issued.

28 ~~(6) The commission shall not prohibit an applicant for or the~~
29 ~~holder of a specially designated merchant license from owning or~~

1 ~~operating motor vehicle fuel pumps on or adjacent to the licensed~~
 2 ~~premises if the site of payment of alcoholic liquor and selection~~
 3 ~~of alcoholic liquor is not less than 5 feet from that point where~~
 4 ~~motor vehicle fuel is dispensed. This subsection does not apply to~~
 5 ~~a specially designated merchant license issued to a marina under~~
 6 ~~section 539.~~

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

15 (a) The holder of the specially designated merchant license
 16 for the primary location ~~premises~~ or a subsidiary or affiliate of
 17 the license holder owns or leases the secondary location.

18 (b) The holder of the specially designated merchant license
 19 for the primary location or a subsidiary or affiliate of the
 20 license holder owns or operates motor vehicle fuel pumps at the
 21 secondary location.

22 (10) ~~(8)~~—An applicant for a secondary location permit shall
 23 submit an application to the commission in a format provided by the
 24 commission and accompanied by an application and initial permit fee
 25 of \$100.00. The application must include a diagram of the secondary
 26 location with building dimensions and a depiction of the distance
 27 measurement described in subsection (6). The secondary location
 28 permit expires on the same date as the specially designated
 29 merchant license and may be renewed in conjunction with the

1 specially designated merchant license. The secondary location
 2 permit holder may renew the secondary location permit by submitting
 3 a permit renewal fee of \$100.00 and a completed renewal
 4 application.

5 (11) ~~(9)~~—After a specially designated merchant is issued a
 6 secondary location permit under subsection ~~(7)~~, ~~(9)~~, if a
 7 subsidiary or affiliate of the specially designated merchant owns
 8 or operates the secondary location and the subsidiary or affiliate
 9 shares the same ultimate controlling party of the specially
 10 designated merchant, the secondary location may receive and sell
 11 beer, wine, or ~~both~~ **mixed spirit drink** under the specially
 12 designated merchant's license.

13 (12) ~~(10)~~—The holder of a secondary location permit shall
 14 prominently display the secondary location permit at the secondary
 15 location in the point-of-sale area.

16 (13) ~~(11)~~—As used in this section:

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

23 (b) "Primary location" means **a** licensed premises that meets
 24 both of the following conditions:

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

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

28 ~~(B) The applicant or licensee maintains a minimum inventory on~~
 29 ~~the premises, excluding alcoholic liquor and motor vehicle fuel, of~~

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

3 (ii) The site of payment ~~of~~ **for** alcoholic liquor and **of**
4 selection of alcoholic liquor is ~~not less than~~ **at least** 5 feet from
5 ~~that~~ **the** point where motor vehicle fuel is dispensed.

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

15 Enacting section 1. R 436.1003 and R 436.1105(3) of the
16 Michigan Administrative Code are rescinded.