

SENATE BILL NO. 82

February 05, 2019, Introduced by Senator LUCIDO 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 533 (MCL 436.1533), as amended by 2018 PA 386.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 533. (1) Subject to subsection (12), the commission shall
2 not issue a new specially designated merchant license or transfer
3 an existing specially designated merchant license unless the
4 applicant is an approved type of business. An applicant is not an

1 approved type of business unless the applicant meets 1 or more of
2 the following conditions:

3 (a) The applicant holds and maintains a retail food
4 establishment license issued under the food law, 2000 PA 92, MCL
5 289.1101 to 289.8111. As used in this subdivision, "retail food
6 establishment" means that term as defined in section 1111 of the
7 food law, 2000 PA 92, MCL 289.1111.

8 (b) The applicant holds and maintains an extended 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, "extended retail
11 food establishment" means that term as defined in section 1107 of
12 the food law, 2000 PA 92, MCL 289.1107.

13 (c) The applicant holds or the commission approves the
14 issuance of a specially designated distributor license to the
15 applicant.

16 (d) The applicant holds or the commission approves the
17 issuance of a class C license to the applicant.

18 (e) The applicant holds or the commission approves the
19 issuance of a class A hotel license to the applicant.

20 (f) The applicant holds or the commission approves the
21 issuance of a class B hotel license to the applicant.

22 (g) The applicant holds or the commission approves the
23 issuance of a club license to the applicant.

24 (h) The applicant holds or the commission approves the
25 issuance of a tavern license to the applicant.

26 (i) The applicant holds or the commission approves the
27 issuance of a class G-1 license to the applicant.

28 (j) The applicant holds or the commission approves the
29 issuance of a class G-2 license to the applicant.

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

3 (3) ~~An~~ **Subject to subsection (13)**, an applicant for a
4 specially designated merchant license not in conjunction with an
5 on-premises license, except as provided in section 229(1), or a
6 person licensed under this act as a specially designated merchant
7 only or a class B hotel may apply for a license as a specially
8 designated distributor.

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

16 (5) Except as otherwise provided in this section, in cities,
17 incorporated villages, or townships, the commission shall issue
18 only 1 specially designated merchant license for each 1,000 of
19 population, or fraction of 1,000. The quota under this subsection
20 does not apply to any of the following:

21 (a) An applicant for a specially designated merchant license
22 that is an applicant for or the holder of a license listed in
23 subsection (1)(d) to (j).

24 (b) An applicant for or the holder of a specially designated
25 merchant license whose licensed establishment meets 1 or more of
26 the following conditions:

27 (i) Meets both of the following conditions:

28 (A) The licensed establishment is at least 20,000 square feet.

29 (B) The licensed establishment's gross receipts derived from

1 the sale of food are at least 20% of the total gross receipts.

2 (ii) The licensed establishment is also a pharmacy as that term
3 is defined in section 17707 of the public health code, 1978 PA 368,
4 MCL 333.17707.

5 (c) A secondary location permit issued to a specially
6 designated merchant under section 541.

7 (d) A specially designated merchant license issued under
8 subsection (7).

9 (e) A specially designated merchant license issued to a marina
10 under section 539.

11 (6) The commission may waive the quota under subsection (5) if
12 there is no existing specially designated merchant within 2 miles
13 of the applicant, measured along the nearest traffic route.

14 (7) The commission shall waive the quota under subsection (5)
15 if both of the following apply:

16 (a) The applicant applies for the specially designated
17 merchant license within 60 days after January 4, 2017.

18 (b) The applicant is a retail dealer that holds a license
19 issued under section 6(1) of the motor fuels quality act, 1984 PA
20 44, MCL 290.646. The applicant shall include a copy of the license
21 described in this subdivision with the applicant's application
22 under this subsection. As used in this subdivision, "retail dealer"
23 means that term as defined in section 2 of the motor fuels quality
24 act, 1984 PA 44, MCL 290.642.

25 (8) A specially designated merchant license issued under this
26 section may be transferred to an applicant whose proposed operation
27 is located within any local governmental unit in a county in which
28 the specially designated merchant license was located. If the local
29 governmental unit within which the former licensee's premises were

1 located spans more than 1 county, a specially designated merchant
2 license may be transferred to an applicant whose proposed operation
3 is located within any local governmental unit in either county. If
4 a specially designated merchant license is transferred to a local
5 governmental unit other than that local governmental unit within
6 which the specially designated merchant license was originally
7 issued, the commission shall count that transferred specially
8 designated merchant license against the local governmental unit
9 originally issuing the specially designated merchant license.

10 (9) Except as otherwise provided in subsection (10), the quota
11 under subsection (5) does not bar the right of an existing
12 specially designated merchant to renew the specially designated
13 merchant license or transfer the specially designated merchant
14 license. This subsection applies to a specially designated merchant
15 license issued or renewed before, on, or after January 4, 2017.

16 (10) A specially designated merchant license issued after
17 January 4, 2017 to a person described in subsection (5) (a) or (b)
18 or to a specially designated merchant license issued under
19 subsection (6) may not be transferred to another location.

20 (11) An applicant for or the holder of a specially designated
21 merchant license that owns or operates a motor vehicle fuel pump on
22 or adjacent to the licensed premises is not required to meet the
23 conditions under section 541 as that section existed before January
24 4, 2017.

25 (12) For a marina that maintains motor vehicle fuel pumps on
26 or adjacent to the licensed premises, or maintains a financial
27 interest in any motor vehicle fuel pumps, the commission may only
28 issue a special designated merchant license to the marina under
29 section 539.

1 (13) A person may apply for and hold a class C license, a
2 specially designated merchant license, and a specially designated
3 distributor license at the same time.

4 (14) ~~(13)~~—For purposes of this section, population is
5 determined by the latest federal decennial census, by a special
6 census under section 6 of the home rule city act, 1909 PA 279, MCL
7 117.6, or section 7 of the Glenn Steil state revenue sharing act of
8 1971, 1971 PA 140, MCL 141.907, or by the latest census and
9 corrections published by the United States Department of Commerce,
10 Bureau of the Census, whichever is later.