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House Bill 4276 (as passed by the House)
Sponsor: Representative Will Snyder
House Committee: Regulatory Reform
Senate Committee: Regulatory Affairs

Date Completed: 10-27-25

CONTENT

The bill would amend the Liquor Control Code to do the following:

- **Allow a holder of a specially designated merchant license or specially designated distributor license to own or operate motor vehicle fuel pumps on or adjacent to the licensed premises if the site of payment for and selection of alcoholic liquor were at least five feet from the point where motor vehicle fuel was dispensed.**
- **Allow a specialty designated merchant's secondary location to receive and sell mixed spirit drink.**

Additionally, the bill would rescind R 436.1003 and R 436.1105(3) of the Michigan Administrative Code, which are described in further detail below, and incorporate the rules' provisions into the Liquor Control Code.

Provisions Governing Licensees' Operation of Fuel Pumps

Among other things, the Liquor Control Code prohibits an applicant for or the holder of a specially designated distributor license from owning or operating motor vehicle fuel pumps on or adjacent to the licensed premises, unless the following conditions are met:

- The applicant or licensee is located in a neighborhood shopping center or the applicant or licensee maintains a minimum inventory on the premises, excluding alcoholic liquor and motor vehicle fuel, of at least \$250,000, at cost, of those goods and services customarily marketed by approved types of businesses.
- The site of payment of alcoholic liquor and selection of alcoholic liquor is at least five feet from the point where motor vehicle fuel is dispensed.

("Specialty designated distributor" means a person engaged in an established business licensed by the Liquor Control Commission (Commission) to distribute spirits in the original package for the Commission for consumption off the premises.)

The Code also specifies that the Commission may not prohibit an applicant for or the holder of a specially designated distributor license from owning or operating motor vehicle fuel pumps on or adjacent to the licensed premises, as long as the following conditions are met:

- The applicant is located in a township with a population of 7,000 or less that is not contiguous with any other township.
- The applicant or licensee maintains a minimum inventory on the premises, excluding alcoholic liquor and motor vehicle fuel, of at least \$12,500, at cost, of those goods and services customarily marketed by approved types of businesses.

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

The Commission also may not prohibit an applicant for or the holder of a specially designated distributor license from owning or operating motor vehicle fuel pumps on or adjacent to the licensed premises if the applicant or licensee maintains a minimum inventory on the premises, excluding alcoholic liquor and motor vehicle fuel, of at least \$12,500, at cost, of those goods and services customarily marketed by approved types of businesses and the applicant or licensee is located in either of the following:

- A city, incorporated village, or township with a population of 3,500 or less and a county with a population of 31,000 or more.
- A city, incorporated village, or township with a population of 4,000 or less and a county with a population of less than 31,000.

Additionally, the Commission may not prohibit an applicant for or the holder of a specialty designated merchant license from owning or operating motor vehicle fuel pumps on or adjacent to the licensed premises if the site of payment of alcoholic liquor and selection of alcoholic liquor is at least five feet from the point where motor vehicle fuel is dispensed. This provision does not apply to a specially designated distributor license or specially designated merchant license issued to a marina.

("Specially designated merchant" means a person to whom the Commission grants a license to sell beer, wine, or mixed spirit drink at retail for consumption off the licensed premises.)

The bill would delete all the provisions above, except for the definitions in parentheses. Instead, under the bill, the Commission could not prohibit an applicant for or the holder of a specially designated merchant license or specially designated distributor license from owning or operating motor vehicle fuel pumps on or adjacent to the licensed premises, if the site of payment for alcoholic liquor and selection of alcoholic liquor were at least five feet from the point where motor vehicle fuel was dispensed. This provision would not apply to a specially designated distributor license or specially designated merchant license issued to a marina.

Primary Location of a Specially Designated Merchant Licensee

Currently, the Code specifies that if a specially designated merchant's licensed premises is a primary location, the Commission may issue a secondary location permit to the specially designated merchant, as an extension of the specially designated merchant's license, for the sale of beer, wine, or both at the secondary location. The Code prescribes requirements for a secondary location permit. After a specially designated merchant is issued a secondary location permit, if a subsidiary or affiliate of the specially designated merchant owns or operates the secondary location and the subsidiary or affiliate shares the same ultimate controlling party of the specially designated merchant, the secondary location may receive and sell beer, wine, or both under the specially designated merchant's license.

Under the bill, an issued secondary location permit also would authorize the sale of mixed spirit drink. ("Mixed spirit drink" generally means a drink that contains a mixture of alcohol and other nonalcoholic beverages like fruit juices or water.)

Currently, the Code defines "primary location" as a licensed premises that meets the following conditions:

- The applicant or licensee is located in a neighborhood shopping center or the applicant or licensee maintains a minimum inventory on the premises, excluding alcoholic liquor and

- motor vehicle fuel, of at least \$250,000, at cost, of those goods and services customarily marketed by approved types of businesses.
- The site of payment of alcoholic liquor and selection of alcoholic liquor is at least five feet from the point where motor vehicle fuel is dispensed.

Instead, under the bill, "primary location" would mean a licensed premises in which the applicant or licensee is located in a neighborhood shopping center and the site of payment for alcoholic liquor and selection of alcoholic liquor is at least five feet from the point where motor vehicle fuel is dispensed.

Rescinded Rules and Licensure Requirements

Generally, R 436.1003 and R 436.1105(3) of the Michigan Administrative Code require a licensee to comply with all State and local building, plumbing, zoning, sanitation, and health laws, rules, and ordinances as determined by the State and local law enforcement officials who have jurisdiction over the licensee.

Under the bill, the Commission would have to deny an application for a new license, an application for any transfer of interest or ownership in an existing license, or an application for a transfer of location of an existing license if the Commission were notified, in writing, that the applicant, licensee, proposed licensed premises, or current licensed premises did not meet all appropriate State and local building, plumbing, zoning, fire, sanitation, and health laws and ordinances as certified to the Commission by the appropriate law enforcement officials or local legislative body that had jurisdiction over the licensed premises.

A licensee would have to comply with all State and local building, plumbing, zoning, fire, sanitation, and health laws, rules, and ordinances as determined by a State or local law enforcement official who had jurisdiction over the licensee. A licensee could not use a license at the licensed premises unless a temporary or permanent certificate of occupancy had been issued by the local unit of government having jurisdiction over the location of the licensed premises or the licensed premises complied with all State and local building laws, rules, and ordinances. An applicant for a license or permit would have to affirm on the application form that the applicant would comply with all State and local building laws, rules, and ordinances.

In addition to the penalties under the Code, the Commission or any Commissioner or duly authorized agent of the Commission designated by the chairperson of the Commission, on notice and proper hearing, would have to suspend the license of a licensee that violated any of the provisions above until the licensee had demonstrated to the Commission that it had remedied the violation.

MCL 436.1541

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Analyst: Nathan Leaman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.