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# New Michigan Law Allows More Fuel Stations to Sell Alcohol

By Jeffrey M. Bloom / Apr 18, 2016

On Tuesday, April 12, 2016, Michigan Governor Rick Snyder signed into law a bill which will allow more Michigan fuel station owners to sell alcoholic beverages for off-premises consumption. The new law goes into effect 90 days after Governor Snyder signed it into law. (Enrolled House Bill No. 4895, available [here](#).)

This law is particularly significant for licensees who operate fuel stations in conjunction with a licensed premises, such as big box stores with adjacent fuel stations. The new law is also potentially significant for certain standalone fuel stations with large inventory levels, as the required distance between the display and sale of alcohol and fuel pumps is reduced from 50 feet to 5 feet.

Under the law, fuel stations ("Secondary Locations") that are located on or adjacent to a premises licensed by the Michigan Liquor Control Commission ("MLCC") ("Primary Locations") can now obtain a permit to sell beer and wine for off-premises consumption as an extension of the Primary Location's license if the following conditions are met:

a) The Primary Location must meet the following conditions:

1. The Primary Location must be located in a neighborhood shopping center (as defined under the statute), or maintain a minimum inventory, excluding alcoholic liquor and fuel, of \$250,000;
2. The site of payment and selection of alcoholic liquor at the Primary Location must not be less than 5 feet from the point where motor vehicle fuel is dispensed;

b) The Secondary Location (fuel station) must meet the following conditions:

1. The licensee for the Primary Location or a subsidiary or affiliate of the licensee must be the owner or lessee of the Secondary Location;
2. If a subsidiary or affiliate of the licensee for the Primary Location owns or operates the Secondary Location, the subsidiary or affiliate must share the same ultimate controlling party of the licensee for the Primary Location;
3. The Secondary Location must have one or more fuel pumps;
4. The Secondary Location must be on or adjacent to the Primary Location.

For purposes of determining whether the \$250,000 inventory threshold is met, the Primary Location and Secondary Location are now considered one premises, such that their inventories can be combined to reach the threshold requirement.

Under the new law, standalone fuel stations not affiliated with or adjacent to a licensed premises can also obtain a license to sell beer and wine (SDM License) or liquor (SDD License) if the following conditions are met:

1. The fuel station must be located in a neighborhood shopping center (as defined under the statute), or maintain a minimum inventory, excluding alcoholic liquor and fuel, of \$250,000;
2. The site of payment and selection of alcoholic liquor must not be less than 5 feet from the point where motor vehicle fuel is dispensed (the previous law required this distance to be 50 feet).

In order to take advantage of these new laws, current and prospective licensees must apply for applicable permits and licenses through the MLCC and comply with all other laws, rules and regulations generally applicable to MLCC applicants and licensees. It is also important to carefully review any applicable local ordinances to determine whether the municipality in which the licensee or prospective licensee is located provides for more stringent or different requirements, as those laws may be deemed to supplement or trump state law and related MLCC rules. In such instances, it may be that, in addition to obtaining MLCC licensure and approval, the current or prospective licensee will need to apply for specific zoning or other local approval.