

HOUSE BILL NO. 5781

May 19, 2020, Introduced by Reps. Webber, Sabo, Steven Johnson, Bollin, Slagh, Rendon, Paquette, Crawford, Hall, Huizenga, Kahle, Lightner, Meerman, Hood, Elder, Leutheuser and Reilly and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
(MCL 436.1101 to 436.2303) by adding section 551.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 551. (1) The governing body of a local unit of government
2 may designate a social district that contains a commons area that
3 may be used by on-premises licensees that obtain a social district
4 permit. If the governing body of a local unit of government
5 designates a social district that contains a commons area under
6 this section, the governing body must define and clearly mark the



1 commons area in a manner prescribed by the commission. The
2 governing body may, at any time, revoke the designation if it
3 determines that the commons area threatens the health, safety, or
4 welfare of the public or has become a public nuisance. The
5 governing body shall file the designation or the revocation of the
6 designation with the commission.

7 (2) The holder of a social district permit may sell alcoholic
8 liquor for consumption on the premises within the confines of a
9 commons area. The consumption of alcoholic liquor in the commons
10 area may only occur during the legal hours for the sale of
11 alcoholic liquor by the permittee. Only the holder of a social
12 district permit or employees of that permittee may sell or dispense
13 alcoholic liquor in the commons area.

14 (3) The holder of a social district permit may only serve
15 alcoholic liquor to be consumed in the commons area in containers
16 that prominently display the permittee's trade name or logo or some
17 other mark that is unique to the permittee under the permittee's
18 on-premises license. The holder of a social district permit shall
19 not allow alcoholic liquor to leave the commons area or its
20 premises.

21 (4) An on-premises licensee that is adjacent to a commons area
22 in a social district designated by the governing body of a local
23 unit of government under this section may obtain from the
24 commission an annual social district permit as provided in this
25 section. The social district permit must be issued for the same
26 period and may be renewed in the same manner as the on-premises
27 license held by the applicant. The commission shall develop an
28 application for a social district permit and shall charge a fee of
29 \$250.00 for a social district permit. On receipt of a completed



1 application and the fee, the commission shall notify the governing
2 body of the local unit of government and verify the designation of
3 a social district and that the location listed on the application
4 is adjacent to and qualifies for a social district permit under
5 this section. An application for a social district permit must be
6 approved by the governing body of the local unit of government in
7 which the applicant's place of business is located before the
8 permit is granted by the commission. The commission shall provide
9 the governing body of the local unit of government and the local
10 chief of police with the applicant's name, business address, and
11 business telephone number to accomplish the review as required by
12 this subsection.

13 (5) As used in this section, "commons area" means an area
14 within a social district designated by the governing body of the
15 local unit of government that is shared by and abuts the premises
16 of at least 2 other on-premises licensees.

