



Chairman Franz, committee members, thank you for allowing me to speak on HB 4895. My name is Dan Papineau and I am the director of government relations for the Associated Food and Petroleum Dealers or AFPD for short.

As the "Voice for the food, beverage and petroleum industry" since 1910, AFPD is a multi-state trade association representing thousands of retailers operating in Michigan and surrounding states. Our members include chain stores, independent supermarkets, convenience stores, gas stations and specialty food markets. Our membership also includes wholesalers, distributors and manufacturers who support the retail industry.

AFPD opposes HB 4895. While we understand why those who support HB 4895 do so, we feel like a better, more all-encompassing, and comprehensive solution exists. That solution is placing a reasonable cap on SDM licenses.

The issue of gas stations being able to get SDM licenses and/or SDD licenses has been around for a long time. You can see the Liquor Control Code is continually amended to specifically allow certain gas stations the ability to sell alcohol while others cannot.

There are exemptions surrounding population thresholds, inventory thresholds, what type of municipality you are in, whether you are in a neighborhood shopping center or not, the list is rather long and incredibly complicated.

Now, under HB 4895 we are looking at another special exemption *and* creating new types of licenses: secondary and primary. If you are an SDM licensee, have fuel pumps at a secondary location that meets certain criteria, and your pumps are within 5 feet from that secondary location (spread arms and show 5 feet) then you can sell beer and wine.

We are continually talking about exemptions, tweaking them, and creating new ones. By putting in a very reasonable cap on SDM licenses with common sense parameters that exclude restaurants and bars and large retailers for example we can set in place policy that will be long lasting that all businesses can operate under. We can get rid of these, inventory requirements, population thresholds, etc... It is important to remember that we are talking about the sale of probably the most regulated product in the State. Retailers who sell alcohol work hard, build their businesses, and try to be successful based on strict and predictable regulations. When the system in which our members depend on is disrupted by others the AFPD looks to restore stability to the marketplace. Enacting a reasonable cap on SDM licenses will achieve our goal of stability and predictability.

I will end my remarks here but before I do I respectfully request that if the committee is planning on reporting this bill today that you consider tie barring SDM cap legislation to HB 4895 to at least allow for some discussion on the concept of a reasonable cap.

Thank you and I am happy to take any questions.