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BILL



ANALYSIS

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House Bill 5379 (Substitute S-1 as reported)

Sponsor: Representative Beverly Bodem

House Committee: Regulatory Affairs

Senate Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the Michigan Liquor Control Act to do all of the following:

- Extend through 1997 the authority of the Liquor Control Commission (LCC) to issue a limited number of resort licenses each year.
- Require an applicant for an on-premises resort license to verify that he or she first attempted to secure an on-premises escrowed or quota license, and that one was not readily available.
- Prohibit the LCC from issuing an on-premises resort license if the local governmental unit had not issued all quota licenses or if an on-premises escrowed license existed and were readily available.

“Escrowed license” would mean a license in which the rights of the licensee in the license or to the renewal of the license were still in existence and were subject to renewal and activation in the manner provided in the Michigan Administrative Code (R 436.1107). “Readily available” would mean available under a standard of economic feasibility, as applied to the specific circumstances of the applicant, that included but would not be limited to the fair market value of the license, if determinable; the size and scope of the proposed operation; and the existence of mandatory contractual restrictions or inclusions attached to the sale of the license.

MCL 436.19c

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The bill would not have a direct fiscal impact on the State or local governmental units. Additional liquor sales realized through the new liquor establishments would generate added tax revenue, but the net revenue level cannot be estimated without estimated sales volume and local liquor law enforcement costs.

Date Completed: 12-11-95

Fiscal Analyst: K.Lindquist

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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.