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BILL ANALYSIS

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House Bill 5878 (Substitute H-1 as reported by the Committee of the Whole)
Sponsor: Representative Edward Gaffney
House Committee: Commerce
Senate Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

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

- Require the Liquor Control Commission to issue an initial or renewal license within 90 days after an applicant filed a completed application.
- Require the Commission to notify the applicant of a deficiency in writing, or make the information electronically available, within 30 days after receiving an incomplete application.
- Toll the 90-day period if the Commission sent a notice of deficiency or while actions required by a party other than the applicant or the Commission were completed.
- Require the Commission, if it failed to meet the deadline, to refund the license fee and reduce the license fee by 15% for the applicant's next renewal application, if any.
- Require the chair of the Commission, beginning in 2005, to submit an annual report by December 1 to the appropriate Senate and House committees regarding compliance with these requirements.
- Define "completed application".

The 90-day time frame would not apply in the case of a resort or resort economic development license, or a tavern or class C development district license

MCL 436.1525

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

According to the Department of Labor and Economic Growth, the projected revenue that will be collected for the license types is \$6.8 million for FY 2004. The amount by which this revenue would be reduced would depend on the number of licensees not processed in the given time frame. The bill also would require a report that would include new or additional information not currently collected. The database adjustment required to accommodate this requirement could increase information technology costs.

Date Completed: 7-1-04

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