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BILL ANALYSIS

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Senate Bill 162 (Substitute S-1 as reported by the Committee of the Whole)
Senate Bill 163 (as reported without amendment)
Sponsor: Senator Gilda Z. Jacobs (S.B. 162)
Senator Jason E. Allen (S.B. 163)
Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

Senate Bill 162 (S-1) would amend the Michigan Liquor Control Code to do the following:

- Allow the Liquor Control Commission (LCC) to issue public on-premises licenses, in addition to the quota licenses allowed, to businesses that were engaged in activities related to dining, entertainment, and recreation and located either in a city redevelopment project area or in a development district established under the Tax Increment Financing Authority Act, the Corridor Improvement Authority Act, the downtown development authority Act, or the principal shopping district Act.
- Set a \$20,000 license fee.
- Establish thresholds on the amount of investment in a project area or development district.
- Prohibit the LCC from transferring a license to another location and require the licensee to surrender the license if it went out of business.
- Allow a local governmental unit to approve another applicant within a city redevelopment project area to replace a business that had surrendered a license.
- Require an individual signing a license application to demonstrate that the applicant attempted to secure an on-premises escrowed license or quota license and that such a license was not readily available within the local unit of government where the applicant proposed to operate.

Senate Bill 163 would amend the Code to eliminate the LCC's existing authority to issue up to 50 on-premises liquor licenses to restaurants located in development districts, but provide that current licenses would remain valid and could be renewed if licensing requirements continued to be met.

The two bills are tie-barred to each other.

Proposed MCL 436.1521a (S.B. 162)
MCL 436.1521 (S.B. 163)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

Senate Bill 162 (S-1) would allow the Liquor Control Commission to issue licenses for city redevelopment projects and development districts meeting certain criteria, in addition to the licenses that may be issued based on population. The fee for these licenses would be \$20,000. The amount of revenue generated would depend on the demand from qualifying localities and the number of licenses issued by the Commission each year. Under the Code, licenses are issued for one year with renewal requirements, and distribution of revenue is

allocated based on a formula. The formula requires that 41.5% be allocated to the Commission for licensing and enforcement, 55% be allocated to the local community for which the license is issued, and 3.5% be used to support alcohol prevention and treatment programs.

Senate Bill 163 would eliminate authorization for the Liquor Control Commission to issue up to 50 liquor licenses in development districts. These licenses already have been issued by the Commission.

Date Completed: 11-13-06

Fiscal Analyst: Elizabeth Pratt
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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.