

# Legislative Analysis



## "LATE NIGHT" AND "SUNDAY MORNING" LIQUOR LICENSES

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**House Bill 4573 (Substitute H-2)**  
**Sponsor: Rep. Steve Tobocman**  
**Committee: Regulatory Reform**

**Complete to 8-8-07**

### A SUMMARY OF HOUSE BILL 4573 (H-2) AS REPORTED FROM COMMITTEE

The bill would amend the Liquor Control Code to

- Allow a retailer to sell alcoholic liquor from 2 a.m. until 4 a.m. if the business holds a "late night license." Such a license, to be created by the bill, would carry a \$5,000 fee.
- Allow a retailer to sell on Sunday between the hours of 7 a.m. and 12 noon if the business holds a "Sunday morning license." Such a license, to be created by the bill, would carry a fee of \$2,500.

A retailer would have to apply to the Liquor Control Commission for a late night or Sunday morning license. A license could not be issued if the retailer were located in any of the following: (1) a county, city, village, or township where the sale of beer and wine on or off the licensed premises is prohibited on Sunday; (2) a county that has not authorized the sale of spirits and mixed spirit drinks for consumption on or off licensed premises on Sunday; and (3) a county, city, village, or township that has passed or passes a resolution prohibiting the issuance of late night licenses or Sunday morning licenses.

A late night or Sunday morning license would only allow a retailer to sell or furnish the type of alcoholic liquor authorized by its license. (e.g., beer and wine only, or beer, wine, and spirits.)

The term "retailer" as defined in the liquor code means "a person licensed by the commission who sells to the consumer in accordance with rules promulgated by the commission."

MCL 436.1525 and 2114

### FISCAL IMPACT:

The fiscal impact of this bill depends on the number of local units that would permit retailers to obtain a "late night license" and/or "Sunday morning license" and the number of retailers that would purchase these licenses. Assuming each retailer would need to purchase only one "late night license" and/or "Sunday morning license," an estimated

\$9.0 million in license revenue could be generated from this bill. Under the Liquor Control Code, license revenue is earmarked 55% to local units for law enforcement, 41.5% to a special fund for the Liquor Control Commission (LCC) to enforce the Liquor Control Code, and 3.5% to alcoholism programs. As reported, the bill would appear to distribute revenue from the new licenses in the same way.

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