

"LATE NIGHT" AND "SUNDAY MORNING" LIQUOR PERMITS

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House Bill 4573 (Substitute H-3)
Sponsor: Rep. Steve Tobocman
Committee: Regulatory Reform

Complete to 8-20-07

A SUMMARY OF HOUSE BILL 4573 (ADOPTED FLOOR SUBSTITUTE H-3)

The bill would amend the Liquor Control Code to

- Allow retail liquor licensees to sell alcoholic liquor from 2 a.m. until 4 a.m. if the business holds a "late night permit." Such a permit, to be created by the bill, would carry a \$2,500 application fee.
- Allow retail liquor licensees to sell on Sunday between the hours of 7 a.m. and 12 noon if the business holds a "Sunday morning permit." Such a permit, to be created by the bill, would carry an application fee of \$1,500.
- 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.)
- A late night or Sunday morning permit would be an addendum to each specific on-premises or off-premises license, and a licensee holding more than one license at a specific location would have to submit a separate application for each permit and pay the corresponding fee for each permit. Permits would be obtained from the state's Liquor Control Commission.
- A county, city, village, or township could limit the issuance of a late night or Sunday morning permit to only off-premises licensees or to only on-premises licensees or could prohibit completely the issuance of late night or Sunday morning permits to any kind of licensee.
- A city, village, or township could, by resolution of its governing body, establish one or more entertainment districts, with the resolution to clearly indicate whether the local unit was authorizing late night or Sunday morning permits for on-premises licensees only, off-premises licensees only, or both. Passage of such a resolution would confer eligibility for a special permit to all licensees within the district if determined eligible by the Liquor Control Commission.
- Late night and Sunday morning permits would not authorize the serving of alcoholic liquor (beer, wine, or spirits) in contravention of (1) Section 1111 of the code, when

a county, city, village, or township has prohibited the sale of beer and wine on or off the licensed premises between 2 a.m. and midnight on Sunday; (2) Section 1113, when a county has not authorized the sale of spirits and mixed spirit drinks for consumption on or off licensed premises on Sunday; or (3) a resolution passed by a county, city, village, or township prohibiting the issuance of late night licenses or Sunday morning licenses.

- A local unit that has not prohibited Sunday sales of beer or wine or a local unit that has authorized Sunday sales of spirits (or both) would not be required to authorize the issuance of a late night or Sunday morning permit. Instead, the LCC would issue permits to retail liquor licensees that the commission determined to be eligible in such jurisdictions, upon the submission of a completed application and required fee.

The new sections of law created by the bill would be repealed three years after taking effect. The bill would take effect 60 days after enactment.

MCL 436.1525 and 2114

FISCAL IMPACT:

The fiscal impact of this bill depends on the number of local units that would allow retailers to obtain a "late night permit" and/or "Sunday morning permit" and the number of retailers that would purchase these permits.

This bill would increase state revenue by an estimated \$8.0 million annually.

Legislative Analyst: Chris Couch/E. Best
Fiscal Analyst: Rebecca Ross

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.