Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4573 (Substitute S-2 as reported by the Committee of the whole)
Sponsor: Representative Scott Dianda
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

CONTENT

The bill would amend the Michigan Liquor Control Code to require the fee for a liquor license or the transfer of a liquor license to be prorated on a quarterly basis for a portion of the effective period of the license, based on the approval date of the application. Currently, the Code prohibits those fees from being prorated. The bill also would require an applicant or licensee that submitted an application for a license that would be effective for less than nine months to pay a prorated license fee.

In addition, the bill would allow the holder of a specially designated merchant (SDM) license for a primary location to also sell beer and wine from a secondary location under the license issued for the primary location, if all of the following applied:

-- The licensee for the primary location owned or leased the secondary location.
-- The licensee qualified for or held the SDM license for the primary location under provisions allowing a licensee to own or operate motor vehicle fuel pumps on or adjacent to the licensed premises.
-- The licensee also owned or operated motor vehicle fuel pumps at the secondary location.
-- Beer and wine were transported between the primary and secondary locations only by an employee of the SDM licensee or of the licensee's subsidiary or affiliate.

(An SDM is a person licensed to sell beer and/or wine at retail for off-premises consumption.)

Further, under the bill, sanctions for certain multiple or repeat violations would apply only for violations in the same building. Those violations include furnishing alcohol to a minor, furnishing alcohol to a person who is visibly intoxicated, or furnishing alcohol that has not been purchased from the Liquor Control Commission or its authorized agent or distributor.

MCL 436.1525 et al. Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have a minor, but likely negative fiscal impact both on the Michigan Liquor Control Commission within the Department of Licensing and Regulatory Affairs, and on local law enforcement agencies. Requiring license fees to be prorated on a quarterly basis would cause the loss of an indeterminate, but likely minor, amount of license fee revenue. The Commission receives 45% of this revenue to offset its administration costs related to the issuance of licenses, and the remaining 55% is distributed as grants to local law enforcement agencies.

Date Completed: 11-21-14 Fiscal Analyst: Josh Sefton

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