Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 885 (as introduced 4-14-16)
Sponsor: Senator Peter MacGregor
Committee: Regulatory Reform

Date Completed: 5-10-16

CONTENT

The bill would amend the Michigan Liquor Control Code to allow a total of 25, rather than 20, nonpublic continuing care retirement center licenses to be issued, and expand the types of residential communities that may be eligible for a license.

The Code allows a nonpublic continuing care retirement center to acquire a nonpublic continuing care retirement center license, which allows that center to sell at retail and serve on the licensed premises beer, wine, mixed spirit and wine drink, and spirits, for consumption by a resident or the bona fide guests accompanying the resident, on the licensed premises.

The Code defines "nonpublic continuing care retirement center" as a residential community that, as determined by the Liquor Control Commission, meets both of the following conditions:

-- Provides full-time residential housing predominately for individuals over the age of 62.
-- Is registered as a facility under the Living Care Disclosure Act.

The bill would retain the first condition and would require a center to meet one of the following:

-- Be registered as a facility under the former Living Care Disclosure Act, or the Continuing Care Community Disclosure Act.
-- Be a home for the aged licensed under Part 213 of the Public Health Code.

The Code requires the Commission, on submission of a completed application, to grant a nonpublic continuing care retirement center license to an applicant complying with the Code. The Code permits a maximum of 20 licenses. If the holder of a license goes out of business, the license must be surrendered to the Commission. The Commission may allow the transfer of a surrendered license to a new business owner on transfer of the owner's interest in the business.

The bill would increase the maximum number of licenses to 25. The Commission could not issue more than 20 licenses to facilities considered eligible because they were registered as a facility under the former Living Care Disclosure Act (repealed in 2015) or the Continuing Care Community Disclosure Act, and could not issue more than five licenses to homes for the aged. In addition, the bill would allow the transfer of a surrendered license to a new business owner on transfer of the owner's interest in the business if the new business owner met the same eligibility condition to be considered a nonpublic continuing care retirement center as the previous business owner.

The bill would take effect 90 days after its enactment.

(Public Act 448 of 2014, which took effect on April 2, 2015, repealed the Living Care Disclosure Act and enacted the Continuing Care Community Disclosure Act. That Act defines "continuing care community" as a retirement community in which a person undertakes to provide or arrange for continuing care and that is one or more of the following:

-- An adult foster care facility.
-- A home for the aged.
-- An independent living unit.
-- A nursing home.
-- A home health care services agency.
-- Hospice.
-- A place that undertakes to provide care to a member (an individual who enters into a continuing care agreement) for more than one year.

The Public Health Code defines "home for the aged" as a supervised personal care facility, other than a hotel, adult foster care facility, hospital, nursing home, or county medical care facility that provides room, board, and supervised personal care to 21 or more unrelated, nontransient, individuals 60 years of age or older. The term includes a supervised personal care facility for 20 or fewer individuals 60 years of age or older if the facility is operated in conjunction with and as a distinct part of a licensed nursing home.)

MCL 436.1545 Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton