Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 981 (as reported without amendment)
Sponsor: Senator Wayne Schmidt
Committee: Regulatory Reform

CONTENT

The bill would amend the Michigan Liquor Control Code to do the following:

-- Require an applicant for a conditional license to submit an affidavit that the proposed licensed location met the requirements regarding the minimum allowed distance between a church or school building and a licensed location.
-- Delete a requirement that a license be at the same location, when a conditional license is requested by an applicant seeking to transfer ownership of or interest in an existing license.
-- Allow an applicant seeking a public on-premises license to apply for a conditional license.
-- Allow an applicant seeking a resort or resort economic development license to apply for a conditional license.

Under the Code, an applicant may request a conditional license if the applicant is seeking to transfer ownership of or interest in an existing license at the same location to sell liquor for on- or off-premises consumption, or if the applicant is seeking an initial license other than a specially designated distributor license or a license for the sale of alcoholic liquor for consumption on the premises. A conditional license allows the applicant to sell alcoholic liquor during the licensing process.

MCL 436.1525 Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the Michigan Liquor Control Commission (MLCC) within the Department Licensing and Regulatory Affairs, and a small, but likely positive fiscal impact on local units of government. Under the bill, those applying for an on-premises license, resort license, or economic development license would be able to apply for a conditional license while their licenses were being processed. The MLCC charges a $300 conditional license fee as well as a $70 inspection fee per license covered by the conditional license. Expanding the number of license types eligible for a conditional license would generate some amount of additional revenue, depending on the number of businesses that applied. Any additional revenue would be subject to the statutory formula that dictates that the MLCC receive 41.5% of liquor license revenue, county sheriffs receive 55.0%, and 3.5% be dedicated to alcohol abuse and treatment programs. Additional revenue would be offset to some extent by the additional costs related to verification of required application information and issuance of licenses.

Date Completed: 6-13-16 Fiscal Analyst: Josh Sefton