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BILL



ANALYSIS

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Senate Bill 501 (as introduced 6-28-17)
Sponsor: Senator Rick Jones
Committee: Regulatory Reform

Date Completed: 9-12-17

CONTENT

The bill would amend Section 533 of the Michigan Liquor Control Code to prohibit the Michigan Liquor Control Commission from approving the application of a new, or the transfer of the location of an existing, specially designated distributor (SDD) license if there were an existing SDD licensed establishment within 2,640 feet of the proposed location.

Section 533 regulates the issuance of new, and transfer of existing, specially designated distributor licenses. "Specially designated distributor" means a person engaged in an established business licensed by the Commission to distribute spirits and mixed spirit drink in the original package for the Commission for consumption off the premises.

In cities, incorporated villages, or townships, the Commission may issue only one specially designated distributor license for every 3,000 people, or fraction of 3,000. The Commission may waive the quota requirement if there is no existing SDD licensee within two miles of the applicant, measured along the nearest traffic route. The bill would make this provision subject to Section 531(5) of the Code (which allows the issuance of additional SDD licenses in resort areas, as described below).

Additionally, the bill would prohibit the Commission, except as otherwise provided in Section 531(5), from approving the application of a new specially designated distributor license or approving the application of a holder of an SDD license requesting a transfer of location of that license if there were an existing specially designated distributor licensed establishment within 2,640 feet of the proposed location. The Commission would have to use a digital global positioning system to measure the distances.

(Under Section 531(5), in governmental units having a population of 50,000 or less, in which the quota of specially designated distributor licenses under Section 533 has been exhausted, the Commission may issue up to 15 additional licenses per year to established merchants whose business and operation, as determined by the Commission, are designed to attract and accommodate tourists and visitors to a resort area. A license issued under this Section 531(5) may be at a location within 2,640 feet of existing SDD license locations. A license issued under Section 533 may be located within 2,640 feet of a license issued under Section 531(5).)

MCL 436.1533

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

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

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.