



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 902 (as reported without amendment)
Sponsor: Senator Curtis Hertel, Jr.
Committee: Regulatory Reform

CONTENT

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

- Permit an on-premises licensee to apply for an extended hours permit from the Michigan Liquor Control Commission to sell or furnish liquor between 2 a.m. to 4 a.m. on a Saturday, Sunday, or a national or State holiday.
- Require a licensee to submit an application and permit fee, and obtain local legislative approval, in order to obtain a permit.
- Require a licensee to demonstrate to the Commission that the licensee would take certain security precautions, including having a security person and surveillance video.
- Require a local legislative body to approve or deny an application for a permit within 90 days after receiving it.
- Permit the Commission to issue a permit to a licensee that met the requirements prescribed in the bill, if a local legislative body did not approve or deny an application within 90 days.
- Create the "Extended Hours Permit Fund" within the State Treasury, and require the Department of Licensing and Regulatory Affairs to be the administrator of the Fund.

Under the bill, if a city, village, or township with a population of 600,000 or more approved a resolution to allow on-premises licensees that were located within a central business district to sell or furnish alcoholic liquor between 2 a.m. and 4 a.m. on Saturday, Sunday, or a national or State holiday, the licensee could apply for an extended hours permit from the Commission to sell or furnish liquor during those periods. "Central business district" would mean a downtown district as established under Public Act 197 of 1975, which establishes, and prescribes the powers, privileges, and objectives of a downtown development authority.

MCL 436.2114 et al.

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would have a positive fiscal impact on the Department of Licensing and Regulatory Affairs and on local government units. The bill would allow a current on-premises licensee to apply for an extended hours permit at a cost of \$10,000, paid to the Michigan Liquor Control Commission. The magnitude of the revenue received would depend on the number of licensees who applied for the permit. At present, only licensees within the City of Detroit would be able to apply.

Revenue would be deposited into the proposed Extended Hours Permit Fund within the State Treasury. Money in the Fund would not lapse to the General Fund at the close of the fiscal year and would be distributed as follows:

- 85.0% to the police departments of those cities, villages, and townships where extended hours permits were issued, in proportion to the number of permits issued within each.
- 10.0% to the Michigan Liquor Control Commission for the administration and enforcement of the permit requirements.
- 5.0% to the cities, villages, and townships where extended hours permits were issued, in proportion to the number of permits issued within each.

Date Completed: 12-6-18

Fiscal Analyst: Elizabeth Raczkowski