



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 82 (Substitute S-1 as reported)
Sponsor: Senator Peter J. Lucido
Committee: Regulatory Reform

CONTENT

The bill would amend the Michigan Liquor Control Code to allow a person to apply for and hold a Class C license, a specially designated merchant (SDM) license, and a specially designated distributor (SDD) license at the same time.

Section 533 of the Code prohibits the Michigan Liquor Control Commission (MLCC) from issuing a new SDM license or transfer an existing SDM license unless the applicant is an approved type of business. An applicant is not an approved type of business unless the applicant meets one or more specified conditions.

An applicant for an SDM license not in conjunction with an on-premises license, except as provided in Section 229(1), or a person licensed under the Code as an SDM only or a class B hotel may apply for a license as an SDD. The bill would delete this provision. Instead, under the bill, an SDD license issued under Sections 533(4) or 531(5) could be held in conjunction with any of the following licenses:

- An SDM license.
- A class B hotel license.
- A class C license.
- A combination of the licenses listed above.

Holding an SDD in conjunction with a class B license, a class C license, or a combination of an SDM license, class B license, and a class C license would be subject to the following provision.

License fees for an SDD license held in conjunction with a class B hotel license or a class C license would have to be calculated under Section 525(1)(k) based on the total retail value of merchandise purchased from the MLCC under the SDD license during the previous calendar year plus the total retail value of the merchandise from the MLCC under either the class B hotel license or the class C license.

MCL 436.1533

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would not have a significant fiscal impact on the Department of Licensing and Regulatory Affairs and would have no fiscal impact on local units of government. To the extent that individuals sought an additional license, the Department could receive a small increase in revenue from application and renewal fees.

Date Completed: 9-29-20

Fiscal Analyst: Elizabeth Raczkowski

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