



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 82 (as enacted)
Sponsor: Senator Peter J. Lucido
Senate Committee: Regulatory Reform
House Committee: Regulatory Reform
Way and Means

PUBLIC ACT 308 of 2020

Date Completed: 3-23-21

CONTENT

The bill amends 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 deletes this provision. Instead, under the bill, an SDD license issued under Sections 533(4) or 531(5) may 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 is 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 must 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. (Section 525(1)(k) specifies that, except as otherwise provided, an SDD licensed by the MLCC to distribute sprits and mixed spirit drink in the original package for the MLCC for off-premises consumption must pay the following license fees at the time of filing an application or as otherwise provided in the Code: \$150 per year, and an additional fee of \$3 for each \$1,000 or major fraction of that amount in excess of \$25,000 of the total retail value of merchandise purchased under each license from the MLCC during the previous calendar year.)

The bill will take effect on March 24, 2021.

FISCAL IMPACT

The bill will 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 an individual seeks an additional license, the Department may receive a small increase in revenue from application and renewal fees.

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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.