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Senate Bill 1004 (Substitute S-1)
Sponsor: Senator Curtis S. VanderWall
Committee: Regulatory Reform

(Senate-passed version)

Date Completed: 6-7-22

CONTENT

The bill would amend the Michigan Liquor Control Code to allow a licensee to donate a portion of the profits generated from the licensee's license to certain tax-exempt organizations.

Specifically, under the bill, notwithstanding Section 609(1) and R 436.1041 of the Michigan Administrative Code, a licensee could donate a portion of the profits generated from the licensee's license to an organization that was not a licensee and that was exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, if the licensee recorded its profits on its financial records before making the donation. Notwithstanding Section 609(1), if the organization receiving the donation had been issued a special license, the organization could not use the donation to pay for any portion of the event for which the special license was issued.

(Generally, R 436.1041 of the Michigan Administrative Code requires a license not to be obtained for the use or benefit of another person whose name does not appear on the license. Section 609(1) generally prohibits a manufacturer, mixed spirit drink manufacturer, warehouse, wholesaler, outstate seller of beer, wine, or mixed spirit drink, or vendor of spirits from aiding or assisting any other vendor by gift, loan of money or property, or by the giving of premiums or rebates.)

Proposed MCL 436.2016

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

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

Fiscal Analyst: Joe Carrasco, Jr.

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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.