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Senate Bill 88 (as introduced 2-19-25)

Sponsor: Senator Roger Hauck

Committee: Regulatory Affairs

Date Completed: 2-26-25

CONTENT

The bill would amend the Liquor Control Code to prescribe administrative fees for a liquor retailer that made a dishonored payment to a wholesaler.

The Liquor Control Code provides for the licensing of certain liquor retailers and imposes certain taxes and regulations on liquor retailers. Currently, a retailer is in violation of the Code and subject to penalties if the retailer or the retailer's clerk, servant, agent, or employee makes a payment to a wholesaler, the Liquor Control Commission, or the State by any means that has been dishonored by a financial institution for lack of sufficient funds.

Instead, under the bill, a retailer would be in violation of the Code if the retailer or the retailer's clerk, servant, agent, or employee made a payment to a wholesaler by any means that had been dishonored by a financial institution *for any reason*.

If a retailer made a dishonored payment to a wholesaler, the wholesaler would have to require the retailer to pay the wholesaler the following administrative fees:

- \$50 for the first dishonored payment.
- \$100 for a second dishonored payment within 12 months of the first.
- \$150 for a third dishonored payment within 12 months of the first.
- \$200 for a fourth dishonored payment within 12 months of the first.
- \$250 for a fifth or subsequent dishonored payment within 12 months of the first.

MCL 436.1903b

PREVIOUS LEGISLATION

(Please note: This section does not provide a comprehensive account of all previous legislative efforts on the relevant subject matter.)

The bill is similar to Senate Bill 731 of the 2023-2024 Legislative Session. Senate Bill 731 passed the Senate and was reported by the House Committee on Regulatory Reform but received no further action.

FISCAL IMPACT

The bill would have no fiscal impact on State or local units of government. The bill would prescribe new penalties for dishonored payments to wholesalers, payable to those wholesalers. Currently, the Act also allows the Commission to assess a penalty, payable to the Commission and deposited in the General Fund, for any violation of Act, including dishonored payments to wholesalers. The penalty payable to the Commission is not changed.

Analyst: Nathan Leaman

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