

ISSUING OF PROBATIONARY LIQUOR LICENSES

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House Bill 4437

Sponsor: Rep. Al Pscholka

Committee: Regulatory Reform

Complete to 5-24-11

A SUMMARY OF HOUSE BILL 4437 AS INTRODUCED 3-15-11

House Bill 4437 would amend the Liquor Control Code (MCL 436.1525) to require the Liquor Control Commission to provide probationary liquor licenses if it fails to make a determination on an application in a timely manner.

Specifically, this bill reduces the time allotted to the Commission to determine completeness of an application. The commission would be given seven days [instead of 30 days as is now the case] to notify an applicant of an incomplete application. If the Commission fails to act in that time frame, the application will be considered complete.

Additionally, the bill reduces the time allotted the Commission to make a determination on an application. The Commission would be required to issue or deny an initial or renewal license within 60 days of a completed application being filed [instead of 90 days]. If a license is not issued or denied within that time frame the Commission would be required to issue a 60-day probationary license to the applicant. If no determination is made on the application within the initial 60-day period or the 60-day probationary period, the Commission would be required to issue the requested license. However, the Commission has authority to issue a determination and deny a license at any time during the 60-day probationary period if the Commission determines an applicant is not qualified.

Probationary license is defined in the bill as "a license of the type requested by an applicant that is issued as a result of a delay in the Commission's decision to grant or deny a license application in a timely manner."

FISCAL IMPACT:

The bill would have an indeterminate fiscal impact on the Liquor Control Commission. By shortening the processing time by which the LCC must process license applications, and requiring the LCC TO issue temporary licenses, the bill would likely require the LCC to hire additional licensing and investigation staff. The hiring of any additional staff would be contingent on an appropriation by the Legislature.

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