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BILL ANALYSIS



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House Bill 5877 (as passed by the House)
Sponsor: Representative Cindy Denby
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Date Completed: 11-29-12

CONTENT

The bill would amend the Michigan Liquor Control Code to include villages and townships in a provision allowing the Liquor Control Commission to issue public on-premises licenses, in addition to quota licenses, to businesses that are located in city redevelopment project areas or certain development districts or areas.

Under Section 521a of the Code, the Liquor Control Commission may issue public on-premises licenses in addition to quota licenses allowed in cities under Section 531(1) (which limits the number of public licenses granted for the sale of alcoholic liquor for on-premises consumption to one for each 1,500 of population). The licenses must be issued to businesses that are located either in a city redevelopment project area, or in a development district or area that is any of the following:

- An authority district established under the Tax Increment Finance Authority Act.
- A development area established under the Corridor Improvement Authority Act.
- A downtown district established under the downtown development authority Act.
- A principal shopping district established under the principal shopping district Act.

The bill would authorize the Commission to issue those licenses in municipalities, rather than cities. "Municipality" would mean a city, village, or township. The Code defines "city" as a city established under either the Home Rule City Act or the Fourth Class City Act. The bill would delete that definition.

Other requirements for the public on-premises licenses would apply to licenses issued in a municipality rather than in a city. These requirements include such things as verification of the redevelopment project area status; total investment requirements for a redevelopment project area; spending amounts for rehabilitation or restoration of a building that houses licensed premises in a development district; and the total amount of public and private investment in real and personal property within a qualified redevelopment project area

Any licenses issued under Section 521a before the bill would remain in effect subject to the Code's requirements.

MCL 436.1521a

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no direct fiscal impact on the Department of Licensing and Regulatory Affairs, but to the extent that it resulted in the issuance of additional on-premises liquor licenses, additional revenue for the Michigan Liquor Control Commission and for local liquor law enforcement grants could be realized.

Fiscal Analyst: Josh Sefton

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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.