

Legislative Analysis



ALLOW LIQUOR LICENSES TO BE VALID FOR ONE YEAR FROM DATE OF ISSUANCE

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House Bill 4573 (Substitute H-2)
Sponsor: Rep. Scott Dianda
Committee: Regulatory Reform

Complete to 6-3-14

A SUMMARY OF HOUSE BILL 4573 AS REPORTED FROM COMMITTEE

House Bill 4573 would amend Sections 501 and 529 of the Michigan Liquor Control Code by changing how the renewal dates for liquor licenses are determined and the date by which applicable fees must be paid. All changes would take effect six months following enactment of the bill.

Under the bill, a full-year liquor license would be valid for one year from its date of issuance. Under current law, a full-year license expires on April 30 each year, regardless of the date it was issued. Licenses being transferred also would be valid for one year from its transfer date.

The bill would eliminate a provision that allows the Liquor Control Commission to divide the state into three zones and establish an anniversary renewal date for full-year licenses for each zone.

If a person holding more than one license or interest in a license at more than one location but in the name of a single entity transfers all of the licenses or interests in licenses simultaneously to another single legal entity, then the individual transferring the licenses or interests would pay a transfer fee equal to the sum of the fees for the class of each license being transferred. Those licenses would be valid for one year following the date of transfer.

The bill also would reword parts of several other subsections for clarity without changing the meaning of those subsections.

MCL 436.1501 & 1529

FISCAL IMPACT:

House Bill 4573 (H-2) would have an indeterminate, yet likely nominal, negative impact on licensure revenue collected by the Michigan Liquor Control Commission (LCC) and distributed to local law enforcement agencies (that receive 55% of liquor licensure fees) to the extent that the LCC would no longer collect full year license fees for those licenses that are issued midyear; liquor licensure fees are expended by the LCC for administrative purposes and distributed to local law enforcement agencies for the enforcement of the

Liquor Control Code of 1998. Additionally, HB 4573 (H-2) would engender indeterminate increased administrative costs for the LCC resultant from the continuous renewals of certain licenses rather than a defined renewal date.

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