

# Legislative Analysis

---



## AMEND MICHIGAN LIQUOR CONTROL CODE TO ALLOW PRORATION OF FEES

Mary Ann Cleary, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4573 (Substitute H-3)**  
**Sponsor: Rep. Scott Dianda**  
**Committee: Regulatory Reform**

**Complete to 8-26-14**

### A SUMMARY OF HOUSE BILL 4573 AS PASSED BY THE HOUSE 6-10-14

House Bill 4573 would amend Section 525 and Section 529 of the Michigan Liquor Control Code by removing the current prohibition on prorating licensing and transfer fees and instead require those fees to be prorated on a quarterly basis for a portion of the effective period of the license based on the approval date of the application.

An applicant or licensee that has submitted an application for a license that would be effective for fewer than nine months would pay a prorated license fee and submit the fee after the approval of the application and upon the issuance of the license.

### BACKGROUND AND DISCUSSION:

Full-year liquor licenses issued by the Michigan Liquor Control Commission expire on April 30 following the date of issuance, or on a date fixed by the commission. Under current law, an individual receiving a license in January would pay the same fee amount as an individual receiving the same license under the same conditions who received their license the prior June. Supporters of the legislation said prorating the fee is a matter of fairness, as individuals receiving their license in January are paying two years of fees in a span of less than four months. Opponents of the bill said they are concerned about the impact this will have on local law enforcement, which receives 55% of liquor licensing fees.

### FISCAL IMPACT:

House Bill 4573 would have an indeterminate negative fiscal impact on the Michigan Liquor Control Commission (LCC) and on local law enforcement agencies (which receive 55.0% of liquor licensing fees) to the extent that the quarterly proration of liquor licensing fees proposed by HB 4573 would reduce the amount of liquor licensing fees collected by the LCC and expended by the LCC for administrative purposes and distributed to local law enforcement agencies for the enforcement of the Liquor Control Code of 1998.

Legislative Analyst: Josh Roesner  
Fiscal Analyst: Paul Holland

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.