



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bills 803 and 804 (as introduced 2-1-18)
Sponsor: Senator Dave Hildenbrand
Committee: Regulatory Reform

Date Completed: 2-27-18

CONTENT

Senate Bill 803 would amend the Michigan Liquor Control Code and Senate Bill 804 would amend Public Act 260 of 1978 (which relates to blind and visually impaired individuals) to do the following, respectively, regarding a State-owned building larger than 1.0 million square feet:

- **Allow the Liquor Control Commission to issue a license to sell alcohol liquor in the building if space in it were leased to a private entity that held a liquor license.**
- **Make an exception to a requirement that a concession in a State-owned building be operated by a blind person.**

Senate Bill 804 also would require the Department of Technology, Management, and Budget to provide 1,700 square feet of space to the Commission for the Blind at the same rate provided to State agency tenants in the building larger than 1.0 million square feet.

Senate Bill 804 would take effect 90 days after it was enacted.

Senate Bill 803

Subject to certain exceptions, the Liquor Control Code prohibits the Liquor Control Commission from issuing a license to sell alcoholic liquor, on or off the premises, if the property or establishment to be covered by the license is situated in or on State-owned land.

The bill would make an additional exception to this prohibition for a building to which all of the following applied:

- The building was owned by the State.
- The State owned the land on which the building was located.
- The building was more than 1.0 million square feet.
- Space within the building was leased to a private entity that provided services in the building to the general public and that held a license to sell alcoholic liquor as provided in the Code.

Senate Bill 804

Public Act 260 of 1978 requires a concession in a building or on property owned or occupied by the State to be operated by a blind person, subject to certain exceptions (described below). The Act also requires the Department of Technology, Management, and Budget to submit

plans relative to concessions in State buildings or on State property to the Commission for the Blind, which has the final authority over the location of concessions.

Under the bill, subject to the following provision, the requirement that a concession in a State-owned or -operated building be operated by a blind person would not apply to a building or part of a building owned or occupied by the State if the building were larger than 1.0 million square feet.

The Commission would have to exercise its authority over the location of concessions to provide for automated vending machine concessions in such a building.

The bill also would require the Department to provide 1,700 square feet of space to the Commission at the same rental rate provided to State agency tenants in a State-owned or State-occupied building larger than 1.0 million square feet.

(Currently, the requirement that a concession in a State-owned or -operated building be operated by a blind person does not apply to a concession operated in connection with the State Fair, with the use of State fairgrounds, with a State educational institution, State penal institution, military establishment, armory, or State park.)

MCL 436.1519 (S.B. 803)
393.359 et al. (S.B. 804)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

Senate Bill 803

The bill would not have a significant fiscal impact on the State or local units of government. The bill would effectively allow for private tenants in the State-owned Cadillac Place office complex in Detroit to obtain a liquor license provided they already have a liquor license, presumably for another location. The Michigan Liquor Control Commission uses 41.5% of liquor license fee revenue to cover the costs associated with license issuance; 55.0% is given back to county sheriffs to enforce the State's liquor laws; and the remaining 3.5% is used to support alcoholism treatment programs. Because the bill would affect only a single facility, it is expected that additional revenue from the new license or licenses that could result would not be significant.

Senate Bill 804

The bill would have no fiscal impact as the Department of Technology, Management, and Budget has stated that current policy is to charge the same rate as charged to the State agency that occupies the building.

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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.