



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 586 (Substitute S-2 as reported)
Senate Bill 587 (as reported without amendment)
Senate Bill 588 (as reported without amendment)
Sponsor: Senator Jeremy Moss
Committee: Regulatory Reform

CONTENT

Senate Bill 586 (S-2) would amend the Michigan Liquor Control Code to do the following:

- Allow the Michigan Liquor Control Commission (MLCC) to issue a special license to a qualified organization conducting a spirits tasting.
- Prohibit a holder of a special license from allowing more than six events per calendar year conforming to the requirements listed under the bill.
- Allow a holder of a special license to purchase the spirits for an event, and receive a rebate on the purchase of spirits subject to certain provisions.
- Require the special licensee to submit its request for a rebate on a form prescribed by the MLCC.

Senate Bill 587 would amend the Michigan Liquor Control Code to allow a vendor of spirits to provide a special licensee with certain brand logoed material and equipment.

Senate Bill 588 would amend the Michigan Liquor Control Code to specify that a specially designated distributor that sold spirits to a special licensee that was authorized by the MLCC to sell spirits could refund the special licensee for the return of an unopened bottle.

Proposed MCL 436.2028 (S.B. 586)
MCL 436.1609e (S.B. 587)
MCL 436.1609d (S.B. 588)

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

Senate Bill 586 (S-2) would have a minor negative fiscal impact on State government and no fiscal impact on local units of government. Under the bill, the Michigan Liquor Control Commission would receive fee revenue from special licenses. The fee for the license would be \$25 per day for each event. A license holder would be allowed to hold up to six such events per year. The number of organizations that would be able to obtain this license would be relatively small; accordingly, the overall increase in revenue would be minimal.

The bill would allow special licensees to receive a rebate from the Commission for spirits according to a set formula. The rebate would decrease the amount of revenue going to the Liquor Purchase Revolving Fund. The balance of the Fund is deposited into the General Fund at the close of the fiscal year. As a result, the bill could result in a decrease in General Fund revenue over time. However, the rebate would be limited a maximum of \$10,000 per event. Because of the limit on events, the total maximum annual rebate available to a special licensee

would be \$60,000. The number of organizations qualified to receive a rebate would be low. As a result of these limitations, the magnitude of the fiscal impact on State government would be relatively small.

The administrative costs associated with licensing and the revenue generated by these special licenses would not have a significant fiscal impact on the Commission.

Senate Bills 587 and 588 would have no fiscal impact on State or local government.

Date Completed: 10-31-19

Fiscal Analyst: Elizabeth Raczkowski