



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



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

Senate Bill 230 (Substitute S-1 as reported)
Sponsor: Senator Ed McBroom
Committee: Regulatory Reform

CONTENT

The bill would amend the Michigan Liquor Control Code to extend a sunset on a discount for on-premises licensees on uniform prices for the sale of alcoholic liquor. Under the Code, specially designated distributors and on-premises licensees are entitled to a 17% discount from the uniform prices described above on alcoholic liquor purchased from the State. Beginning on July 1, 2020, and for 12 months after, on-premise licensees are entitled to a 23% discount from the uniform prices. The bill would extend the sunset for this provision to December 31, 2023.

The bill also would waive various specified annual renewal fees for licensees holding licenses to serve alcoholic beverages on-premises for the 2021 renewal.

MCL 436.1233 & 436.1525

Legislative Analyst: Christian Schmidt

FISCAL IMPACT

The bill would have a significant negative fiscal impact on State and local units of government.

The waiver of renewal fees for the 2021 renewal period would result a revenue loss of approximately \$9.0 million based on fiscal year 2019-20 data. Distribution of this revenue varies by license type. If the revenue were collected, approximately \$3.9 million would be distributed to local units of government and about \$3.0 million would be retained by the Michigan Liquor Control Commission for licensing and enforcement activities. Approximately \$1.25 million would fund alcoholism treatment programs, about \$680,000 in Sunday Sales Permits (AM) would be directed to the General Fund, and about \$12,000 would be directed to the Michigan Craft Beverage Council.

The increase of the discount from 17% to 23% also would result in significantly decreased revenue to the State. The Commission estimates that the change would result in a loss of approximately \$55.0 million from the July 1, 2020, start date to the December 31, 2023, end date. These estimates suggest a loss of approximately \$37.5 million between July 1, 2021, and December 31, 2023. The revenue loss would affect the Liquor Purchase Revolving Fund, which lapses to the General Fund at the close of each fiscal year.

Date Completed: 4-26-21

Fiscal Analyst: Elizabeth Raczkowski