Legislative Analysis

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RESORT LIQUOR LICENSES

Senate Bill 257
Sponsor: Sen. Bev Hammerstrom
House Committee: Regulatory Reform
Senate Committee: Economic Development, Small Business and Regulatory Reform

Complete to 5-23-05

A SUMMARY OF SENATE BILL 257 AS PASSED BY THE SENATE 4-27-05

Generally speaking, liquor licenses are issued to establishments under the Michigan Liquor Control Code under a population quota system. That is, the number of licenses available in a local unit of government is limited by its population. However, the code allows several exceptions. For instance, the code has been amended numerous times to allow additional resort licenses and specially designated distributor (SDD) licenses in resort areas to be issued for specific years.

Senate Bill 257 would amend the Michigan Liquor Control Code to allow the Liquor Control Commission to issue the following additional licenses per year for 2005 and 2006:

- Up to 10 resort licenses (for on-premises consumption) to establishments whose business and operation are designed to attract and accommodate tourists and visitors to the resort area, whose primary purpose is not the sale of alcoholic liquor, and whose capital investment in real property, leasehold improvement, and fixtures for the premises is $75,000 or more. At least one of these licenses in each year would have to be issued to an applicant located in a rural area with a poverty rate greater than the statewide average or that is located in a rural area with an unemployment rate higher than the statewide average for three of the five preceding years.

- Up to 20 resort economic development licenses to establishments whose business and operation are designed to attract and accommodate tourists and visitors to the resort area, whose primary business is not the sale of liquor, whose capital investment, leasehold improvement, fixtures, and inventory for the premises exceed $1.5 million, and that does not allow casino gambling on the premises.

- Up to 10 additional SDD licenses (for the sale of package liquor for off-premises consumption) to established merchants whose business and operation are designed to attract and accommodate tourists and visitors to the resort area, in governmental units having a population of 50,000 or less, in which the quota of SDD licenses has been exhausted.

MCL 436.1531

FISCAL IMPACT:

If the bill is enacted, there would be no fiscal impact on the state of Michigan or its local units of government. If not, approximately $7,500 in annual revenue would be lost, of which 45 percent would be the state share and the remainder would be allocated to local units of government.

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■ 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.