



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

BILL ANALYSIS



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

House Bill 4113 (as passed by the House)
Sponsor: Representative Samantha Steckloff
House Committee: Regulatory Reform
Senate Committee: Regulatory Affairs

Date Completed: 11-13-25

CONTENT

The bill would amend the Michigan Liquor Control Code to increase, from 17% to 23%, the discount that specially designated distributors and on-premises licensees are entitled to off the Liquor Control Commission's uniform price of alcoholic liquor.

The Code requires the Commission to establish uniform prices for the sale of alcoholic liquor by specially designated distributors.¹ The prices set by the Commission must return a gross profit to the Commission of not less than 51% and not greater than 65%. If alcoholic liquor purchased by the Commission has not met sales standards established by the Commission for 6 months, the Commission may sell the alcoholic liquor at a price to be approved by the State Administrative Board

Currently, specially designated distributors and on-premises licensees are entitled to a 17% discount from the uniform prices on alcoholic liquor purchased from the State. The bill would increase this discount to 23%.

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

The bill is similar to House Bill 4757 from the 2023-2024 Legislative Session. That bill passed the House and was referred to the Senate Committee on Government Operations but received no further action.

MCL 436.1233

FISCAL IMPACT

The bill would have a negative fiscal impact on State government and no fiscal impact on local governments. The discount would decrease payments made by distributors to the Liquor Purchase Revolving Fund. Net profits from the sale of alcoholic liquor are transferred from the Liquor Purchase Revolving Fund to the General Fund at the end of the fiscal year. According to the annual financial report for fiscal year 2023, the current discount totals \$319.6 million. The bill would increase this discount to approximately \$432.4 million. This would reduce revenue transferred to the General Fund by \$112.8 million.

Analyst: Nathan Leaman

¹ "Specially designated distributor" means a person engaged in an established business licensed by the Commission to distribute spirits in the original package for the Commission for consumption off the premises.

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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.