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BILL ANALYSIS

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Senate Bill 216 (Substitute S-1)
Sponsor: Senator Jason E. Allen
Committee: Economic Development and Regulatory Reform

Date Completed: 4-29-09

CONTENT

The bill would amend the Michigan Liquor Control Code to do all of the following:

- **Include a "nonpublic continuing care retirement center" in the classes of vendors that may sell alcoholic liquor at retail, and allow a licensed center to sell and serve beer, wine, and spirits to residents and their guests for on-premises consumption.**
- **Establish a $600 license fee for a nonpublic continuing care retirement center license.**
- **Require the Liquor Control Commission (LCC) to grant a nonpublic continuing care retirement center license to an applicant that complied with the bill's requirements.**
- **Limit to 20 the number of retirement center licenses that could be issued, and allow the LCC to transfer the license of a retirement center that went out of business.**
- **Require the LCC to publish a notice if an applicant had not existed for at least 10 years before the bill's effective date.**

The Code lists the classes of vendors that may sell alcoholic liquor at retail in Michigan. The bill would include in that list a nonpublic continuing care retirement center, where beer, wine, mixed spirit drink, mixed wine drink, and spirits could be sold at retail and served on the licensed premises to residents and bona fide guests accompanying residents for consumption only on the licensed premises.

The Code also specifies license fees for the various licenses issued under it. The fees must be paid at the time applications are filed or as otherwise provided. The bill would establish a $600 fee for a nonpublic continuing care retirement center license.

Upon submission of a completed application and upon demonstrating compliance with any applicable public notice requirements, the LCC would have to grant a nonpublic continuing care retirement center license to an applicant. The total number of licenses issued under the bill could not exceed 20. If a licensee went out of business, the license would have to be surrendered to the LCC, which could transfer the license to a new business owner upon transfer of the owner's interest in the business.

In the case of the issuance of an initial license for an applicant that had not been in existence for at least 10 years before the bill's effective date, the LCC would have to publish a notice of intent to issue the license in a newspaper of general circulation in the county in which the applicant was located. The notice would have to be published at least 10 days before the proposed date of issuance of the license. The notice requirement would not apply to the renewal of a license.

Under the bill, "nonpublic continuing care retirement center" would mean a residential community that, as determined by the LCC, meets both of the following:

-- Provides full-time residential housing predominantly for individuals over 62 years of age.
-- Is registered as a "facility" under the Living Care Disclosure Act (i.e., an adult foster care facility, nursing home, retirement home, home for the aged, or a place that undertakes to provide care to an individual for more than one year).

MCL 436.1525 et al. Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would increase the revenue to the Liquor Control Commission within the Department of Energy, Labor, and Economic Growth by an unknown amount due to the issuance of a new type of retail liquor license for nonpublic continuing care retirement centers. Retail liquor license revenue is distributed as follows: 41.5% is retained by the LCC for the costs of administration, 55.0% is distributed to local units of government as liquor law enforcement grants, and 3.5% is used for State programs for alcoholism prevention and treatment.

Assuming that 20 new licenses authorized by the bill were issued, revenue of approximately $12,000 annually would be available for distribution, increasing revenue to the LCC by an estimated $5,000, increasing liquor law enforcement grants by $6,600, and increasing State revenue to the Department of Community Health for alcoholism treatment by $400.

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