

Legislative Analysis



ALLOW INTER-COUNTY TRANSFER OF SDD LICENSES

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5140

Sponsor: Rep. John Walsh

Committee: Regulatory Reform

Complete to 11-11-13

A SUMMARY OF HOUSE BILL 5140 AS INTRODUCED 11-7-13

The bill would amend the Liquor Control Code (at MCL 436.1531) to allow for the inter-county transfer of specially designated distributor (SDD) licenses.

[SDD license holders are able to sell spirits and mixed spirit drinks in their original packaging for consumption off the licensed premises. According to the Liquor Control Commission (LCC), the most common businesses with SDD licenses are grocery stores, drug stores, and convenience stores.]

Under the bill, a SDD license could be transferred to an applicant whose proposed operation is located within any local governmental unit in the county in which the SDD license was located. Such a transfer would be subject to the approval of the LCC and the local legislative body. If the local unit of government within which the former licensee's premises were located spans multiple counties, the license could be transferred to an applicant whose proposed operation is located in either county. Transfer of an SDD license would require the consent of the LCC and local legislative approval.

If the SDD license is activated within a local unit of government other than the local unit in which the license was originally issued, the license would count against the quota for the local unit that originally issued the license.

The number of licenses that could be transferred within a county during the first three years after the bill took effect would be capped at 10 in the first year, 20 in the second year, and 30 in the third year.

FISCAL IMPACT:

House Bill 5140 could have an indeterminate, yet likely nominal, fiscal impact on the LCC if HB 5140 results in an increase in the number of SDD licenses transferred. The LCC would collect and retain SDD transfer fees equal to the application fee for SDD licenses: \$150 plus \$3 for each \$1,000 or major fraction of that amount in excess of \$25,000 of the total retail value of merchandise purchased under the license during the previous calendar year.

Legislative Analyst: Jeff Stoutenburg

Fiscal Analyst: Paul Holland

■ 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.