

Legislative Analysis



PRICE OF ALCOHOLIC LIQUOR AT PUBLIC VERSUS PRIVATE FUNCTIONS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4432

Sponsor: Rep. Lee Chatfield

Committee: Regulatory Reform

Complete to 4-21-15

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4432 would amend the Michigan Liquor Control Code by adding a new section, Section 1014, which would prohibit an on-premises licensee from advertising, selling, or offering to sell, an unlimited quantity of alcoholic liquor at a specific price unless in connection with a private function. (The term "alcoholic liquor" applies to beer, wine, and spirits.)

The bill also would prohibit an on-premises licensee from advertising, selling, or offering to sell, two or more identical drinks containing alcoholic liquor to an individual for the individual's consumption for one price. If two or more identical drinks containing alcoholic liquor are served to an individual at one time, the price charged for the second and each additional drink must be the same as the price charged for the first drink.

A "private function" would be defined as an event that meets all of the following:

- It is a prearranged private party, function, or event for a specific social or business occasion.
- It is only by invitation or reservation.
- It is not open to the general public.
- The guests are served in an outdoor service area or room that is designated and used exclusively for the event.

The bill would go into effect 90 days after the date it is enacted into law.

FISCAL IMPACT:

House Bill 4432 would not have a significant fiscal impact on the Liquor Control Commission (LCC) since HB 4432 merely adopts R 436.1438 of the Michigan Administrative Code, while adding the exemption for "private functions," on which the LCC had not vigorously enforced the prohibition.

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