



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1088 (Substitute S-1 as reported)
Sponsor: Senator Peter MacGregor
Committee: Regulatory Reform

CONTENT

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

- Allow a retailer that holds a specially designated merchant (SDM) license to use a third party delivery service by means of the internet or a mobile application to facilitate the sale of, or to deliver, beer or wine to a consumer if the delivery service obtained a license from the Liquor Control Commission and verified that the individual accepting delivery was at least 21 years old, and other conditions were met.
- Allow the Commission to charge third party delivery service application and license fees.
- Specify that, if a third party delivery service violated the bill's provisions, the Commission could not treat the delivery service's violation as a violation by the retailer that used the delivery service.
- Allow a retailer that holds an SDM license to use a common carrier to sell and deliver wine to a consumer in the State by mail order, telephone, or electronic means, if the common carrier verified that the individual placing the order was at least 21, the common carrier met container labeling requirements, and other conditions were met.
- Establish reporting requirements for a common carrier that carried or transported alcoholic liquor into the State to a person in Michigan.
- Delete references to an out-of-State retailer that holds a license substantially equivalent to an SDM license in provisions that allow delivery of beer or wine to a consumer's home or other designated location, or delivery to municipalities surrounded by water.

(A specially designated merchant license authorizes the sale of beer or wine, or both, for off-premises consumption.)

MCL 436.203

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have a neutral fiscal impact on the Michigan Liquor Control Commission (MLCC) and no fiscal impact on local units of government. Under the bill, it would be necessary for the MLCC to develop a licensing program for third party delivery services for beer and wine. Since the bill would allow the MLCC to charge fees for application, initial licensing, and license renewal, it seems reasonable to assume that the fees would be set at a level that would allow the MLCC to recover its costs.

Date Completed: 9-28-16

Fiscal Analyst: Josh Sefton