

Legislative Analysis



BOND REQUIREMENTS IN THE LIQUOR CODE

Senate Bill 320 as referred to second House committee

Sponsor: Sen. Peter MacGregor

1st House Committee: Regulatory Reform

2nd House Committee: Ways and Means

Senate Committee: Regulatory Reform

Complete to 10-29-19

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<http://www.house.mi.gov/hfa>

Analysis available at

<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 320 would amend the Liquor Control Code to remove bonding requirements for certain licensees.

Section 801 of the code currently requires, as a condition of receiving a license, the following licensees or applicants to execute the following bonds:

- A manufacturer or outstate seller of beer, wine, or mixed spirit drink: a bond in the amount of \$1,000 or an amount that is equal to 1/12 of the total beer, wine, or mixed spirit drink excise taxes paid to the state in the last calendar year, whichever is greater, for the faithful performance of the conditions of the license and for compliance with the code.
- A special license authorizing the sale for consumption on the premises of beer, wine, mixed spirit, or spirits: a bond in the amount of \$1,000.

Senate Bill 320 would eliminate the above provisions and others that relate or refer to them.

The bill would also delete a provision requiring a bond “as the commission requires” from a person licensed to use alcohol in the manufacture of such things as flavor extracts, patent medicines, or toilet, medicinal, or antiseptic preparations or solutions.

MCL 436.1207 et seq.

FISCAL IMPACT:

Senate Bill 320 is unlikely to have a significant fiscal impact on any unit of state or local government. The bill may reduce administrative costs for the Liquor Control Commission within the Department of Licensing and Regulatory Affairs (LARA) by a nominal amount.

POSITIONS:

A representative of the Michigan Brewers Guild testified in support of the bill. (10-3-19)

The Michigan Liquor Control Commission indicated support for the bill. (10-3-19)

The Surety and Fidelity Association of America indicated opposition to the bill. (10-3-19)

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