



Senate Fiscal Agency
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Senate Bill 320 (as reported without amendment)
Sponsor: Senator Peter MacGregor
Committee: Regulatory Reform

CONTENT

The bill would amend the Michigan Liquor Control Code to delete the bonding requirement that must be fulfilled before the approval and granting, or renewal, of a license under the Code.

The Code authorizes the Michigan Liquor Control Commission to issue licenses as provided in the Act on the payment of listed fees and the filing of the bonds required in the Code under Section 801 (described below) or liability insurance as provided in the Code. The bill would delete the reference to the bond requirement in Section 801.

Section 801 specifies that, except as otherwise provided, before the approval and granting, or renewal, of a license, the following licensees or applicants for that license must make, execute, and deliver to the Commission a bond executed by a surety company authorized to do business in Michigan or, in the discretion of the Commission, by approved personal surety running to the people of the State, in the specified amounts for a manufacturer of beer, wine, or mixed spirit drink, and an outstate seller of beer, wine, or mixed spirit drink, and for a special license authorizing the sale of beer, mixed spirit drink, wine, or spirits for consumption on the premises. The bill would delete these provisions from Section 801.

The Code also specifies that it does not apply to the purchase of alcoholic liquor for use in the manufacture of toilet, medicinal, or antiseptic preparations or solutions, or any flavoring extract or patent or proprietary medicines or preparations, by a manufacturer using alcoholic liquor exclusively for the manufacturing purposes and licensed by the Commission (which license expires on May 1 following the date of its issuance). A license issued for this use is predicated on the payment of an annual fee of \$10, and the furnishing of a bond or bonds as the Commission requires running to the people of the State, for the faithful performance of the conditions of the license and compliance with the Code. The bill would delete the bond requirement.

MCL 436.1207 et al.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill likely would have a minor positive fiscal impact on the Department of Licensing and Regulatory Affairs and no fiscal impact on local government. The Michigan Liquor Control Commission could experience cost savings of indeterminate, but minimal, magnitude as it no longer would have to collect and administer the bonds.

Date Completed: 6-19-19

Fiscal Analyst: Elizabeth Raczkowski

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Bill Analysis @ www.senate.michigan.gov/sfa

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