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BILL ANALYSIS

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Senate Bill 731 (as introduced 2-28-24)
Sponsor: Senator Roger Hauck
Committee: Regulatory Affairs

Date Completed: 5-7-24

CONTENT

The bill would amend the Liquor Control Code to prescribe fines for a liquor retailer that defaulted on tax payments or payments to wholesalers.

The Liquor Control Code provides for the licensing of certain liquor retailers and imposes certain taxes and regulations on liquor retailers.

Currently, a retailer is in violation of the Code and subject to penalties if the retailer or the retailer's clerk, servant, agent, or employee makes a payment to a wholesaler, the Liquor Control Commission, or the State by any means that has been dishonored by a financial institution for lack of sufficient funds.

Under the bill, a retailer would be in violation of the Code if the retailer or the retailer's clerk, servant, agent, or employee made a payment to a wholesaler, the Commission, or the State by any means that had been dishonored by a financial institution *for any reason*.

If a retailer defaulted on a payment to a wholesaler, the retailer would have to pay the wholesaler the following administrative fees:

-- $50 for the first violation.
-- $150 for the second violation within 12 months after the first violation.
-- $300 for the third or subsequent violation within 12 months after the first violation.

Any fines ordered by the Commission for a violation under the bill would have to be deposited in the Liquor Control Enforcement and License Investigation Revolving Fund.

MCL 436.1903b

FISCAL IMPACT

The bill would have an indeterminate positive fiscal impact on State government and no fiscal impact on local units of government. The impact would depend on the number of violations of the bill and the number of repeated violations within a single year. Fines paid for violations of the bill would be deposited into the Liquor Control Enforcement and License Investigation Revolving Fund, which is expended for the enforcement of the Code.

Analyst: Nathan Leaman

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