

## SDM LIQUOR LICENSE: MODIFY POPULATION QUOTA

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**House Bill 5719 (proposed substitute H-1)**  
**Sponsor: Rep. Curtis S. VanderWall**  
**Committee: Regulatory Reform**  
**Complete to 4-24-18**

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

### SUMMARY:

Currently, the Michigan Liquor Control Code allows the Liquor Control Commission (LCC) to issue one specially designated merchant (SDM) license for each 1,000 of population. An SDM license allows for the sale at retail of beer and/or wine for off-premises consumption.

House Bill 5719 would amend the Code to specify that the LCC could issue one SDM license for each 1,000 of population or fraction of 1,000.

MCL 436.1533

### FISCAL IMPACT:

House Bill 5719 would not have a significant fiscal impact on the Department of Licensing and Regulatory Affairs or on other units of state or local government. The department indicated that prior to 2016 PA 434 becoming effective on January 4, 2017, there was no quota on specially designated merchant (SDM) licenses. With the establishment of the quota in MCL 436.1533, there are currently no quota licenses available for SDMs located in cities, incorporated villages, or townships (CVTs) with a population under 1,000. This bill would provide a remedy by allowing the Liquor Control Commission to issue one SDM license in CVTs with a population under 1,000. Due to the limited number of situations which this act would likely affect, the fiscal impact would be minimal. The license fee for SDMs is \$100 per location. Any additional money from the license fees would be distributed in accordance with MCL 436.1543, with 55% being distributed to local and county law enforcement, 41.5% being retained for administration of licensing and enforcement provisions of the Liquor Control Code, and 3.5% for promoting and sustaining programs for the prevention, rehabilitation, care, and treatment of alcoholics.

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